



## **ORGANIZATIONAL AND ECONOMIC FACTORS OF DEVELOPING LEASING SERVICES, THEIR CLASSIFICATION AND CHARACTERISTICS**

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<b>Received:</b> 7 <sup>th</sup> March 2025	This article provides information on leasing services, revealing the organizational and economic factors of their development, their classification, description, and significance. It highlights proposals for the development of the leasing market, its role in creating economic opportunities for business entities, and expanding its services.
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**INTRODUCTION:** Changes in the economy, the deepening of economic reforms, and the development of entrepreneurship necessitate the search for additional financial resources to renew fixed capital. The limited availability of internal financial resources in emerging entrepreneurial structures of the national economy creates a need to seek unconventional sources and methods of investment financing. A distinctive feature of developing leasing relations is that it allows for the rapid renewal of machinery and equipment based on resource savings during a period when enterprises have limited financial resources.

At the core of any economic reforms lies the task of improving people's living standards and well-being by ensuring economic growth in the country's regions. It can be seen that our country has been paying special attention to one of such tasks: utilizing the leasing method of financing investments in the modernization of the economy and developing these financial relations.

In the non-state sector of the economy (agricultural and small business enterprises), there is high demand for leasing services, and this sector faces problems such

as low capital volume, insufficient depreciation allowances, and lack of reserves. In such situations, leasing is considered the most suitable method of financing for producers and allows them to purchase not only agricultural machinery but also other elements of the material and production base.

### **LITERATURE REVIEW**

The development of leasing relationships and the resolution of associated marketing challenges, including the scientific and theoretical aspects of marketing strategies, have been addressed in the works of numerous foreign scholars and research centers. In this regard, the scientific works of Kotler Ph., S. Kingsnorth, Kannan P. K., Lockett, A. Finotto, J. Blythe, and F.E. Webster Jr. have become seminal in the field.<sup>1</sup> Despite the significant contributions of these international scholars to marketing, business marketing research, and the formation of relationship marketing theory and practice, the issues of organizing relationship marketing for business entities and implementing digital marketing strategies have received little attention. Even when

<sup>1</sup> M.Kotler, T.Cao, S.Wang Marketing Strategy in the Digital Age: Applying Kotler's Strategies to Digital Marketing, Digital marketing strategy: an integrated approach to online marketing / Simon Kingsnorth. 2016 Kannan P. K. H.“A.” Li Digital marketing: A framework, review and research agenda // International Journal of Research in Marketing. 2017. № 34. C. 22–45, Kapoor N., Jain M., Prasad R. Digital Marketing Strategies and the Behaviour of Millennials // International Journal of Economic Research. 2017. № 14(16).

C. 109–118.,Lockett, A. (2018). Online marketing strategies for increasing sales revenues of small retail businesses. Walden Dissertations and Doctoral Studies., Finotto, V., & Mauracher, C. (2020). Digital marketing strategies in the Italian wine sector. International Journal of Globalization and Small Business, 11 (4), 373-390. Industrial Marketing Strategy (Wiley Series on Marketing Management) by Frederick E. Webster Jr. (1984-09-19) Hardcover – January 1, 1774



these topics have been considered, the specific characteristics of using marketing strategies in the development of leasing relationships have not been adequately addressed in these works.

Scientists such as Azoev, G.L., Bagiyev, G.L., Belyaevsky, I.K., Vinogradova, M.V., Goldstein, G.Ya., Katayev A.V., Kovalev, A.I., Prudnikova, A.E., Speshilova, N.V., Yushkova, L.V., and Shonessi, D.O. have conducted research on the use of marketing strategies in developing leasing relationships in the Commonwealth of Independent States countries.<sup>2</sup> Their research focuses on the mutual interests of leasing participants and improving the quality and competitiveness of leasing services. The scientific works of these scholars provide theoretical and methodological proposals on the specific aspects of using marketing strategies in the development of leasing relationships.

The research of the aforementioned economists is aimed at developing marketing strategies in various industries. However, systematic research on the use of marketing strategies in developing leasing relationships has not been conducted. The topic of this dissertation was chosen taking these aspects into account, and its goals and objectives were formulated accordingly.

