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## METHODOLOGICAL ASPECTS FOR DETERMINING THE EFFICIENCY OF MARKETING IN COMPANIES

©*Umidova F., Tashkent State University of Economics,  
Tashkent, Uzbekistan, fotima.umidova.85@mail.ru*

## МЕТОДОЛОГИЧЕСКИЕ АСПЕКТЫ ОПРЕДЕЛЕНИЯ ЭФФЕКТИВНОСТИ МАРКЕТИНГА В КОМПАНИИ

©*Умидова Ф. И., Ташкентский государственный экономический университет,  
г. Ташкент, Узбекистан, fotima.umidova.85@mail.ru*

*Abstract.* At the current stage of reforms in the economy of Uzbekistan, special attention is paid to the development of competition in commodity markets. In such a competitive market environment, the success of any business depends on the efficiency of marketing activities. Therefore, this article describes the methodological aspects of determining the efficiency of marketing in companies. Indicators that determine the efficiency of marketing activities are reflected. In particular, the structure of internal and external performance indicators of marketing activities, current and final indicators related to marketing activities are shown. The importance of costs in the efficiency of marketing activities has also been mentioned. The composition of marketing costs is determined.

*Аннотация.* На сегодняшний день при проведении реформ в экономике Узбекистана особое внимание уделяется развитию конкуренции на рынках. В такой конкурентной рыночной среде успех любого бизнеса зависит от эффективности маркетинговой деятельности. Поэтому в данной статье описаны методологические аспекты определения эффективности маркетинга в компаниях. Отражены показатели, определяющие эффективность маркетинговой деятельности. В частности, показана структура внутренних и внешних показателей эффективности маркетинговой деятельности, текущие и конечные показатели, относящиеся к маркетинговой деятельности. Также была упомянута важность затрат для эффективности маркетинговой деятельности. Определен состав маркетинговых затрат.

*Keywords:* marketing efficiency, market attractiveness, potential market, market share, competitiveness, marketing costs, marketing audit.

*Ключевые слова:* эффективность маркетинга, рыночная привлекательность, потенциальный рынок, доля рынка, конкурентоспособность, маркетинговые затраты, маркетинговый аудит.

### *Introduction*

As a result of profound structural changes and diversification of the Uzbek economy, the competitive environment in commodity markets is changing from year to year. In this regard, the Decree of the President of the Republic of Uzbekistan “On additional measures to further develop the competitive environment and reduce state participation in the economy” and the strategy for the

development of competition in commodity and financial markets for 2020–2024 approved by it are taking the country's economy to a completely new development stage, which is in line with market economy rules [1]. In a competitive market environment, any company pays special attention to marketing activities. In particular, the practice of efficient use of marketing activities, marketing tools in the activities of the company is being introduced. That is why the issue of determining the efficiency of marketing in companies is becoming one of the most important issues.

### *Conclusions and discussions*

Improving the efficiency of social production in any society lays the foundation for economic development. For this reason, one of the most important issues today is to increase the efficiency of social production in the context of deep structural changes in the economy, the acceleration of modernization, and the diversification of industries. Currently, many resources are limited, and most of them are imported. Therefore, it is necessary to pay sufficient attention to such means of increasing efficiency as the rational use of available resources, increasing labor productivity, placing national and foreign investments in priority areas.

Most of the literature on company economics only deals with the economic efficiency of production. However, the social changes taking place in the country are attracting people's attention and necessitating the study and evaluation of socio-economic processes. Today, it is very important to study the economic and social efficiency of production. They are interdependent categories that necessitate one another.

It is important to determine the overall state of efficiency, including socio-economic efficiency. Socio-economic efficiency is the increase in the level of socio-economic consumption of the population, achieved through the rational use of limited resources.

The satisfaction of socio-economic needs is reflected in the increase of human maturity, growth of material and social well-being, cultural and spiritual development. The higher the well-being and maturity of a person, the higher the socio-economic efficiency.

The socio-economic efficiency of production is reflected in its ultimate goal. In the structure of socio-economic efficiency, special attention is paid to economic efficiency.

Economic efficiency is characterized by the volume of economic benefits created in the production process. The criterion of economic efficiency is the relationship of economic benefits to costs. In the process of production, factors (land, capital, labor, entrepreneurship) are expended, and as a result, a certain amount of benefits are created. Cost-effectiveness is expressed by comparing the result with the cost.

Today, our local businesses have also started spending on marketing activities. As a result, the participation of marketing in the formation of gross profit, net profit of companies, the sequence of turnover of commodity stocks. This also requires determining the efficiency of marketing activities in companies.

