

## INNOVATIVE METHODS FOR MANAGING THE COMPETITIVENESS OF CONSTRUCTION PRODUCTS

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### Abstract

The article discusses how extensive scientific research is being done all over the world to boost the building industry firms' long-term growth. Being one of the most important economic sectors in our nation, the construction industry is undergoing a wide range of improvements.

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The construction sector is critical to the global economy's development. The fact that the construction sector accounts for 15% of global GDP demonstrates the emphasis placed on the more sustainable growth and enhancement of the building infrastructure. "The volume of work generated in the global building materials network will reach 4.8 trillion by the end of 2020. It will be worth US dollars in seven years, and it will be worth 7.2 trillion. "Achieving 15% share of the US dollar and world GDP"<sup>1</sup> is being analyzed and projected by renowned specialists.

Comprehensive scientific study is being undertaken across the world to improve the long-term growth of building industry firms. According to the "Global Building 2030" agency, the volume of construction material output would grow by 85% to 15.5 trillion US dollars by 2030. It is anticipated that 57% of worldwide growth in this industry would be concentrated in three countries: China, the United States, and India<sup>2</sup>. Based on the new economic growth model, the state intends to prioritize creative development directions that will boost the competitiveness of economic sectors.

A wide range of initiatives are being done to improve the quality of the construction industry, which is one of our country's most significant sectors of the economy. Because the process of creating construction goods in firms producing building materials is not properly developed in the Samarkand area, which is the gem of the East, it is vital to pay attention to enhancing the sector's investment attractiveness. Despite the fact that there are chances for effective and steady production development in the region, the efficiency indicators of building material firms in the Samarkand region fall behind the country's average indicator in many respects. As a result, it is suitable to conduct scientific research targeted at the sustainable growth of building materials manufacturing companies through the

<sup>1</sup><http://www.industrytap.com/global-construction-expected-to-increase-by-4-8-trillion-by-2020/1483>

<sup>2</sup> Source: <http://www.globalconstruction2030.com>

development of new types of high-quality, competitive, and energy-saving materials based on local raw materials in construction enterprises.

There are several viewpoints on how to assess product competitiveness. a few of them:

“The competitiveness of items is a measure of customer desirability” (S.G. Svetunkov).

“Product competitiveness is an essential market attribute; a product that reflects its competitiveness will find a position in the market” (E.V. Minko, M.L. Krichevsky).

“Product competitiveness is a market category, competition that represents essential market features” (E.V. Minko, M.L. Krichevsky).

“Product competitiveness is a feature of a product (service) that shows its distinctiveness from competing goods, level of compliance with particular standards, and value satisfaction” (V. Gribov, V. Eruzinov).

All of the elements on product competitiveness listed above, in our opinion, complement each other; moreover, the challenge of defining a definition based on the notion of competitiveness of building goods from a theoretical and practical standpoint is vital.

Quality and price are the primary organizers of building product competitiveness. Simultaneously, additional elements might contribute to the success or failure of building items.

Construction product competitiveness has a relative character, reflecting the differences between competing products, and it is based on the same common need and the level of spending to satisfy this need, forming consumer characteristics and the price element, and these two elements are the main components of construction products.

The market prospects of construction items are determined not only by quality and manufacturing costs, but also by the discount system, payment and delivery terms and conditions, after-sales services, delivery dependability, and buying convenience, or how they serve clients.

So, based on the foregoing views and considerations, we feel that the formula for building product competitiveness may be expressed as follows.:

**Competitiveness = Quality + Price + Service**

The management of construction product competitiveness should be directed to the performance of the key tasks in the production process, and in order to give the components in the production process with the most work, it should be directed to the performance of the following primary tasks:

- ✓ to raise the standard of manufactured building items;
- ✓ cost decrease in production;
- ✓ to enhance and raise the standard of service.

The study of client wants, the analysis of competition information, and the analysis of market features create the foundation for analyzing the competitiveness of building goods.

When establishing methods to control the competitiveness of building products, it is vital to consider the special characteristics of the product's application in the construction sector. The following construction sector indicators, in our opinion, should be highlighted:

- level of competition;
- speed (rates) of construction in the region (territory);
- types (assortment) of construction products.

For example, in the Samarkand region's construction industry, enterprises producing varnishes and varnishes must ensure that the products meet state standards and produce competitive construction products that can compete with competitors in the global market, improve competitiveness management, lower construction product prices, improve construction product quality, and provide quality service to customers. One of the primary purposes of firms making varnishes and varnishes is to select the key directions.

