

FEATURES OF DIVERSIFICATION OF PRODUCTS AND PRODUCTS OF COMPETITIVE PROCEDURE

Abstract. A tough competitive environment forces manufacturers of goods and services to reconsider their activities. In a market economy, the market environment and the competitive environment is a regulator of market relations, as well as the prices of goods and services. Due to this, entrepreneurs are forced to diversify their activities. This article reveals the features of diversification, its role in a competitive market economy, the features of a firm's survival in a tough market environment.

Key words: diversification, competitive economy, market environment, market environment, entrepreneurial activity.

It is known that in the world today, the country's economic growth and stability, level of development, increasing potential in science, culture, education and other areas are directly measured by the degree to which high technologies are applied to sectors of the economy. Today, in the process of globalization and rapid socio-economic changes in the world, it is necessary to develop the innovative potential of domestic enterprises on the basis of diversification of production and bring the industry to a higher level.

In economic terminology, "diversification" is defined as the process of opening new lines of production or creating new types of products. That is, diversification is the simultaneous development of technologically related or unrelated types of production and the proliferation of product types.

In the economic literature, diversification is defined as "the inflow of capital by corporations into areas not directly related to their core business."

Diversification of production means the transition from a production structure based on the production of one or more similar products to a broader type of production structure, which includes several areas.

On the one hand, diversification is seen as a way to develop an enterprise through the development of new industries, on the other hand, as a process of introducing new technologies, entering new markets and delivering new products to consumers. Of course, all these measures require investment. Therefore, diversification is one of the main ways to change and achieve the company's strategy [1,2].

The main purpose of diversification of production is to increase the profitability of capital expenditures per unit of output, to strive for synergistic efficiency, to transform activities into low-cost and high-income industries. In the process of diversification, the most convenient and efficient industry and capital flows into production. At the same time, when an enterprise is in trouble in a certain market, when there is an opportunity in another or another industry, the company has the opportunity to cover its losses and reduce risk through the transformation of capital.

I. Ansoff focuses on the concept of diversification and defines it as: "Diversification is a term used in the process of redistribution of resources in other areas of activity in the enterprise, which are significantly different from their predecessors."

Aronov A.M., Petrov A.N. pays special attention to the problems of diversification, emphasizing that "diversification is a constant change, the process of change, diversity, different approaches, actions, activities in relation to any object."

We believe that the study of diversification of production into three main groups is of scientific and practical importance (Figure 1):

