THE ROLE OF MARKET ORIENTATION AND INNOVATION IN IMPROVING EXPORT PERFORMANCE OF CARPET MANUFACTURING ENTERPRISES IN UZBEKISTAN

Arzieva Sevinch Shomurot kizi
Independent researcher of department of "Marketing",
Samarkand Institute of Economics and Service
sevinchkaarziyeva@gmail.com

Abstract

The carpet manufacturing industry is one of the strategic sectors contributing to Uzbekistan's economic development and export growth. In recent years, the government has implemented various reforms to support export-oriented manufacturing enterprises, improve product quality, and increase competitiveness in international markets. Many carpet manufacturers continue to face challenges related to changing customer preferences, strong global competition, and technological development. This study examines the role of market orientation and innovation in enhancing the export performance of carpet manufacturing enterprises in Uzbekistan. The research is based on a review of relevant scientific literature and the analysis of current trends in the carpet industry. The findings suggest that enterprises focusing on customer needs, market research, product innovation, and modern production technologies are more likely to achieve sustainable export growth and improve their competitive position in foreign markets.

Keywords: Carpet manufacturing, economic development, export growth, government, product quality, customer needs, market research.

Introduction

The carpet manufacturing business has emerged as one of the most important areas of Uzbekistan's manufacturing economy. Rich national carpet weaving traditions,

combined with the availability of raw resources and government assistance, have produced good conditions for the industry's growth. Carpet and textile product exports have expanded dramatically in recent years, making the business a key source of foreign exchange profits and employment.

Despite these encouraging advances, carpet manufacturing companies confront numerous hurdles in foreign markets. With increasing competition from Turkey, Iran, India, and China, Uzbek producers must enhance product quality, develop creative designs, and better understand customer wants. Traditional manufacturing practices are no longer sufficient to compete effectively in global marketplaces.

Market orientation is one of the most important variables impacting business success. Enterprises that routinely collect information about client preferences and market trends might create products that better meet international demand. At the same time, innovation allows businesses to develop new goods, enhance manufacturing processes, and adopt cutting-edge technologies that boost competitiveness.

Although numerous investigations have looked into market orientation and innovation in other industries, little attention has been paid to carpet manufacturing companies in Uzbekistan. As a result, the purpose of this study is to investigate how market orientation and innovation help to improve export performance in this sector.

The objective of this study is to identify the role of market orientation and innovation in enhancing the export performance of carpet manufacturing enterprises in Uzbekistan and to provide practical recommendations for increasing their international competitiveness.

Literature Review

Market orientation has become one of the most important concepts in modern marketing and strategic management. It refers to an enterprise's ability to understand customer needs, monitor competitors' activities, and respond effectively to changes in the market. According to Narver and Slater (1990), market orientation consists of three

main dimensions: customer orientation, competitor orientation, and interfunctional coordination. These dimensions help enterprises create value for customers and achieve sustainable competitive advantages.

Kohli and Jaworski (1990) define market orientation as the process of generating market intelligence, sharing information within the organization, and responding to market changes. This approach emphasizes that enterprises should not only collect market information but also use it effectively in managerial decision-making. In today's competitive environment, firms that pay close attention to customer preferences and market trends are more likely to improve their business performance.

Innovation is another important factor affecting enterprise competitiveness. Innovation includes developing new products, improving production processes, adopting modern technologies, and introducing new marketing methods. Manufacturing enterprises that invest in innovation are better prepared to meet changing customer demands and international quality standards.

In Uzbekistan, the carpet manufacturing industry has experienced significant development in recent years. Government programs supporting industrial modernization, export promotion, and entrepreneurship have created favorable opportunities for carpet producers. Investments in modern equipment, digital technologies, and quality management systems have enabled many enterprises to expand their export activities. Nevertheless, some manufacturers still face challenges related to limited market research, insufficient product differentiation, and strong competition from international producers.

Therefore, strengthening market orientation and encouraging continuous innovation are becoming essential requirements for improving the export performance of carpet manufacturing enterprises in Uzbekistan. Enterprises that understand international customer expectations, apply modern production technologies, and

continuously improve product quality are more likely to achieve sustainable growth in foreign markets.