## RESEARCH METHODOLOGY

A mixed-method approach was employed in this research. A systematic analysis of scientific articles, industry reports, and regulatory documents established the foundation for theoretical and contextual knowledge of leasing and the services market. Additionally, secondary quantitative data, including global leasing industry growth rates, digital technology adoption indicators, and customer satisfaction indices, were obtained from reputable financial service associations and statistical bureaus. The collected data underwent qualitative thematic analysis to identify recurring patterns: digital transformation, product diversification, sustainability integration, and customer-oriented

innovations. Subsequently, quantitative indicators were utilized to substantiate these themes. Comparisons across various regions and sectors revealed differences in leasing development trends. This integration of qualitative and quantitative approaches provided a comprehensive understanding of the key trends shaping leasing services and the services market.

## ANALYSIS AND RESULTS

The rental market is a complex field influenced by various factors. Individuals can make informed decisions and operate effectively in the rental market by understanding the importance of personal factors, location, market supply and demand, economic conditions, property characteristics, and local regulations. For successful management of rental properties, it is crucial to adapt to the constantly changing dynamics of the market and be aware of the influencing factors.

Location: Location plays a crucial role in setting rental prices, as various factors influence the market value of rental properties. Proximity to amenities, transport links, educational institutions, and work centers all increase the attractiveness of a location. For example, rental property located in a bustling area with high-quality schools, convenient transportation, and promising job opportunities may command higher rental prices. Conversely, properties in less desirable or remote areas may have lower rental prices due to limited amenities and opportunities. By understanding these factors, landlords and property owners can make informed decisions on rental pricing strategies.

Market Demand and Supply: The interaction between market demand and supply is a crucial factor in determining the rental market. When demand exceeds the existing supply of rental properties, landlords gain an advantage and have the ability to set higher rental prices. Market demand can be influenced by population growth, changes in economic conditions,

<sup>2</sup> Azoyev, G.L. Competitive Advantages of the Firm: Textbook for Universities / G. 256 p. Bagiyev, G. L. Methods of Obtaining and Processing Marketing Information / G. L. Bagiyev. - St. Petersburg: Piter, 1997. 556 p. Belyaevsky, I. K. Marketing Research: Information, Analysis, Forecasting: Textbook for Universities / I. K. Belyaevsky. - Moscow: Finance and Statistics, 2015. 414 p. Vinogradova, M. V. Organization and Planning of the Activities of Enterprises in the Sphere of Service: Textbook for Universities / M. V. Vinogradova, Z. I. Panina. - Moscow: Dashkov i K, 2016. 244 p. Gaydayenko, T. A. Marketing Management: Principles of Management Decisions and Russian Practice / T. A. Gaydayenko. - 3rd ed., revised and supplemented. -Moscow:

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and lifestyle preferences. Being aware of market dynamics allows both landlords and tenants to make informed decisions when negotiating rental prices. Individuals who are knowledgeable about the interaction between market demand and supply can make rational decisions during rental price negotiations.

♦ **Economic Conditions:** Economic factors have a significant impact on the rental market. The overall financial situation of the region, including inflation rates, interest rates, and labor market conditions, determines rental prices. During periods of economic growth and stability, the demand for rental properties typically increases as more people secure employment and seek housing. Conversely, during an economic crisis, demand may decrease as people face financial difficulties and search for more affordable housing options. Understanding the economic situation and its impact on the rental market enables property owners and tenants to make informed decisions.

♦ **Property features and amenities:** The quality and characteristics of rental properties play a crucial role in determining their market value. Well-maintained properties with numerous amenities have the potential to command higher rental prices. For instance, tenants often seek in-unit laundry facilities, modern appliances, ample parking spaces, and access to common areas such as gyms or swimming pools, and are even willing to pay additional fees for these conveniences. Property owners should consider investing in renovations and additional amenities to enhance the appeal of their rental properties and justify higher rental rates. When owners invest in strategic upgrades and amenities, it attracts a wider rental market and allows tenants to be more satisfied with their living conditions.

