

A. Ibayev,

Doctoral student, Azerbaijan State Oil and Industry University (ASOIU) Baku, Azerbaijan Republic

ORCID ID: <http://orcid.org/0009-0008-7245-2256>

DOI: 10.32702/2306-6814.2024.7.173

## THE ROLE OF MARKETING IN INCREASING THE COMPETITIVENESS OF MANUFACTURING INDUSTRY ENTERPRISES IN MODERN ECONOMIC CONDITIONS

A. A. Ібаєв,

докторант, Азербайджанський державний університет нафти та промисловості, Баку, Азербайджанська Республіка

### РОЛЬ МАРКЕТИНГУ У ПІДВИЩЕННІ КОНКУРЕНТОСПРОМОЖНОСТІ ПІДПРИЄМСТВ ОБРОБНОЇ ПРОМИСЛОВОСТІ В СУЧАСНИХ ЕКОНОМІЧНИХ УМОВАХ

*The article examines the role of marketing services in increasing the competitiveness of enterprises in the manufacturing industry. In addition, the article notes the need to study international experience in improving the competitiveness of enterprises in the manufacturing industry. The article shows that with the support of the correct economic policy, it is possible to ensure the rapid economic development of the country's manufacturing industry. Based on the analysis, it was found that it is possible to ensure the sustainable economic development of manufacturing enterprises. To do this, it is only necessary to develop programs for the introduction of modern innovations in the manufacturing industry.*

*The analysis shows that the economic policy used for the development of the manufacturing industry in the post-Soviet countries gives positive results. The expansion of the sphere of activity of enterprises of the manufacturing industry based on innovations in the Republic of Azerbaijan by region can stimulate the growth of the country's economic development in terms of GDP.*

*Based on the analysis, the article concludes that the role of effective marketing policy in increasing the competitiveness of enterprises in the manufacturing industry is higher. At the same time, the proper use of the country's innovative potential makes it possible to increase the competitiveness of enterprises in the manufacturing industry. The role of small and medium-sized businesses in ensuring the activities of manufacturing industry enterprises in the regions of the Republic of Azerbaijan is very high. That is why it is necessary to expand the activities of private companies operating in the industrial sector at the expense of local and foreign investments.*

*The article also notes that the use of modern innovative technologies to increase the competitiveness of enterprises in the manufacturing industry in the Republic of Azerbaijan can give positive results. The formation and development of an innovative economic system in the Republic of Azerbaijan will also increase the export opportunities of products produced by industrial enterprises.*

*Based on the analysis carried out in the article, it was found that the formation and development of the digital economy in the Republic of Azerbaijan will lead to the expansion of the activities of the production and services sector.*

*The integration of the manufacturing industry of the country into the global market of electronic services can lead to the development of industrial enterprises in the country. The article also noted that it is necessary to strengthen state support in increasing the volume of exports of products produced by enterprises of the manufacturing industry in the Republic of Azerbaijan.*

*Based on the analysis carried out, the article identified existing problems in the direction of the development of manufacturing industry enterprises in the Republic of Azerbaijan, put forward proposals and recommendations for their elimination.*

*У статті досліджено роль маркетингових служб у підвищенні конкурентоспроможності підприємств обробної промисловості. Крім того, у статті зазначено про необхідність вивчення світового досвіду підвищення конкурентоспроможності підприємств обробної промисловості. У статті показано, що за підтримки правильної економічної політики можна забезпечити швидкий економічний розвиток обробної промисловості країни. На основі проведеного аналізу встановлено можливість забезпечення сталого економічного розвитку виробничих підприємств. Для цього необхідно лише розробити програми впровадження сучасних інновацій у виробничу промисловість.*

*Аналіз показує, що економічна політика розвитку промисловості в пострадянських країнах дає позитивні результати. Розширення сфери діяльності підприємств обробної промисловості на основі інновацій в Азербайджанській Республіці за регіонами може стимулювати зростання економічного розвитку країни в обсязі ВВП.*

*На основі проведеного аналізу зроблено висновок, що роль ефективної маркетингової політики у підвищенні конкурентоспроможності підприємств обробної промисловості є вищою. Водночас грамотне використання інноваційного потенціалу країни дає змогу підвищити конкурентоспроможність підприємств обробної промисловості. Роль малого і середнього бізнесу в забезпеченні діяльності підприємств обробної промисловості в регіонах Азербайджанської Республіки дуже висока. Тому необхідно розширювати діяльність приватних компаній, що працюють у промисловому секторі, за рахунок місцевих та іноземних інвестицій.*