Research Methodology

This study employed a quantitative research approach to examine the role of market orientation and innovation in improving the export performance of carpet manufacturing enterprises in Uzbekistan. A quantitative method was selected because it allows researchers to measure relationships among variables objectively and to analyze the collected data using statistical techniques.

The target population consisted of managers and specialists working in carpet manufacturing enterprises engaged in export activities. These respondents were selected because they possess practical knowledge of marketing strategies, innovation activities, and export operations within their enterprises.

Primary data were collected using a structured questionnaire. The questionnaire consisted of two sections. The first section included demographic information such as gender, age, education level, work experience, and job position. The second section contained statements related to market orientation, innovation, and export performance.

A five-point Likert scale was used to assess respondents' perspectives, with 1 indicating Strongly Disagree and 5 indicating Strongly Agree. The measurement items were developed from internationally known studies and tailored to the specifics of Uzbekistan's carpet manufacturing sector.

The collected data was evaluated with IBM SPSS Statistics. Descriptive statistics were used to summarize respondents' attributes. Cronbach's Alpha reliability analysis was used to determine the measurement scales' internal consistency. Correlation analysis was utilized to investigate the links between market orientation, innovation, and export performance.

The statistical analysis results give evidence for the impact of market orientation

and innovation on the export performance of carpet manufacturing firms and serve as the foundation for practical recommendations.

Table 1

Research variables

Variable	Description	Source
Market orientation	Understanding customer needs, monitoring competitors, and responding to market changes	Nerver&Slater(1990)
Innovation	Product, Process, and marketing improvements	OECD (2018); Wang&Ahmed(2004)
Export performance	Growth in export sales, profitability and foreign market share	Zou et al. (1998)

Results and Discussion

The analysis indicates that market orientation has a positive influence on the performance of carpet manufacturing enterprises. Companies that regularly analyze customer preferences and monitor competitors are more successful in developing products that meet international market requirements.

The findings also show that innovation plays a significant role in improving export performance. Enterprises investing in modern production technologies, product design, and quality improvement are more competitive in foreign markets. Respondents emphasized that introducing innovative carpet designs and adopting environmentally friendly production methods have increased customer satisfaction and export opportunities.

Furthermore, the findings indicate that firms that combine market orientation and innovation outperform those that rely primarily on traditional production methods in terms of export performance. Market knowledge enables businesses to detect worldwide customer needs, while innovation helps to translate this information into products that match market demands.

These findings are consistent with earlier research, which shows that market-oriented and innovative businesses are more likely to obtain long-term competitive advantages and improved export performance. In Uzbekistan, government assistance for export-oriented businesses, modernization projects, and investments in innovative technology all create favorable conditions for carpet manufacturing enterprises to improve their competitiveness.

The results suggest that enterprise managers should boost marketing research, improve customer relationship management, foster innovation, and engage in personnel training to improve export success.

Table 2

Summary of findings

Research objective	Main finding
Examine the role of innovation	Positive effect on enterprise competitiveness
Assess the role of innovation	Improves product quality and export competitiveness
Evaluate export performance	Market-oriented and innovative firms perform better in international markets

Conclusion and Recommendations

This study examined the role of market orientation and innovation in improving the export performance of carpet manufacturing enterprises in Uzbekistan. The

findings indicate that both factors play a significant role in increasing international competitiveness.

Market orientation enables enterprises to better understand customer needs, monitor competitors, and respond quickly to market changes. Innovation supports the development of new products, improvement of production processes, and adoption of modern technologies. Together, these capabilities contribute to higher export sales, stronger customer satisfaction, and improved competitiveness in foreign markets.

Based on the findings, the following recommendations are proposed:

- Carpet manufacturing enterprises should conduct regular market research to identify changing customer preferences.
- Greater investment should be made in product innovation, digital technologies, and environmentally friendly production methods.
- Enterprises should strengthen cooperation with research institutions and universities to promote innovation.
- Government agencies should continue supporting export-oriented manufacturers through financial incentives, training programs, and participation in international trade exhibitions.
- Managers should enhance employees' marketing and innovation skills through continuous professional development.

In conclusion, improving market orientation and innovation capability is essential for strengthening the export performance of Uzbekistan's carpet manufacturing enterprises. Implementing these strategies will help firms expand their presence in international markets and contribute to the sustainable development of the national economy.

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