♦ **Local Regulations and Competition:** Understanding local regulations and market dynamics is crucial for property owners. Rent control policies, restrictions on rent increases, and tenant protection laws vary across regions and significantly impact rental prices. By understanding these rules, property owners can comply with legal requirements and avoid potential fines or disputes. Additionally, market competition plays a vital role in shaping the rental market. Factors such as new construction and an increase in rental properties can intensify competition, potentially leading to changes in rental prices. Property owners must stay informed about market trends and adjust their rental prices to remain competitive.



**Figure 1. Key factors for success in the leasing business.<sup>3</sup>**

- 1 • Competitive advantage has a number of manifestations, such as volume, financial resources, and process speed.
- 2 • Specialization - creating one's own market niche by focusing on a specific product or market segment, transaction volume, type of equipment, industry, or geographical area.
- 3 • Customer service and flexibility contribute to good relationships. The landlord's flexibility regarding product offerings and prompt response are appreciated.
- 4 • Financing opportunity - for long-term stability and viability
- 5 • Controlling back-office expenses - Lower back-office costs increase profitability.
- 6 • A highly skilled workforce is crucial - insufficient qualifications and knowledge of employees negatively affects profitability.
- 7 • Appropriate strategies - the lessor should not base their assumptions on factors beyond their control.
- 8 • Adaptability to market changes - with fluctuations in profitability, the lessor should have the ability to transition from one market to another.
- 9 • Maintaining goals means focusing on the core business.

<sup>3</sup> Author's original work



**Figure 2. Improving the interrelationships of marketing environment factors in the development of leasing relationships.<sup>4</sup>**

Intensified competition in the marketing leasing market is one of the primary drivers for the development and enhanced competitiveness of leasing companies. The most crucial issue in developing leasing relationships is establishing relationship marketing in the leasing market based on loyalty (SAT), trustworthiness (TRUST) factors, and social media (SM) as digital marketing channels. Figure 2, titled

"Improving the Interrelationships of Marketing Environment Factors in the Development of Leasing Relations," presents a comparative analysis of micro- and macro-environmental marketing factors in leasing relationships and examines the interrelationships among marketing environment factors.

#### **CONCLUSION**

<sup>4</sup> Yusupova Feruza Yoldoshevna. Marketing Strategies in the Development of Leasing Relationships. Urgench-2022. P 55.



The research conducted on the organizational and economic factors influencing the development of leasing services has led to the following scientifically based conclusions, recommendations, and proposals:

1. The development of the leasing services and service market is considered one of the priority tasks in our country. This is evidenced by the numerous decrees and resolutions adopted by the President of the republic to regulate this sector's activities, align it with international standards, introduce tax and customs benefits, and attract domestic and foreign investment, demonstrating the constant attention of the country's leadership to this area. However, in economic literature, the theoretical issues of the leasing services and service (LSS) sector, the organizational and economic factors of its development, and the problems of service development in the industry are insufficiently covered.

2. Through a theoretical study of available literature on leasing services and the service sector, improved definitions of the concepts of leasing, leasing services, service, and leasing service have been developed. Based on the experience of foreign countries, the role and importance of service in the leasing services system have been substantiated.

3. In our country, a favorable regulatory framework has been established for governing the development of the leasing services and service sector. Over the past eight years, the existing legislation has been improved by the government and brought into line with international standards. This work, based on the current requirements for LSS development and the experience of foreign countries in this area, substantiates the need to make appropriate additions and amendments to the Law "On Leasing."

4. Based on our research, important indicators for the region's economy were identified and thoroughly analyzed, including the number of existing lessors in the region, the volume of leasing services provided by them and the lessors' share in these services, the structure of leasing services volume by economic sectors and regional territories, as well as its share in the gross regional product and investments in fixed capital. Appropriate recommendations aimed at developing the industry were formulated.

We believe that the application of these recommendations in the relevant field of science and practice will allow us to identify existing internal opportunities for the development of leasing services in the republic and its regions, as well as facilitate effective development of the industry.

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