Marketing efficiency indicators are in addition to traditional financial performance indicators to ensure its completeness [2]. Marketing efficiency is used by marketing managers to manage marketing strategies and monitor market efficiency [3].

Just as socio-economic efficiency is determined by certain indicators, the effectiveness of marketing activities is also determined by certain indicators [4–5].

The indicators used to determine marketing efficiency are divided into two groups: internal indicators and external indicators.

Important internal indicators for control include:

- unit cost of production;

- costs;
- turnover of assets;
- labor productivity of employees;
- return of funds;
- calculation of total profitability.

Each of these indicators plays an important role in the high level of the company's marketing profitability and efficiency. Ensuring and monitoring the profitability of the company, the implementation of management decisions, etc., determines the analysis of indicators. Internal and external performance indicators and evaluation of their efficiency are important for the success of any business.

Methods for calculating the internal and external performance of the company have been developed by audit firms. However, in recent years, standardized methods for assessing internal and external indicators of market activity have not been developed [6].

External performance indicators of marketing activities consist of three categories of indicators:

1. Market efficiency indicators. This indicator is used to determine external market conditions and market attractiveness. It consists of a system of indicators such as activity growth rate, market share, market attractiveness, network attractiveness, and potential market demand.

2. Competitive efficiency indicator. This is an external indicator that indicates the competitiveness of the firm's products. The efficiency of the firm is also determined by evaluating the competitiveness in terms of prices, quality of products and services, brand and cost.

3. Customer performance indicators. This external indicator characterizes the efficiency of cooperation with consumers.

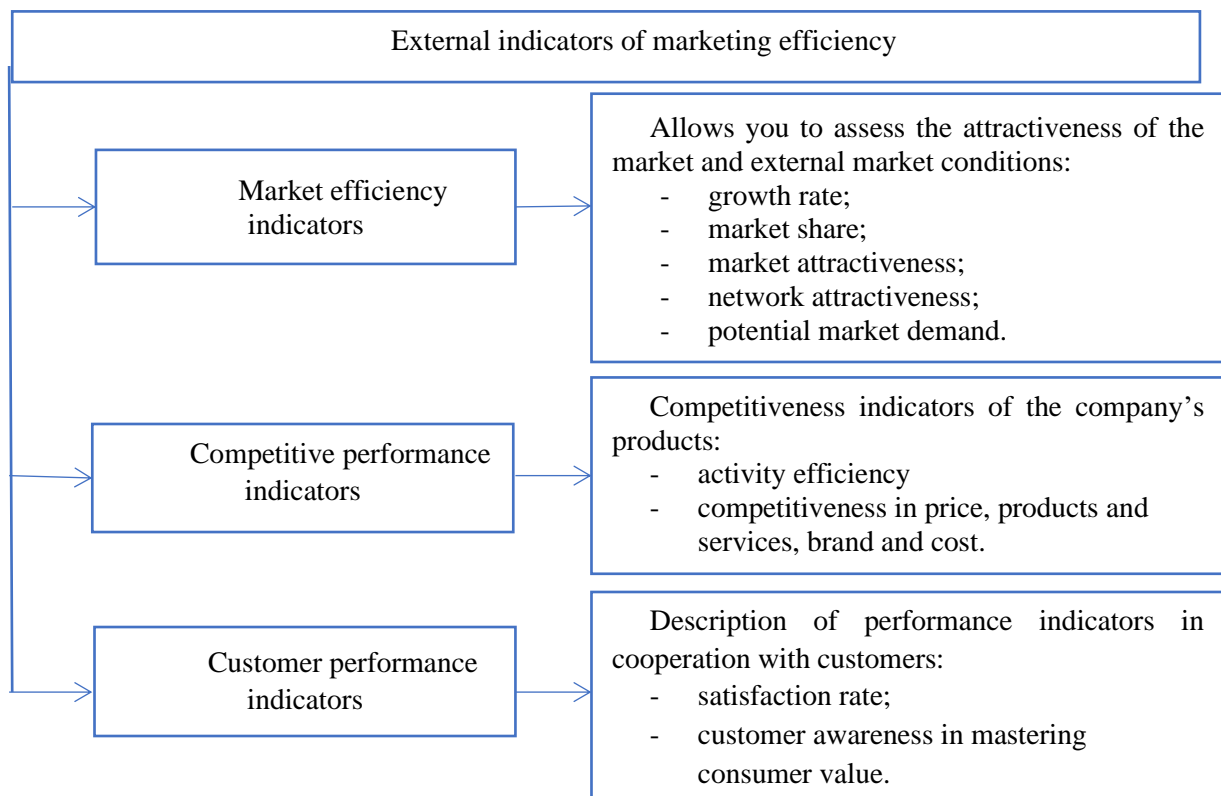


Figure. External indicators of marketing effectiveness.

