# Study of the State of Trade Services to the Rural Population in Samarkand Region

# <sup>1</sup>Musayeva Shoira Azimovna, <sup>2</sup>Usmonova Dilfuza Ilkhomovna <sup>3</sup>Usmanov Farzod Shokhrukhovich

<sup>1</sup>Assistant professor of Samarkand Institute of Economic and Service, Samarkand, Uzbekistan <sup>2</sup>PhD doctor, Samarkand Institute of economic and services, Samarkand, Uzbekistan <sup>3</sup>Student, Samarkand Institute of economic and services, Samarkand, Uzbekistan <sup>1</sup>E-mail: <u>musaeva\_shoira@mail.ru</u>

### ABSTRACT

This article presents a study and analysis of statistical data on the state of the consumer market in rural areas and a comprehensive study of trade services on the basis of data from Samarkand region. The data of recent years are shown in the example of tables of stable growth of retail trade turnover per capital. As a result of the study, the development of the need to adhere to the general indicators of trade services to the population was demonstrated.

### Keywords

Trade service, rural areas, indicators, region.

## Introduction

On the basis of data from the Samarkand region, a survey of the state of the consumer market and trade services in rural areas was conducted. In the process of the research, we planted and analyzed statistical data on the development of retail trade in the Samarkand region. Data from recent years show a steady increase in the indicators of retail turnover per capita (Table 2). At the same time, the annual growth rate of this indicator has been observed to decrease over the period under study, as long as the average annual growth rate in the forecast parameters of government programs is foreseen to be not less than 120%.

Cutterscripting name	2015	2016	2017	2018	2020
The total per capita retail trade	1151,3	1400,9	1698,3	2102,2	2446,5
turnover is one thousand soums,					
including:					
In the city	2398,4	3114,1	3917,8	4903,8	5860,4
In the village	928,9	1129,5	1376,6	1656,2	1741,3
Consumer price index	1,068	1,061	1,056	1,057	1,114
The growth rate of the retail trade	114,2	113,9	114,8	117,1	104,4
turnover per capita, in% compared to					
the previous year, including					
In the city	120,5	122,4	119,1	118,4	107,2
In the village	115,2	114,6	115,4	113,8	94,4
Per capita retail turnover in urban and	2,6:1	2,75:1	2,84:1	2,96:1	3,36:1
rural areas					

### 2-schedule.

### Indicators of retail trade turnover per capita of Samarkand region in 2015-2020

# **Literature Review**

According to the analyzed indicators, the rural population lags far behind the urban population. For example, per capita retail trade turnover in rural areas is 3.3 times lower than in urban areas. The analysis revealed a significant difference in the provision of trade services across districts, which confirms the need for a separate approach to each district. So, one of the most important tasks to increase the efficiency of trade services in rural areas is to eliminate the existing imbalances.

The solution of this problem is related, on the one hand, to the development of economic relations in the system of trade services, and, on the other hand, to the improvement of methodological aspects of evaluating the effectiveness of trade services.

# Methods

The first direction is related to improving the activities of commercial businesses. We analyzed the distribution of retail trade turnover between trade service providers. The results of the study show an increase in the role of farmers' markets and shopping malls in the provision of trade services in the region, which account for 63% of total trade services. An in-depth analysis of the various organizational forms of trade services provided an opportunity to describe their strengths and weaknesses and provided a basis for assessing the prospects of providing trade services to the rural population.

- The need to improve the assessment of the level of trade services is that in the current practice of official statistics, only the indicators of retail trade turnover and total trade services per capita are used.

- As a scientific and methodological approach to the objective assessment of the level of trade services in rural areas of the country, we have proposed a comprehensive approach. This approach takes into account regional, consumer, and entrepreneurial aspects of the problem and reflects the complexity of commercial service delivery activities.

- As a result of the research, we found it necessary to include the following in the generalized indicators of trade services to the population:

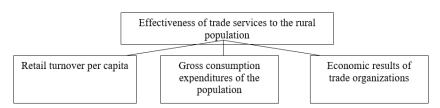
- Per capita retail trade turnover, reflecting the level of development of retail trade in the region;

- The indicator of gross consumer spending of the population, reflecting the socio-economic interests of consumers;

- Economic performance of trade organizations, reflecting the economic interests of trade entities.

In turn, each generalized indicator consists of specific indicators of sales services, as their complexity does not allow them to be expressed by a single formula.

As a result of theoretical and practical research, we have come to the conclusion that the level of trade services in rural areas should be assessed through a system of indicators of different socio-economic nature (Figure 1).



