

# WAYS TO IMPROVE THE POLICY OF DISTRIBUTION OF GOODS IN FURNITURE PRODUCTION ENTERPRISES

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**Abstract.** *This article discusses the development of distribution channels in the furniture market. On the example of a particular enterprise, the problems of furniture production and its promotion in the market are raised.*

**Keywords:** *furniture market, product range, distribution channel.*

**Introduction.** In the third priority of the Development Strategy of the Republic of Uzbekistan for 2022-2026, rapid development of the national economy and ensuring high growth rates, "... creation of conditions for the organization of entrepreneurial activity and formation of permanent sources of income, the share of the private sector in the gross domestic product to 80 percent and increasing its share in exports to 60 percent. Priority tasks such as "supporting entrepreneurship in the regions, improving the activities of existing structures for reducing unemployment and poverty" are also one of the guarantees for the development of small business and private entrepreneurship.

**Research methodology.** Systematic approach, abstract-logical thinking, grouping, comparison, factor analysis, selective observation methods were used in the research process.

**Analysis and results.** Is to determine the ways of scientifically and methodologically justifying the introduction of the concept of product distribution and marketing service development in furniture production enterprises. For this purpose, the following tasks were defined and performed:

Researching the essence and modern forms of the marketing concept;

Researching the content of marketing services, the policy of distribution of goods and the theory of their organization, their place and features in the economy;

Analysis of the current state of the furniture production industry in Samarkand region and the activity of the marketing service;

To propose new approaches of distribution policy and marketing service in the field of furniture production;

If we study the marketing activity in the furniture industry in depth, we can see that the distribution of the finished product is considered the main link in it. Among the internal reasons for this, we can include modern furniture as a commodity to meet the specific needs of consumers, the nature of consumption, and the complexity of sales services. In order for the company to sell its product, it is necessary to convince the consumer that he needs this furniture and to be able to show that his choice will be the most effective.

As for the external reasons, it is necessary to emphasize the fierce competition in the furniture market. In this, we can observe the influence of all competitive forces that M. Porter distinguished in time.

We can clearly see the influence of competitors in the location of furniture stores. Commercial factors and relations in this market are such that the customer rarely visits a separate store located on the outskirts, as a result, all the stores are located in a joint manner, that is, most

of the furniture stores are located in close proximity to each other. In addition, many furniture manufacturing enterprises offer almost the same range of products in the process of adaptation to new fashion.

The impact of the introduction of new products is manifested by rapid changes in woodworking technologies, the use of new materials in furniture. Almost every year, new furniture production equipment and effective technologies enter our country. This causes many products to enter the market. At the same time, the peculiarity of the furniture market is that even in a small workshop with simple equipment, an individual entrepreneur can enter this market and make the competition more intense.

The behavior of buyers in the furniture market is also one of the competitive forces, their segmentation, demand differentiation, demand change rate and price elasticity form the competitive environment.

Another aspect of the furniture manufacturing industry is its dependence on raw materials. According to some data, it is possible to grow a total of 31 million cubic meters of timber per year in our country, but most of them cannot be used as raw material for the furniture industry. Therefore, industry enterprises are forced to use imported sara wood. This requires considering suppliers as a separate competitive force.

The influence of the above factors requires that furniture manufacturing enterprises pay a lot of attention to the development of product assortment and methods of selling goods.

We have analyzed the policy of distribution of goods on the example of "Gulobod Mebel" Limited Liability Company in Samarkand. "Gulobod Mebel" LLC started from a small family business in the early years of independence and turned into an industrial enterprise by 2003. Today, its organizational status has risen to a modern large group of companies and presents a variety of furniture to the market under the MONDELUX trademark. The following table shows the range of products produced by "Gulobod Mebel" LLC in recent years.