External indicators of marketing efficiency are shown in full in Figure.

Key performance indicators are determined by financial results. Marketing performance indicators are important in implementing the strategy and determining the results achieved. All marketing performance indicators are among the leading business performance indicators [2].

Marketing performance indicators will consist of a system of current and final indicators. The above indicators are the leading indicators of the financial efficiency of the company [6]. The final indicators cover the financial results. These indicators are formed as a result of factors related to the internal activities of the company and external factors related to the market (Table 1).

Table 1.

COMPOSITION OF CURRENT AND FINAL INDICATORS

| <i>Assess the future</i>     |   | <i>Prospects over time</i>     |                                        |
|------------------------------|---|--------------------------------|----------------------------------------|
|                              |   | <i>Current indicators</i>      | <i>Final indicators</i>                |
| Internal<br>(in the company) | – | product defects;               | – net profit / income;                 |
|                              | – | non-modern delivery;           | – profitability of sales;              |
|                              | – | account replenishment errors;  | – margin per unit of output;           |
|                              | – | receivables;                   | – return on assets                     |
|                              | – | reserves                       | – asset turnover;                      |
| External<br>(on the market)  | – | customer satisfaction;         | – market share;                        |
|                              | – | product quality comparison;    | – customer retention;                  |
|                              | – | comparison of service quality; | – comparison of sales of new products; |
|                              | – | purpose of purchase;           | – revenue from a single customer;      |
|                              | – | satisfaction with the product. | – market growth rate.                  |

The result of each of the above indicators plays an important role in the high level of marketing efficiency and profitability of the company. The purpose of using key marketing metrics is to assess its current efficiency. The level of customer satisfaction is also an important indicator of the efficiency of marketing activities. The receivables of marketing activities is directly determined by the level of customer satisfaction.

There are theoretical approaches by J. J. Lamben, A. Parashuraman, V. A. Zeytaml and L. L. Berry on the level of customer satisfaction. These approaches have been widely studied to assess the level of customer satisfaction from consumer goods on a 5-point Likert scale.

Comparison of the quality of products and services also determines the efficiency of product policy, which is an important element of marketing activities. All current efficiency indicators are final: significant marketing efficiency is determined by indicators such as market share, customer retention, revenue per customer, and market growth rate. Achieving competitive advantages of any company is the most important indicators of market share and market growth rates. Customer retention, increasing the number of regular customers, the amount of revenue per customer is also an important component of the efficiency of marketing activities.

Just as the cost-effectiveness of any economic activity is related to costs, so are marketing costs. The structure of marketing costs is an important factor in determining the efficiency of the marketing activities of the company (Table 2).

Table 2.

MARKETING COST STRUCTURE

| <i>Cost of goods sold - total goods produced</i>                                                               |                                                                                                                              |
|----------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| Variable costs                                                                                                 | Procurement of materials, direct labor costs, packaging costs, transportation costs, transportation and production costs     |
| Overheads in production                                                                                        | Losses related to the use of production facilities, equipment and other costs, distribution costs proportional to production |
| <i>Marketing and sales costs are direct costs, the costs associated with implementing a marketing strategy</i> |                                                                                                                              |
| Marketing management                                                                                           | Costs associated with marketing resource management                                                                          |
| Sales, service and support                                                                                     | Customer service and support by administrative and technical service staff                                                   |
| Advertising and promotion                                                                                      | Marketing communication budget                                                                                               |
| <i>Current costs - overhead costs, during the implementation of the marketing strategy</i>                     |                                                                                                                              |
| Research and processing                                                                                        | Production costs of new or existing goods                                                                                    |
| Corporate expenses                                                                                             | Personnel costs, legal support, professional services, corporate advertising costs                                           |

The indicators that characterize the satisfaction of consumer demand for products (works, services) include:

- Coefficient of conformity of the composition of products (works, services) to consumer demand. This indicator is characterized in terms of the share of goods that are stagnant (non-transferable) in inventories. An increase in this indicator indicates a decrease in social efficiency. In a free economy, the struggle for the quality of products (works, services) and their compliance with consumer demand is one of the main indicators of the activities of companies;

- The level of familiarization of consumers with the existing types of products (works, services) through advertising. Nowadays, customers are more interested in the features, quality and other advantages of the goods. Advertising helps them in these matters. In studying the level of familiarization of consumers with its products (works, services), it is necessary to determine the contribution of companies that use various forms of advertising (television, radio and newspapers, athletes);

- Consumption ratio within the consumer basket, etc.

