

Table 2.

Indicators for calculating the uncertain values of a_0 , a_1 and a_2		
a_2	a_1	a_0'
-18,0	13,7	28,3
13	7	28

Knowing a_0' , a_0 is found using this formula $\ln(a_0) = a_0'$ and we get $1.85778E + 12$. Thus, in the course of analysis of the activity of the "Uzmetkombinat" JSC, it was established that the enterprise is one of the leading manufacturers of finished products.

Conclusions.

Analysis of the financial results of the enterprise revealed that the growth of revenue and the share of net profit in it also characterizes the activity of the enterprise as effective. The performance remains high and we can expect improved production results in the future.

According to the results of the research, we received the following:

-firstly, based on analyzes, an increase in the use of labor resources will lead to an increase in the volume of output. The value of a_0 according to calculations was $1.85778E + 12$, which determined the influence of labor resources on the growth of output.

-secondly, in this case, the production function of the total output of goods turned out to be $a_1 + a_2 < 1$

Result the returns to scale increase. With perfect competition and equal elasticity of capital and labor, the coefficients a_1 and a_2 reflect the shares of each factor in total production.

УДК 339.1
ГРНТИ 06.71

References:

1. Decree No. PF-5953 of March 2, 2020 on the state program for the implementation of the action strategy on the five priority areas of development of the Republic of Uzbekistan for 2017-2021 in the year "Development of Science, Enlightenment and Digital Economy".
2. Gorbunov, V. K. Production functions: theory and construction: a training manual / V. K. Gorbunov. - Ulyanovsk: UISU, 2013. - 8 p.
3. Zyukin D.A., Gurova I.E. The study of the level of use of production factors in a pharmaceutical enterprise based on the Cobb-Douglas function // Modern scientific research and innovation. 2016. No. 5, URL: <http://web.snauka.ru/issues/2016/05/67831> (accessed: 02.02.2020).
4. Information reports of "Uzmetkombinat" JSC (2015-2019).
5. Yusim V.N., Filippov V.S. Cobb-Douglas production function and management of economic and technological development, Theory and Practice of Management DOI: <http://dx.doi.org/10.21686/2413-2829-2018-2-105-114>, Russia.
6. Yusupova M.D. The production function of Cobb-Douglas, as a tool for analyzing mathematical models of news, Publisher: Chechen State Pedagogical University (Grozny), ISSN: 2587-6074, Volume: 17, Number: Four (20) Year: 2017, 304-309 pp., UDC: 330.43.

DYNAMICALLY DEVELOPING MARKETS: OUTLOOK OF CURRENT TRENDS AND IMPLICATIONS FOR BUSINESS PROCESSES

DOI: [10.31618/ESU.2413-9335.2020.1.74.732](https://doi.org/10.31618/ESU.2413-9335.2020.1.74.732)

Valchuk Petr A.

*Bachelor in Business Administration
Economics and Management Department,
Czech University of Life Sciences,
Czech Republic, Prague, 16500, Kamýcká 129;*

*Marketing and Trading Business Department, Kuban State University,
Russia, Krasnodar, 350040, Stavropolskaya Str. 149;*

Bespalykh Angelina V.

*Bachelor in Business Administration
Economics and Management Department,
Czech University of Life Sciences,
Czech Republic, Prague, 16500, Kamýcká 129;*

*Marketing and Trading Business Department, Kuban State University,
Russia, Krasnodar, 350040, Stavropolskaya Str. 149;*

Kivi Svetlana S.

*Bachelor in Business Administration
Economics and Management Department,
Czech University of Life Sciences,
Czech Republic, Prague, 16500, Kamýcká 129;*

Marketing and Trading Business Department, Kuban State University,

ABSTRACT

The effectiveness of commercial activities of trade enterprises, level of competitiveness and cost assets are largely determined by the effectiveness of business processes which correspond to the development of market in its dynamics. Object of the research is the dynamically developing markets and sectors in modern realities. Subject is the analysis and evaluation of promising niches towards increasing the retail industry competitiveness in a contemporary world performance. In the research, the authors scrutinize dynamically developing businesses' concept and its types, then consider digital industry as most fast-growing marketplace, the third implications were gathered from public relations sector within the blueprint of corporate social responsibility practices and social investment notion as being another angle of promoting company's vision. Also, the authors admit, the integration of corporations into global economic agenda implies the compliance of business practices of domestic companies with international requirements and standards, which to a large extent poses an effect of increasing their competitiveness.