**Table 1**

**Composition of the assortment of products of Gulobod Mebel LLC in 2018-2021, %**

No	Type of furniture	2018	2019	2020	2021
1	Kitchen furniture	0.61	1.71	5.80	9.82
2	Soft furniture	24,23	23.97	26.09	25.15
3	Office furniture	32,32	30.82	31.88	29.45
4	Bedroom furniture	28,31	23.97	17.39	12.27
5	Wooden table and chairs	8,10	13.70	14.49	19.63
6	Magazine tables	3.60	3.42	2.90	2.45
7	Mattress	2.80	2.41	1.45	1.23
	<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

From the data in the table, we can see that in 2018, three types of products - upholstered furniture (24.23%), office furniture (32.32%) and bed furniture (28.31%) made up the main part of the assortment. The smallest place is occupied by kitchen furniture (0.61%). In 2018, we will see big changes in the composition of the assortment. Office furniture (29.45%) and soft furniture (25.15%) are in the leading positions. The share of furniture for the bed decreased sharply and made 12.27%. The contribution of kitchen furniture production increased from 0.61% to 9.82%. Similarly, the production of wooden tables and chairs increased from 8.10% to 19.63%. The share of magazine tables and mattresses, which occupy a small place in the

assortment of manufactured products, has further decreased and by 2021 will be 2.45% and 1.23%, respectively..

The most important and indispensable component of marketing in the furniture market is product sales and distribution. In this process, the most complex task from an organizational point of view is solved - delivering the produced product to the consumer.

A sales network can be defined as a structure formed by partners participating in a competitive exchange process in order to provide goods or services to individual consumers or industrial users. These partners are manufacturers, middlemen and end users-buyers. Any sales channel performs a certain set of functions necessary for conversion.

Due to the uniqueness of the products produced at Gulobod Mebel LLC, sales through trading houses were organized (Table 2).

**Table 2**

**Activities of distribution channels at Gulobod Mebel LLC in 2018-2021**

No	Company stores and centers	Sales volume by years				Annual change, %		
		2018	2019	2020	2021	2019	2020	2021
1	"Mondelux office" Furniture house	1555	2081	2321	2598	133.8	111.5	111.9
2	"Gulobod Mebel" Trade Center	6044	6920	7264	7964	114.5	104.9	109.6
3	"Mondelux Kitchen" Trading House	-	102	1460	2936		1431.4	201.1
4	"ENTER Engineering PTE.LTD"	8906	9527	10454	11832	106.9	109.7	113.2
5	"Atlas" Shopping Complex, Tashkent	-	365	1066	1751		292.0	164.2
6	"Mondelux" Trading House	1336	1788	2073	2532	133.8	115.9	122.1
7	"Mondelux" Opposite Trading House	226	533	474	132	235.8	88.9	27.8
	<b>Total</b>	<b>18067</b>	<b>21316</b>	<b>25112</b>	<b>29745</b>	<b>117.9</b>	<b>117.8</b>	<b>118.4</b>

As can be seen from this table, the most active trading houses are Nurabad trading house and Gulobod Mebel trading center..During the observed period, the main part of the volume of product sales corresponds to these. "Mondelux Kitchen" Trading House and "Atlas" Trading Complex in Tashkent are leading in terms of growth rate. The lowest place is occupied by the Karshi Trade Representative Office, and its activity is decreasing. At the same time, we can observe changes in the activities of trading houses and representative offices over the years. The company's sales policy does not allow the use of intermediaries. We believe that the first reason for this is that the production is tied to the customer, and the second reason is that the company does not want to share transaction costs with others.

It can be concluded that in the past three years there have been major changes in the furniture market and "Gulobod Mebel" LLC's position in the market is also changing. This, in turn, requires the development of the enterprise's marketing activities.

It is necessary to reflect in the marketing program the approaches of "Gulobod Mebel" LLC to the promotion of goods based on its strategic goals in the market. One of the main aspects of this is to come to a single stop on how to organize communications with customers and how to measure their effectiveness.

One of the ways to develop electronic trade in Uzbekistan is to create trading sites. With this, entrepreneurs will have the opportunity to advertise their products or services. We believe that the development of placing orders on social networks, the formation of an electronic trading system, and the establishment of interactive advertising are very important directions.

The inclusion of these proposals in the marketing program of "Gulobod Mebel" LLC provides an opportunity to ensure its viability and effectiveness.

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