# Figure 1. System of indicators for evaluating the effectiveness of trade services to the rural population

From an economic point of view, the application of this approach can serve to objectively assess the state of the existing system of trade services in rural areas. On this basis, it will be possible to identify socially necessary trade services, ie to gradually eliminate the subjective assessment of trade services from the gross income of trade organizations, while creating a favorable trade environment and adding services to study the demand of the population.

During the study, it became clear that today in the assessment of the effectiveness of trade services to the population, insufficient attention is paid to the aspects of consumption. The definition of the terms "consumer" and "buyer" is scientifically and methodologically important in revealing the characteristics of the formation of demand for goods. Providing consumer choice, that is, the ability to meet demand in a more efficient way, forms the methodological basis of the consumer aspects of evaluation. At different stages of demand formation, the rural population plays different roles: including as a carrier of demand, then as a buyer, and finally as a consumer.

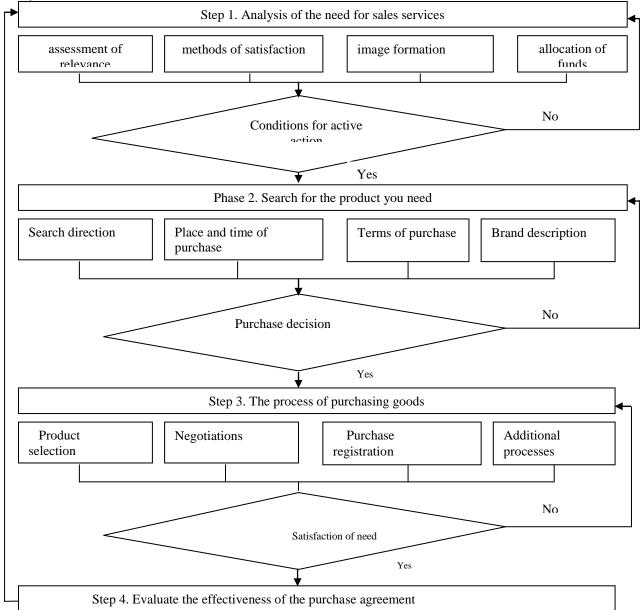
# Methodology

The study of different groups of the rural population has made it possible to reveal certain patterns in their consumer behavior. Based on this, in our dissertation research, the consumer behavioral process of the rural population was developed (Figure 2). This process reflects the socio-economic nature of the decision about the place, time and nature of the purchase.

The application of this approach contributes to the development of scientific views on the formation of demand for consumer goods in rural areas and allows to understand the subjective assessment of the effectiveness of the system of trade services by buyers. The questionnaire survey method was used, taking into account the social origin of consumer spending, as it takes into account the social aspects of providing trade services to the population through the study of consumer opinion, on the one hand, and allows to characterize gross consumer spending through indirect relationships.

# Data Analysis

More than 300 citizens from three districts of Samarkand region were involved as respondents. The questionnaire was structured in such a way that the answers to the questions covered all groups of consumer spending. In analyzing the results of the survey, three different attitudes were identified for each indicator of gross consumer spending of the population: positive, indifferent and negative. This made it possible to quantify the level of satisfaction of consumer demand for commercial services.



# Figure 2. Block diagram of the behavioral process of the rural population as a consumer

The result of processing the customer response can be explained by the following table data (Table 3).

(Table 3).

The relationship of consumers to the costs associated with meeting the demand for goods and services

Name of the indicator	Distribution of responses by				
	consumer attitude,%				
	Positive	Indifferent	Negative		
Costs associated with the formation of consumer	45,0	23,0	32,0		
demand					
Expenses related to the search for the goods	46,7	11,7	41,6		
Costs associated with entering into a purchase	32,5	45,0	22,5		
agreement					
Costs associated with after-sales service	56,7	13,3	30,0		

The majority of consumers positively assessed the state of trade services to the population. For example, 45% of respondents positively assessed the costs associated with the formation of consumer demand, 46.7% with the costs associated with the search for goods, 56.7% with the costs associated with after-sales service, ie the current state of sales services meets their expectations. The presence of negative attitudes in consumer responses indicates that there are opportunities to increase the efficiency of trade services in the regions.

According to the results of the survey, it was possible to assess the level of satisfaction of the population, namely:

 $K_{\kappa} = \sum (K_{\kappa i}) / 4$ Where:  $K_{i\kappa} = (N - N_{ic}) / N$  – the level of satisfaction with the i-indicator type of consumer spending; N – total number of respondents;

N<sub>ic</sub>-i- the number of respondents who expressed a negative attitude towards the indicator.