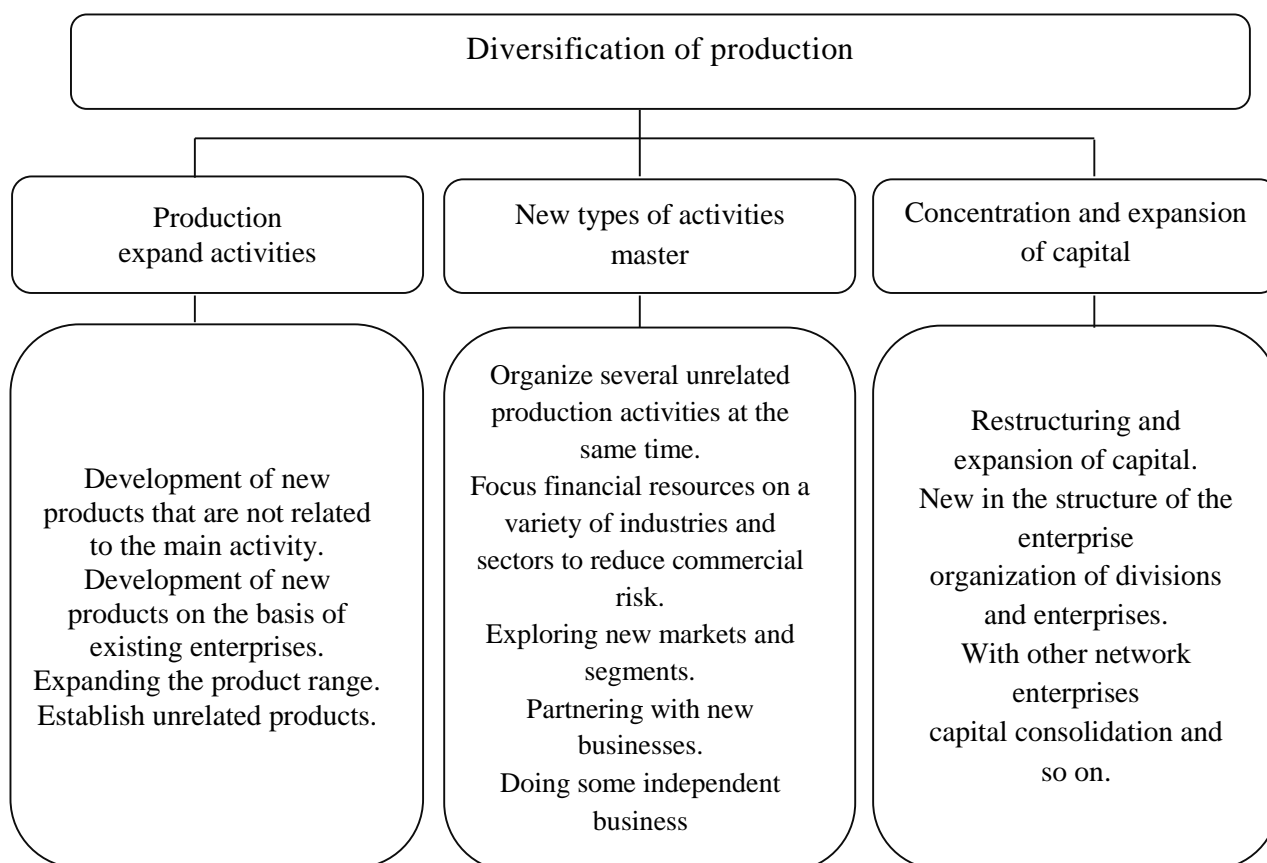


Figure 1. The main groups of diversification of production

- 1) the process of expanding production activities;
- 2) the process of learning new activities;
- 3) changes and expansion of capital structure.

The strategic advantages of diversification are defined by several factors. The most important of them are:

- synergistic potential - is the result of a single system of management and the reduction of costs associated with the integration of different activities through control and coordination, as well as the acceleration of capital turnover;

- Improving the provision of information to agribusiness, integration of marketing research;

- Continuity, guarantee of delivery and stability of business relations, in turn, save on marketing and advertising costs;

- creates favorable conditions for technological progress and joint implementation of R&D due to changes in technology;

Summarizing the above, we can conclude that the diversification of production in any enterprise, although it has its own characteristics, is an integral part of the diversification of the economy as a whole. In turn, diversification will play an important role in addressing the priorities of the economy, such as ensuring competitive advantage, modernization of production structures and access to domestic and foreign markets with new types of products through technical upgrades. The effectiveness of this depends on the policy of diversification.

Modern diversification policy involves the development of new products and new technologies and the use of advanced marketing methods to sell them in the market, which allows to fully meet the needs of consumers and conquer new markets.

The effectiveness of a diversification policy can be seen in the various levels of change in the products, services, and processes that make it effective [6,7].

One of the components of diversification policy is that the right pricing policy enhances competitive advantage and, in turn, creates the following opportunities:

- a) achieving resource savings, ie reducing the cost of production and processing compared to competitors;
- b) increase production;
- c) at the same time reduce the cost of the product, increase its volume and range.

An effective diversification policy depends on how effectively the factors are applied in the business. However, not all of these factors can be quantified, which complicates the calculation of aggregate values. This necessitates the use of modern methods of developing indicators that are appropriate to the current situation.

In order to diversify production, first of all, there must be a number of motives that motivate the company. There are a number of motives that can motivate and motivate an enterprise to diversify production :

Adaptation work can generally include the following:

- product stratification;

- technology and product improvement;
- creation of new sales systems and channels, taking into account the results of the experiment.

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