

Ways to Improve Market Segmentation in Furniture Production

Musayeva Shoirazimovna

Professor of Samarkand Institute of Economic and Service, Samarkand, Uzbekistan

Abstract: In this article, in the activities of furniture production enterprises, we will expand the assortment, increase competitiveness, draw the attention of customers to furniture sets, create product catalogs, explain the technological maps of production in detail, and offer science-based furniture for different purpose rooms.

Keywords: Enterprise, furniture products, assortment, competition, catalog, demand, supply, market.



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Introduction. In our country, certain sectors of industry are of great importance in the production of consumer goods, filling the domestic consumer market, and developing import-substituting products. These include the wood processing and furniture industries.

The furniture and wood processing industry of the Republic of Uzbekistan is one of the fastest growing sectors in our country. If in previous years 65-70% of the domestic furniture market was filled with products from foreign manufacturers, today more than 90% of the demand is met by high-quality furniture products manufactured domestically. Today, more than 1,500 enterprises operate in the field of furniture and wood processing in the republic. These include enterprises engaged in the creation of finished furniture products, the preparation of furniture raw materials, the production of various accessories, the production of semi-finished products, and primary wood processing.

Analysis of literature on the topic If we generalize from the results of research conducted by economists and define export potential, it is understood that the export potential of industrial enterprises is understood as the current or future gross production, personnel, financial capabilities, and the resistance of endogenous and exogenous factors to the impact of export potential in foreign economic trade. Based on the above definition of export potential, it is possible to draw up a scheme of factors affecting it.

Based on foreign experience, it should be noted that many economists have been engaged in the development of marketing principles and their application in practice. Among them, we can include such famous scientists as F. Kotler, M. Porter, D. Evans, I. Ansoff, M. Berman, M. Golubkov, P. Samuelson, D. Marshall.

While the research in the field of marketing conducted in our country for many years is based on national characteristics, it is also necessary to recognize the scientists who have made a significant

contribution to the development of marketing theory in the economy. These include M. Mukhammedov, M. Pardaev, R. Ibragimov. YO. Abdullaev, A. Saliev, M. Sharifkhodjaev, B. Khodiev, D. Rakhimova, Sh. Ergashkhodjaeva, Sh. Musaeva and others.

Research methodology. The research process used a systematic approach, abstract-logical thinking, grouping, comparison, factor analysis, and selective observation methods.

Analysis and results. Samarkand region occupies one of the leading positions in the republic in furniture production. As of January 1, 2024, 117 organizations specializing in wood processing and furniture production were operating in the region.

Furniture manufacturing enterprises include enterprises specializing in one product or several types of products. Of these organizations, 91 (77.8%) specialized in one product, 15 (12.8%) with two or three product ranges, and 11 (9.4%) with four or more products. In 2023, these organizations produced a total of 128,672.1 million soums of products, which is 13.7% more than in 2017. The value of the products produced 112,376.9 million soums of finished furniture, 16,295.2 million soums are separate components for furniture.

At the same time, the analysis shows that the last group of organizations produces 19.87% of finished furniture products. This means that multi-sector complex furniture enterprises operate more efficiently than other specialized enterprises.

The existence of several approaches to classifying products in the furniture manufacturing industry creates problems in conducting market activities. For example, the following groups are envisaged for the classification of furniture products in statistical reports:

- Mostly metal-framed furniture for seating;
- Seating furniture not included in other groups;
- Wooden furniture for institutions;
- Kitchen furniture;
- Mattresses (excluding mattress bases);
- Wooden bedroom furniture (excluding wall-mounted cabinets, bed bases, lamps and light fixtures, floor mirrors, and seating furniture);
- Wooden furniture for living rooms and bedrooms (excluding floor mirrors and seating furniture).

Furniture components are also divided into separate groups based on production technologies, materials used, and functions:

- Parts of furniture for seating;
- Parts of furniture (except parts of seating furniture);
- Metal furniture for institutions;
- Subcontracted operations as part of the manufacturing process of seating furniture and parts thereof, and parts of other furniture.

1- table. Assortment of furniture products produced in Samarkand region in 2023*

| T/r | Type of furniture | Number of enterprises | Production volume, | | Amount | |
|--------------------------------------|--|-----------------------|--------------------|-------|---------------|-------|
| | | | | % | million soums | % |
| A. Ready-made furniture | | | | | | |
| 1 | Furniture for seating, mainly with metal frames, pcs. | 15 | 288636 | 45.37 | 9755.2 | 8.68 |
| 2 | Seating furniture, not included in other groups, pieces | 31 | 97938 | 15.39 | 46796.2 | 41.64 |
| 3 | Wooden furniture for institutions, pcs. | 25 | 36049 | 5.67 | 12422.6 | 11.05 |
| 4 | Kitchen furniture | 26 | 191141 | 30.04 | 6145.2 | 5.47 |
| 5 | Mattresses (excluding mattress bases), pcs. | 7 | 6263 | 0.98 | 2475.2 | 2.2 |
| 6 | Wooden bedroom furniture, pcs. | 23 | 6010 | 0.94 | 13456.6 | 11.97 |
| 7 | Wooden furniture for living rooms and bedrooms, pcs. | 18 | 10168 | 1.60 | 21325.8 | 18.98 |
| | Total | 145 | 636205 | 100 | 112376.9 | 100 |
| B. Separate components for furniture | | | | | | |
| 1 | Parts of furniture for seating, tn | 2 | 7.17 | | 192.8 | 1.18 |
| 2 | Parts of furniture (except parts of seating furniture), tn | 12 | 707.0 | | 2197.4 | 13.48 |
| 3 | Metal furniture for institutions, tn | 5 | 3553.3 | | 7742.1 | 47.51 |
| 4 | Services of subcontractors for the performance of part of the production process of seating furniture and its parts, parts of other furniture, million soums | 7 | 6162.8 | | 6162.8 | 37.82 |
| | | 26 | - | - | 16295.2 | 100 |
| | | | - | | 128672.1 | |

*- The table is based on data from the Samarkand Regional Department of Statistics.