This indicator allows to determine the attitude of the rural population to the retail situation and the content of trade services and to assess the real level of trade services provided to the population. Then it will be possible to assess the effectiveness of trade services in rural areas with an integrated indicator of retail trade turnover, which includes consumer spending and gross income of trade entities. At the same time, the advantage of this approach is reflected in the decision-making taking into account the needs of the population in each district. We recommend the practical application of this formula by periodic surveys of consumption expenditures by statistical agencies in the household survey. It is devoted to the development and scientific substantiation of strategic directions for improving the efficiency of trade services in rural areas (Figure 3).

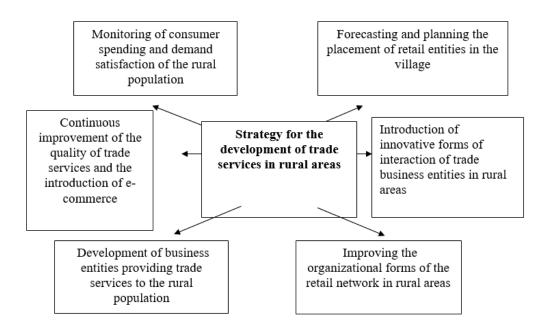


Figure 3. Strategic directions for improving the efficiency of trade services to the rural population

These areas include the restructuring of the system of trade services in rural areas, the provision, intensification and renewal of trade services. Each subsystem is focused on specific tasks to increase the level of satisfaction of the needs of the population and the efficiency of retail trade.

The main source of increasing the efficiency of trade services is to increase the number of trade entities and strengthen their material and technical base. The data show that the level of provision of rural areas with commercial areas is much lower than in urban areas. This means that long-term plans for the placement of retail entities will remain a priority in improving trade services to the population.

The factors influencing the provision of trade services to the rural population are examined, and the factors of general influence reflect the level of development of trade and consumer markets in the region and have the same effect in all settlements. In our study, the impact of these factors was analyzed by determining the correlation between the factors of total influence and the retail turnover per capita. The analyzes showed a low impact of factors with a general impact on the efficiency of sales services, which indicates the importance of factors with a specific impact.

Factors with special influence determine the level of commercial services in individual settlements, so their scope of influence is limited and may not be consistent with the general trend. The main factor influencing the location of the population in the region was identified. The nature of the settlement determines the number and composition of settlements in the area, facilitates or hinders the organization of trade services in the area. We propose to apply a special approach to settlements in the development of measures for the development of the retail sector.

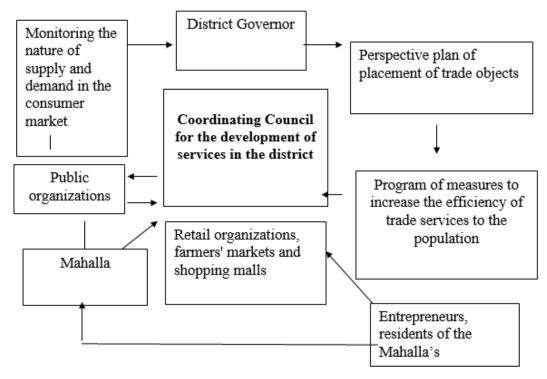
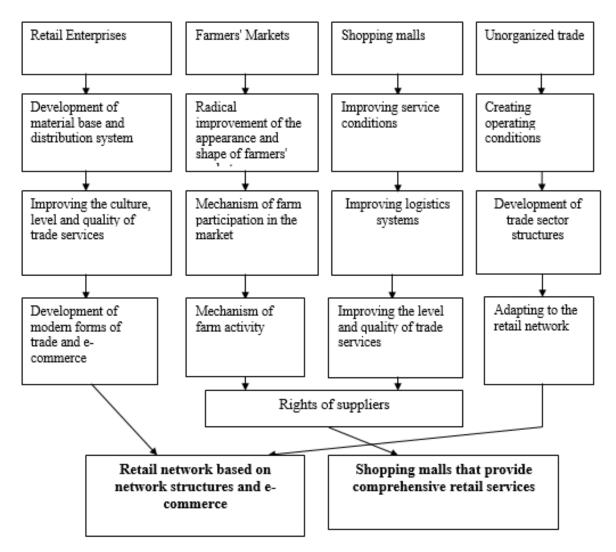


Figure 4. Stakeholder cooperation system to improve the provision of trade services to the population in rural areas

Today, Uzbekistan has a unique body of self-government, the mahalla, which combines centuries-old traditions of the people and the democratization process of our society. The mahalla is not only a public organization aimed at solving social and domestic problems in a particular place of residence, but also a public administration body that helps to improve the living standards of the population. The transfer of the main part of the powers from the territorial state bodies to the local self-government bodies serves to take into account the specifics of the formation of demand in individual settlements. As a practical tool, we propose to establish a Coordinating Council for the integrated development of trade services to the population on the basis of the involvement of all stakeholders (Figure 4).