Using BMAX BUILDING MATERIALS Limited Liability Company as an example, the analysis shows that its price policy is significantly lower than that of other competitive firms, and the price set for building materials is significantly cheaper (Table 1).

**Table 1. Prices of items manufactured by “BMAX BUILDING MATERIALS” Limited Liability Company in 2016-2020<sup>3</sup> (thousand soms)**

No	Naming of manufactured products	Unit of measure	Years				
			2016	2017	2018	2019	2020
1	Enamel products	Tons	13432	15161	16757	17857	17128
2	Lacquer products	Tons	14716,109	16507,450	17997,189	18697,169	18032,12
3	Aqueous emulsion products	Tons	3959,539	4828,707	5365,230	5893,178	6078,210
4	Gypsum products	Tons	180000	200000	220,000	300,000	420,000
5	Microcalcite products	Tons	155000	160000	170,000	175,000	180,000
6	Dry mixes	Piece	14000	16000	18,000	19,000	20,000

Under current conditions, the number of construction product manufacturing enterprises engaged in innovative activities was 5 in 2018 and will be 1 by 2020, indicating a decline in the innovative activity of enterprises in the Samarkand region's construction industry, which we believe will have an impact on the overall trend of our region's industry (Table 2).

**Table 2. Indicator level of innovative activity in construction industry enterprises of Samarkand region for 2016-2020 in percentage<sup>4</sup>**

Years	Number of surveyed enterprises	Including			
		Number of innovative active enterprises	In relation to the number of surveyed enterprises in (%).	Number of enterprises not engaged in innovative activities	In relation to the number of surveyed enterprises (in %).
2016	18	2	9	16	57
2017	29	3	10	26	90
2018	24	5	21	19	79
2019	27	6	22	21	78
2020	31	4	13	27	87

It is well known that the innovative activities of construction industry enterprises include the research and development of new products, the development or purchase of services, machinery and equipment, new technologies, new software, the development of modern production projects, the preparation of

<sup>3</sup>Author development based on statistical data

<sup>4</sup>Author development based on statistical data

other types of production, the preparation and training of employees for innovation.

Thus, the market (analysis of demand, competition), the readiness of construction industry enterprises for development (analysis of material, labor, and financial resources), and the characteristics of future construction products (price, product, technical superiority of innovations (perfection), compliance with the organization's goals are the main factors that determine the success of product innovation activities in construction industry enterprises. The development, introduction, and expansion of new products and technologies, the improvement of construction product quality, the saving (reduction) of labor and material costs, the improvement of production organization, and the increase in its efficiency are all becoming important factors in the competitiveness of construction products in global and domestic markets. increases. In the current market economy, the Samarkand region's construction industry enterprises aim to replace the production of high-quality, competitive construction products with innovative measures, develop new construction products based on consumer demands in the construction market, and focus more on their mass production.

However, despite the growing good trends, the general challenges of most construction companies in the Samarkand region, namely, the poor profitability of creative activities, we feel that scientific study will be required to overcome this problem in the near future.

On the example of "BMAX BUILDING MATERIALS" Limited Liability Company in Jomboy district of Samarkand region, the organizational-economic model of strengthening the management of the competitiveness of building goods through creative activities was applied.

The competitiveness of the construction products produced by "BMAX BUILDING MATERIALS" Limited Liability Company was initially assessed, that is, the company's share compared to other competing companies is  $K_{mu}=1.1$ , the level of certification of the company's products is  $K_{ser}=100$  percent, and the price of the company's product is comparable to the product on the market. It was discovered that the pricing coefficient is  $K_{bak}=0.77$ , the growth rate of competitive product sales volume is  $R_{mos}=0.49$ , and the goods made by "BMAX BUILDING MATERIALS" Limited Liability Company are competitive products.

The methods of enhancing the management of competitiveness of "BMAX BUILDING MATERIALS" LLC's goods were studied in the second stage, and ideas and recommendations for the creation of measures to enhance competitiveness management were produced.

In the third stage, the volume of production of innovative goods for the years 2021-2030 was projected (forecasted) by "BMAX BUILDING MATERIALS" Limited Liability Company of the most appealing building items, which are deemed innovative products. The forecast is implemented (formed) by using correlational regression analysis and introducing the model proposed by the author, based on the main trends of the region's economy, the growth rate of the construction process, the development of the construction markets in the Samarkand region, and the potential of "BMAX BUILDING MATERIALS" Limited Liability Company.

The employment of new approaches in the management of product competitiveness in companies of the Republic of Uzbekistan's construction sector gives a chance to improve product quality while lowering costs.

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