*У статті також зазначається, що використання сучасних інноваційних технологій для підвищення конкурентоспроможності підприємств обробної промисловості Азербайджанської Республіки може дати позитивні результати. Формування та розвиток інноваційної економічної системи в Азербайджанській Республіці також збільшить експортні можливості продукції, що випускається промисловими підприємствами.*

*На основі аналізу, проведеного в статті, було встановлено, що формування та розвиток цифрової економіки в Азербайджанській Республіці призведе до розширення діяльності сфери виробництва та послуг.*

*Інтеграція обробної промисловості країни у світовий ринок електронних послуг може призвести до розвитку промислових підприємств. У статті також зазначено, що необхідно посилити державну підтримку в збільшенні обсягів експорту продукції, виробленої підприємствами обробної промисловості Азербайджанської Республіки.*

*На основі проведеного аналізу в статті виявлено існуючі проблеми в напрямі розвитку підприємств обробної промисловості в Азербайджанській Республіці, висунуті пропозиції та рекомендації щодо їх усунення.*

*Key words: investment, marketing, enterprise, development, regulation, national economy, competitiveness.*

*Ключові слова: інвестиції, маркетинг, підприємство, розвиток, регулювання, національна економіка, конкурентоспроможність.*

## INTRODUCTION

The Republic of Azerbaijan's socio-economic development is greatly influenced by the development of the manufacturing industry as a sphere of economic activity. In the Republic of Azerbaijan, the manufacturing industry, which includes oil refining, has an ancient history, is an important aspect of its economy. The manufacturing industry, like all industries, performs a leading function in meeting the needs of the population for these products, playing a significant role in the socio-economic development of the country and the expansion of economic ties in international trade.

In the Republic of Azerbaijan, enterprises of the manufacturing industry carry out marketing activities for the purpose of their development, taking into account the main objectives of the state strategy. Marketing activities at oil refineries are also the main factor contributing to their development [5]. With the growth of the national economy and a special share in Azerbaijan state policy, SOCAR, which has sufficient authority in the international arena, plays an important role in the implementation of the state's oil strategy. SOCAR carries out various projects and operations in various countries in accordance with the economic interests of the Azerbaijani state. Projects that

were implemented jointly with Georgia and Turkey can be cited as an example. The fact that SOCAR is subordinate to the state is also an important issue. In light of the mentioned activities, SOCAR has also been engaged in marketing and sales for almost 30 years. SOCAR is expanding business relations with a number of countries around the world. In recent years, SOCAR has been constantly distinguished by successful business projects. The decline in oil prices on the world market has set SOCAR the task of implementing a specific action plan.

As the main oil company in the country, SOCAR was able to get more financing by building its activities on the principles of maximum efficiency. This system, built through the power of marketing operations, will further enhance the economic power of the enterprise. In the Republic of Azerbaijan, more than 80% of the population's demand for manufacturing and light industry products is met by imported goods from foreign countries. In this regard, it is necessary to assess the potential for independent development of the manufacturing and light industries. In the near future, these processes will play an important role in improving the efficiency of marketing operations [6]. To this end, the expansion of the sphere of activity of enterprises of the processing industry has important theoretical and practical significance in marketing operations.

## ANALYSIS OF RECENT PUBLICATIONS ON THIS TOPIC

In recent years, competitiveness between all sectors of the national economy of developed countries has been growing. In this regard, in Azerbaijan, as in other post-soviet countries, measures are being taken to ensure the preservation of macroeconomic stability and the development of a competitive environment. Creating favorable conditions for attracting local and foreign investments in the manufacturing industry in the Republic of Azerbaijan, improving the activities of national economic sectors are among the main priorities. In order to ensure healthy competition, the state, based on the correct principles of economic regulation, must ensure an improvement in the business climate and bring the national legislative framework in line with the requirements of the International Trading System. K.N.Abdullaev in his research, showed that the development of the digital economy has a positive impact on the development of sectors of the national economy, including industrial ones [1]. I.M.Akimova in its article notes that marketing strategy plays an important role in increasing the competitiveness of enterprises in the manufacturing industry [3]. Apparently, in order to achieve its goal, the state takes as a basis the regulation of the activities of sectors of the national economy to ensure healthy competition in the current conditions.