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# Figure 5. Development of organizational forms of trade services in rural areas (forecast) \*

The peculiarity of this system is that the proposals come from neighborhood committees, as well as entrepreneurs and public organizations. As a result, the effectiveness of measures to provide trade services in individual settlements will increase dramatically. The rapid development of trade requires the involvement of farmers' markets and shopping malls, unorganized trade entities in active efforts to meet consumer demand, that is, they need to be transformed into modern structures (for example, sectoral structures). In our opinion, the measures taken in the framework of the Strategy for further development of the Republic of Uzbekistan in five priority areas will allow to form a modern system of trade services in rural areas in 2019-2021 (Figure 5).

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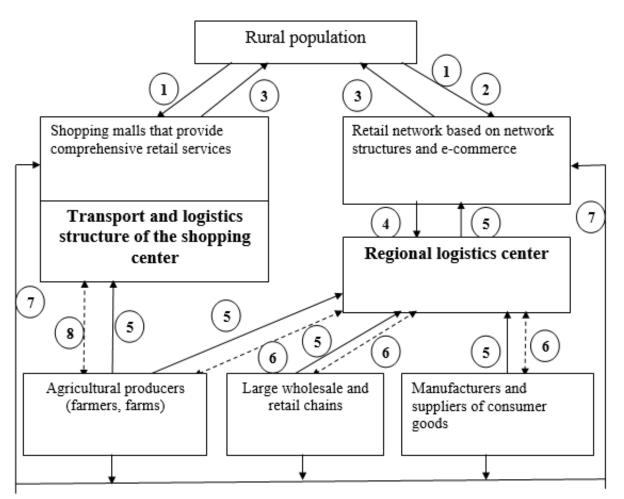


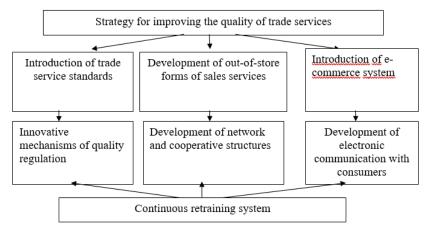
Figure 6. Retail structure based on increasing the efficiency of trade services in rural areas and e-commerce \*

1 - personal visit to the trading enterprise; 2 - order through communication channels; 3– purchase (execution of the order); 4- order to replenish the reserve; 5 - delivery of goods; 6 - agreement on continuous replenishment of inventories; 7 - delivery of goods through a direct contract or dealer network; 8 - Contract for the supply of agricultural products.

The study of the activities of retail organizations has shown the need to increase the efficiency of trade services to the population, attract investment in their material and technical base, strengthen the system of supply of goods and the use of advanced trade technologies. In our opinion, this problem can be solved by attracting large commercial enterprises in the city to the countryside through economic and social means (Figure 6).

In addition, it is proposed to create legal conditions for the merger process of private entrepreneurs. We offer to study and apply the experience of foreign countries in the development of retail trade and press cooperation. An important aspect of increasing the efficiency of retail trade in rural areas is the formation of a mechanism for continuous improvement of the culture and quality of trade services (Figure 7). This mechanism is based on the strategy of the region to improve the quality of trade services in the future. The uniqueness of this strategy is that it takes into account the regional and local characteristics of retail development.

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# Figure 7. Mechanism for continuous improvement of the quality of trade services provided to the rural population \*

In order to improve the quality of services in trade enterprises in rural areas, it is necessary to introduce trade process technologies and scientific methods of trade organization. The methodological basis of this direction is the development and implementation of standards for the provision of commercial services in rural areas. Unlike the rules of retail trade, service standards reflect the obligations of a trading enterprise in terms of the level of sales services. We propose to expand the scientific methods of retail trade through the introduction of forms of service outside the sales hall, the expansion of e-commerce methods and the introduction of innovative regulatory mechanisms for the provision of services in retail enterprises.

## Conclusion

Improving the culture of providing trade services requires sufficient skills from employees, so we propose to form a system of training and retraining in rural areas in areas such as sales consultant, food seller, non-food seller, sales agent. Implementation of the strategy of accelerated development of trade services in rural areas will allow to change the ratio of trade services to the population in favor of the rural population.

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