*Conclusion*

The efficiency of marketing activities is reflected in the financial results of any company. But in contrast to financial indicators, in practice, the efficiency of marketing activities is carried out in terms of individual elements of the marketing complex. That is, product, price, product promotion, and product delivery to the consumer. During the writing of the article the following conclusions were drawn:

1. Marketing performance indicators are in addition to traditional financial performance indicators to ensure its completeness. Marketing efficiency is used by marketing managers to manage marketing strategies and monitor market efficiency. The indicators used to determine the efficiency of marketing are divided into two groups: internal and external indicators, costs, turnover of assets, labor productivity of employees, return on funds, calculation of overall profitability.

Each of these indicators plays an important role in the high level of the company's marketing profitability and efficiency. Ensuring and monitoring the profitability of the company, the implementation of management decisions, etc., determines the analysis of indicators. Internal and external performance indicators and evaluation of their efficiency are important for the success of any business.

2. Methods for calculating the internal and external performance of the company are developed by audit firms. However, in recent years, standardized methods for assessing internal and external indicators of market activity have not been developed.

3. In practice, the control of marketing efficiency is carried out in terms of individual elements of the marketing complex, i. e. product, price, product promotion and delivery of the product to the consumer. As part of product policy control, the characteristics of individual products, their labeling and packaging quality are evaluated from the point of view of consumers. Price is analyzed from the point of view of consumers and sales intermediaries, compared with the prices of competitors.

Supervision in the field of product promotion consists of evaluating the efficiency of advertising companies and other elements of the product promotion complex (sales and consumer incentives, holding fairs and exhibitions, etc.).

Control over the process of delivery of products to the consumer is divided into two parts: 1) assessment of the efficiency of the movement of individual product sales channels; 2) evaluation of the efficiency of sales services.

4. The level of efficiency of marketing activities is not determined only by the results of current activities. High efficiency can be defined by the fact that the organization carries out marketing in a strategic direction in a competent and coordinated manner. This is why many businesses regularly evaluate the overall efficiency of their marketing activities. Two tools are used: a survey of business leaders and a comprehensive assessment based on a marketing audit.

Based on these findings, we have developed the following scientific and practical recommendations to improve the efficiency of marketing activities in the company:

1. Developing specific performance indicators on the elements of the marketing complex in improving the efficiency of marketing activities. In the system of efficiency indicators on product policy, the consumer characteristics, competitiveness, brand, packaging, packaging, etc. of the product are evaluated, while in the pricing policy, the analysis of competitors' prices, prices between consumers and trade intermediaries are studied. However, at present, the system of indicators determining the efficiency of marketing activities is not fully developed. Therefore, it is necessary to develop a system of indicators that determine the efficiency of marketing activities.

2. Developing the marketing budgets in companies. Currently, most of our local businesses do not have a marketing budget. Because once the budget is developed, efficiency can be assessed. It is advisable to develop a marketing budget for different commodity and consumer groups (target markets) in order to make the right decisions on the allocation of resources and control based on the planned revenues and expenditures.

3. Establishing marketing control in enterprises. The organization of marketing control in the enterprise is carried out primarily through the organization of marketing services. Even if the independent marketing service is not as a department, it is carried out by those who perform the marketing functions and responsibilities within the economic departments. The organization of marketing control is carried out by analyzing, comparing the results of marketing activities of the company in a timely manner and developing specific targeted strategies for the coming period.



4. Identifying indicators that reflect the results of marketing activities in companies, because today in most of our companies the indicators that reflect the results of marketing activities are not clear. Development of marketing plans as a result of studying, analyzing, evaluating indicators of the results of specific marketing activities.

5. Developing marketing budget based on the calculation of marketing costs in the distribution of total costs of the company, the formation of the structure of marketing costs.

6. Practical application of the type of strategic control of marketing control in companies, regular marketing audits. Formation of the company's product portfolio based on the results of marketing audits.

7. Assigning marketing control to the best trained specialist in the enterprise, developing a marketing program consisting of a set of specific marketing activities to implement marketing control. Organization of marketing control at the general enterprise level, at the level of the marketing department and in the form of external control. Marketing control in the company is strengthened by evaluating the efficiency of marketing strategies, checking the implementation of plans developed on the elements of the marketing complex.

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