The first conclusion from the table is that all enterprises in the region are engaged in the production of finished furniture products, while component parts are manufactured at 26 enterprises. If we look at finished furniture products in natural sizes, a total of Most of the 636205 products are sold metal-framed furniture for living rooms (288,636 pieces, or 45.37%) and kitchen furniture (191,141 pieces, or 30.04%). Other types of furniture do not have a significant share in natural sizes. Analyzing the composition of components is associated with a number of difficulties, since their units of measurement cannot be compared with the number of products.

As can be seen from the data in monetary units, the largest share of finished furniture products is occupied by the production of seating furniture not included in other groups (41.64%), followed by wooden furniture for the living room and dining room (18.98%). The smallest share of products is occupied by the production of beds, that is, mattresses (2.2%).

Different manufacturers use different assortment designations for furniture products. For example, at “Gulobod Mebel” LLC, the classification of furniture is as follows: kitchen furniture, upholstered furniture, office furniture, bed furniture, wooden tables and chairs, coffee tables, mattresses. As you can see, the classification of products used in enterprises is quite different.

Considering the place of the product range in the marketing program, it is of great importance to choose the main directions of its management. In the activities of furniture manufacturing enterprises, expanding the range is one of the main directions of increasing competitiveness. In our opinion, when creating a marketing program, it is necessary to pay attention to the following directions of expanding the range:

- Focusing customers' attention on furniture sets, that is, forming an assortment while adhering to the principles of complementarity. In this case, it is necessary to create catalogs of manufactured products based on the needs of customers, explain in detail the technological maps of production, and offer scientifically based furniture for rooms for various purposes. Let's take the offer of furniture for hotels as an example. According to the instructions given by our President, it is planned to increase the number of foreign tourists to 12 million people in the coming years. For this, the number of hotels in our country should be increased by almost three times, and all of them should be equipped with furniture in accordance with world standards. So, furniture manufacturers, having studied foreign experience, should offer individual sets based on the type of hotel, the characteristics of the rooms in it, and the requirements for service.
- Expanding and developing the characteristics of furniture market segmentation. The conducted research has shown that the above-used classification of furniture does not fully reflect the level of their utility for customers. This classification does not focus on segmentation based on socio-psychological, demographic and behavioral characteristics of buyers.

To improve the effectiveness of segmentation and provide clear, prospective indicators for furniture enterprises, we propose the following approach (Table 2). In the table, we provide some suggestions for the formation of the assortment for furniture manufacturing enterprises, but each enterprise can supplement and develop them.

Table 2. Classification of the furniture market by demographic and socio-psychological characteristics and formation of the product range

| General classification symbol | Detailed classification mark | Market segment | Product range offer |
|-------------------------------|------------------------------|--|--|
| By purpose of buildings | Residential apartments | Apartment in a multi-storey building, (standard) | Precisely sized, standard-shaped furniture, a matching set |
| | | Apartment in a multi-storey building (free area) | Custom-made non-standard furniture |
| | | Model houses (ready-made project) | Customized assortment (catalog) for the project |

| | | | |
|---|---------------------------------|---|---|
| | | Individual houses (non-standardized) | Custom-made, free-design furniture |
| | Non-residential premises | Social facilities (ready-made project) | Large-batch, sanitary-compliant, form-approved sets |
| | | Offices (individual project) | In a certain structure, but on an individual order |
| | | Public buildings (free space) | Furniture of various shapes based on free design, going to places |
| | | Hotel, restaurant | A set of standard and individual furniture of a luxurious and modern level |
| | | Sales and service rooms | Furniture that is assembled on site and is made mainly from standard components |
| | | | |
| Demographic and socio-psychological characteristics | Buyer age and family life cycle | Bride and groom | Luxury furniture, mainly bedding |
| | | Young family (for the purpose of living separately) | Standard-level furniture, all types of home appliances |
| | | Stable family | Matching furniture set, modern design, custom order |
| | | Incomplete family | Standard-level individual furniture units |
| | Income | Low-income | Standard level |
| | | Middle-income | Modern level, by catalog |
| | | High-income | Luxury, personalized design |
| | Role in society and lifestyle | Market leader, fashion enthusiast | Offering unique design and material |
| | | Convenience creator | |
| | | Adaptable to the times | |
| | | Adapted to the same conditions (conservative) | |
| | Location | Located in the village | |
| | | Located in the city | |

Our conclusion is that the formation of consumer demand should be based on a broader consideration of the conditions and circumstances, and when forming an assortment, attention should be paid not only to its breadth, but also to its depth. We believe that the application of

these proposals in each furniture manufacturing enterprise will serve to increase competitiveness in the market.

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