The main directions in the Republic of Azerbaijan are considered to be the modernization of the oil and gas and petrochemical industries and the development of the non-oil industry, as well as the expansion of the use of alternative and renewable energy sources. One of the main factors in increasing the effectiveness of marketing activities of manufacturing enterprises in the Republic of Azerbaijan is strategic marketing. The purpose of strategic

marketing is to predict market strategies, improve the quality of products, and gain competitive advantages of enterprises based on the preparation of competition standards. Thus, in strategic marketing, along with these measures, the strengths and weaknesses of the enterprise should be studied [2].

Research shows that it is quite difficult to define the concept of competitiveness by any specific parameters. In a market economy, its competitiveness should be determined, first of all, taking into account consumer feedback [7].

The formation of a marketing strategy for manufacturing enterprises is one of the main factors in improving the efficiency of the enterprise. To do this, first of all, a number of effective models are used in strategic marketing planning. Within the framework of these models, an enterprise can determine its capabilities, products, competitors, as well as other areas of activity, depending on the specific situation. I.L.Akulich noted that marketing communications are a key factor in expanding the economic activity of enterprises [4]. P.Kotler in his scientific articles, he noted that econometric mathematical methods play an important role in marketing activities [7]. Manufacturing industrial enterprises not only operate in the market, but also develop relationships with a large number of partners. At this time, they are trying to sell their products in any way. Therefore, they invest in economic development. These investments are diverse.

Thus, it can be said that the creation of marketing services at a manufacturing enterprises requires changes to the organizational structure of management services. The organizational marketing service must report directly to the director of the enterprise, which indicates its independence from other departments and ensures an objective assessment of the company's activities when forming the marketing policy of the enterprise. Although the marketing service at manufacturing enterprises does not depend on the departments of the enterprise in its activities, it must necessarily work with them in cooperation [3]. Industrial marketing can be described as a set of all activities related to the sale of goods on the industrial market. In order to implement industrial marketing in practice, it is necessary to make a transition at the enterprise in accordance with market requirements. This is a higher step in the activity of an industrial enterprise towards the market. Its essence is to determine the final result related to meeting market demand and customer expectations.

## STATEMENT OF THE MAIN MATERIAL

Research shows that a distinctive feature of industrial marketing from consumer marketing is that the object of its attention is goods of any level of processing, from raw materials to finished products.

The analysis of the company's development opportunities in the market is carried out on the basis of the activities of the markets in which the company participates or can carry out marketing activities. Thus, the main purpose of the analysis of marketing activities is to identify the capabilities of the company to present its products well on the market. The conducted analysis makes it possible to identify problems and shortcomings

**Table 1. The changing dynamics in the number of manufacturing enterprises in the Republic of Azerbaijan in recent years**

| Years     | 2019 | 2020 | 2021 | 2022 |
|-----------|------|------|------|------|
| General   | 2330 | 2515 | 2777 | 3130 |
| State     | 124  | 117  | 110  | 103  |
| Non-state | 2206 | 2398 | 2667 | 3027 |

Source: [www.stat.gov.az](http://www.stat.gov.az) / Industry of Azerbaijan (Statistical yearbook 2023).

**Table 2. Dynamic indicators of GDP and the cost of products of the manufacturing industry in the Republic of Azerbaijan in recent years**

| Years | The cost of products of the manufacturing industry, billion USD (X) | Gross Domestic Product (GDP), billion USD (Y) |
|-------|---------------------------------------------------------------------|-----------------------------------------------|
| 2019  | 6,93                                                                | 48,17                                         |
| 2020  | 6,96                                                                | 42,7                                          |
| 2021  | 9,3                                                                 | 54,8                                          |
| 2022  | 10,6                                                                | 78,7                                          |

Source: [www.stat.gov.az](http://www.stat.gov.az) / Industry of Azerbaijan (Statistical yearbook 2023).

existing at the processing enterprise, to ensure the prospects of the company's activities. Analysis of various components of marketing (product range, methods of its implementation, distribution by territory, advertising tools, etc.) its analysis allows to determine a marketing strategy. The information necessary for the analysis of marketing services is collected during marketing research, market research, benchmarking and other processes [6].

Our research shows that in a market economy, marketing activities at processing industry enterprises perform the function of matching supply and demand in the market. With the help of marketing research, manufacturers study the desires and needs of consumers in the decision-making process, checking their compliance with the capabilities and goals of enterprises. All this has a direct impact on the development of enterprises, increasing their competitiveness [5].

If we analyze the changing

dynamics in the number of manufacturing enterprises in the Republic of Azerbaijan in recent years, we will see that in 2019 the total number of manufacturing enterprises in the country amounted to 2330 (Table 1). 124 of them belonged to the public sector and 2206 belonged to the non-state sector. Compared to 2021, the number of manufacturing enterprises increased to 3130 in 2022. And the number of non-state enterprises has increased to 3027. The main reason for these processes is the continuation of the successful economic policy pursued by the state to develop the industrial sector of Azerbaijan.

In recent years, there has also been a trend in the Republic of Azerbaijan towards a significant increase in statistical indicators in terms of GDP and the cost of products of the manufacturing industry. For example, in the Republic of Azerbaijan, GDP in 2019 amounted to 48,17 billion USD, but in 2022 this figure increased to 78,7 billion USD (Table 2). The value of the produced products of the manufacturing industry throughout the country in 2019 amounted to 6,93 billion USD. In 2022 this figure increased to 10,6 billion USD. The analysis shows that the development of national economic spheres has a significant impact on the GDP growth of the Republic of Azerbaijan.

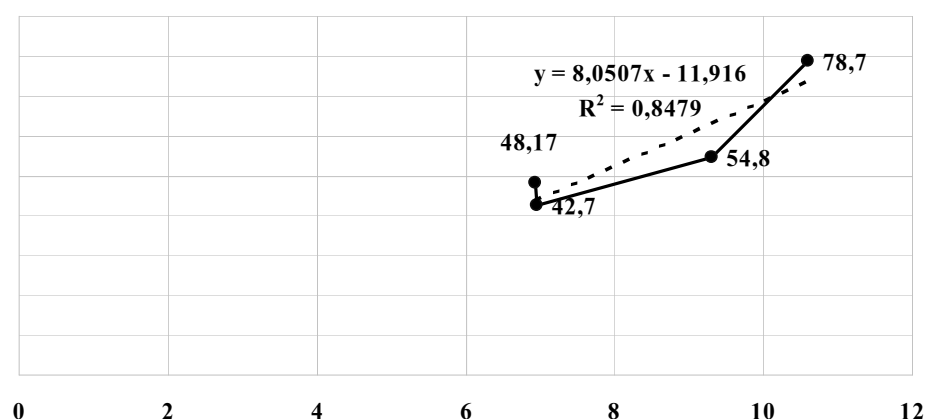
We can determine a determination and correlation relationship between the GDP of the Republic of Azerbaijan and cost of manufacturing production. As can be seen from graph 1, the relationship between both indicators is expressed by the regression equation  $Y = 8,0507x - 11,916$ . The coefficient of determination is  $R^2 = 0.8479$ . The correlation coefficient is  $R = 0.92$  according to the conducted report. This also indicates a fairly high correlation between both indicators on the Cheddock scale.

It should be noted that using the data in Table 2 and Graph 1, we can determine the coefficient of elasticity, which determines the percentage change in the relationship between the GDP of the Republic of Azerbaijan and the cost of manufacturing products of the processing industry. At this time, we can get the following indicators.

$$E = \frac{k_1 \bar{x}_1}{\bar{y}} = \frac{8.0507 \cdot 8.44}{56} = 1.21 \quad (1).$$

Based on the elasticity coefficient  $E = 1.21$ , it can be said that an increase in the cost of manufacturing processing industry products by 1% in the Republic of Azerbaijan leads to an increase in GDP by 1.21% (1).

Advertising activities are of particular importance in the management of the oil refining market in the Republic of Azerbaijan. Therefore, special attention should be paid to the preparation of advertising services so that the result of advertising services is also effective. The activities of advertising managers play an important role here. By establishing effective trade relations, it is possible to



**Graph 1. The relationship between the volume of GDP registered in the Republic of Azerbaijan in recent years and the cost of manufacturing production**

Source: based on data (Table 2) compiled as a result of calculation based on the MS Excell 2021 software package.

expand exports. The basis for expanding trade relations is advertising. The essence of advertising is that with the help of advertising in the media, you can influence customers. Entrepreneurs and manufacturers must ensure the effective use of advertising, fully aware of the importance of advertising. Thus, by implementing an advertising service, you can achieve the most successful result in the commodity market, developing trade turnover and commercial activities. Internationally, the power and importance of advertising services in the world is well known. Advertising is also of great importance both in the foreign and domestic markets, and in creating a competitive environment among consumers [4]. Research shows that the advantage of advertising services in manufacturing enterprises causes people to be interested in buying a particular products. Thus, by influencing people, advertising creates a demand for them to buy certain goods. In addition, advertising services are used to form people's requests and tastes. It involves the continuous organization of production, being part of the services market [6].

## CONCLUSIONS

Thus, the market for petroleum products in the Republic of Azerbaijan is developing more dynamically. The object of the market is considered to be petroleum products, and the subjects are market participants. In Azerbaijan, increased competition between enterprises and the struggle for sales markets have become more widespread [2]. Research shows that improving the efficiency of the oil products sales system in Azerbaijan for marketing services, consumer requirements and the interests of the state as a whole ensure the development of the company in market conditions.

Due to the increased processes of competition for the markets of oil and gas products by manufacturing enterprises in Azerbaijan, it is possible to increase sales in this area through marketing services.

Decision-making on all parameters of marketing activities at manufacturing enterprises depends on marketing research. The importance of studying and using the marketing concept in the management of production and service enterprises is significant. The experience of economically developed countries shows that the use of marketing services makes it possible to increase the efficiency of an enterprise's production activities [5].

The functions of marketing in the management of the petroleum products market include planning the price level, determining the tactics of using prices, etc. The activity of a marketing expert in the market should aim to increase the profitability of the company's products and production process by maximizing profits, increasing the company's market share and attracting new customers [6].

When developing marketing strategies, it is necessary to take into account the level of development of countries. Companies should develop a competitive policy for the domestic market. Marketing research shows that there are several conditions for the success of product sales in the market. First of all, the products must meet the consumer's requirements better than all other products. In addition, the products offered should be offered at a lower price and have a higher quality. An enterprise offering a product

to the market must professionally carry out all stages of marketing services.

In general, the development of the manufacturing industry in the Republic of Azerbaijan requires the continuation of economic policy at the state level. To this end, it is necessary to continue stimulating measures at the state level to attract local and foreign investments for the development of manufacturing industry enterprises in the regions. In addition, the main priority should be the introduction of modern innovative technologies at enterprises of the manufacturing industry [5].

## Література:

1. Abdullayev K.N. and etc. Regulation of the Digital Economy in Modern Condition of Competitiveness. "WSEAS Transactions on Business and Economics". — New Jersey.: WSEAS publ. house, 2022, № 19, pp.1289—1295.
2. Abdullayev K.N. and etc. The role of Creative Potential in the Project Management Process for the Implementation of the Company's Strategies. Review of Economics and Finance, -London.: Finance publ. house, 2022, №20, pp. 255—262.
3. Акимова, И.М. Промышленный маркетинг. — Киев: Знання, — 2001. — 294 с.
4. Акулич, И.Л. Основы маркетинга, — Минск: БГЭУ, — 2015. 538 с.
5. Ibayev, A.A. Marketing Features of Renewable Energy in the Manufacturing Industry, "New Era International Journal Of Interdisciplinary Social Researches", Istanbul, New Era publ. house, 2020. № 5, pp.1—11.
6. Ibayev, A.A. Opportunities To Apply World Experience In Marketing Strategies, Atlas International Journal On Social Sciences // Budapest, Hungary: "International Congress on social Sciences", Budapest.: Science, 2020. № 7, — pp.16—22.
7. Kotler, P. Marketing, Management, Baku, "Economy University" publ. house, 2008, pp.19—26.

## References:

1. Abdullayev, K.N. (2022), "Regulation of the Digital Economy in Modern Condition of Competitiveness", WSEAS Transactions on Business and Economics, vol. 19, pp.1289—1295.
2. Abdullayev, K.N. (2022), "The role of Creative Potential in the Project Management Process for the Implementation of the Company's Strategies", Review of Economics and Finance, vol. 20, pp. 255—262.
3. Akimova, I.M. (2001), Promishlenniy marketing [Industrial marketing], Znaniya, Kyiv, Ukraine.
4. Akulich, I.L. (2015), Osnovi marketinga [The basics of marketing], BGEU, Minsk, Belarussia.
5. Ibayev, A.A. (2020), "Marketing Features of Renewable Energy in the Manufacturing Industry", New Era International Journal of Interdisciplinary Social Researches, vol. 5, pp. 1—11.
6. Ibayev, A.A. (2020), "Opportunities To Apply World Experience In Marketing Strategies, Atlas International Journal On Social Sciences", International Congress on social Sciences, vol. 7, pp.16—22.
7. Kotler P. (2008), Marketing, management, Economy University, Baku, Azerbaijan.

*Стаття надійшла до редакції 10.03.2024 р.*