АННОТАЦИЯ

Эффективность коммерческой деятельности предприятий торговли, уровень конкурентоспособности и стоимости активов во многом определяются эффективностью бизнес-процессов, которые коррелируют с развитием рынка по его динамике. Объектом исследования являются динамично развивающиеся рынки и отрасли в текущих реалиях. Предметом выступает анализ и оценка перспективных ниш в направлении повышения конкурентоспособности розничной индустрии в современных мировых условиях. В исследовании авторы, во-первых, анализируют динамически развивающуюся концепцию бизнеса и его типы, а затем рассматривают цифровую индустрию как наиболее быстро растущий рынок, в-третьих, вводят в процесс анализа сектор связей с общественностью в рамках концепции и практики корпоративной социальной ответственности и понятия социальных инвестиций в качестве еще одного варианта продвижения компании на рынке. Также авторы признают, что интеграция корпораций в глобальную экономическую повестку дня подразумевает соответствие деловой практики отечественных компаний международным требованиям и стандартам, что в значительной степени влияет на уровень их конкурентоспособности.

Keywords: Dynamically developing markets, competitiveness, digital marketing, retail industry, business process, product promotion, corporate social responsibility, goodwill.

Ключевые слова: Динамично развивающиеся рынки, конкурентоспособность, цифровой маркетинг, розничная торговля, бизнес-процессы, продвижение продукции, корпоративная социальная ответственность, доброжелательность.

Introduction

From the 1970s onwards, much attention has been put to the understanding of business activity as a long-lasting process, in particular the behaviour of a transnational firm, using its competitive advantage in order to achieve successful outcomes. Usually experts speak about competitive advantage on a multinational or national level and often underline two main – and quite distinct – reasons why a firm should go multinational to get profit. One is to better serve a local market, and the other is to get lower-cost inputs.

The practice of business modeling and reengineering of large companies was reflected in the works of T.H. Davenport and J. Short [5], M. Hammer and J. Champy [12]; business process management reviewed by J.H. Martin [15], B. Andersen, M. Rothher, J. Shook, J. Womack, D. Jones [18], and others. American scientist and a partner of Ernst and Young's Center for Information Technology and Strategy in Boston, USA, T.H. Davenport and his colleague J. Short paid great attention to the design of business processes in conjunction with the development strategy of a business entity. In accordance with the authors' approach, the strategy is a separate action, interconnected by the goal and the result, aimed at the consumer – the management of the enterprise. In this case, the business model should reflect the process of achieving the goal of the enterprise – development strategy. The business

process in this case represents the work defined by time and space, which accurately allows us to identify resources at the input and output. Such business activity may be more beneficial when runs into fast developing markets or niches.

At the same time, our understanding of the business process corresponds to the concept of “value stream” offered by American researcher J. H. Martin, as a set of completed, combined actions that together create some products that have consumer value for the client. Thus, a business process for a small business entity is a generalized representation of actions, an abstraction, and a model that describes the creation of certain products that have consumer value for the client. J. H. Martin [15] changed the idea of the business process, in his opinion the “value stream”, which consists in actions leading to the result – the creation of products demanded by the client that has value for him, is more appropriate for the study.

Dynamically developing businesses: concept and niches

The founder of the term “dynamically developing companies” is considered an American economist David Birch (who also is well known author for the pioneering work on small businesses), 40 years ago discovered a phenomenon that, with his light hand, was called “gazelles” – fast-growing companies [2].

The Economics of Business Firm Formation and Growth Bruce Allen Kirchoff identified two definitions of dynamically developing companies [13]:

- a company characterized by low rates of innovation and rapid growth, management which skillfully uses the opportunities to expand its markets;
- a company that is characterized by a high rate of innovation and rapid growth; growth of such companies occurs mainly due to the continuous introduction of innovations; they usually serve as an example of successful entrepreneurial activity.

High impact firms have a significant impact on economic development. The average age of such companies is 25 years, they make up 2-3% of all enterprises in the country, but at the same time, they employ most of the population. High impact firms are the next stage of development after the gazelle companies [1].

In our opinion, we can distinguish the following characteristics of dynamically developing business processes [3]:

- high growth rate of turnover (not less 20% for foreign and 30% for domestic companies) that are held for a long period of time (from 3 to 5 years);
- dynamically developing business activities account for a huge share of GDP growth;
- create the majority of new jobs;
- they bring the most demanded product to the market, as a rule, find holes from natural monopolists and create their own sales market on their basis;
- creativity of ideas;
- a tough financial perspective, manifested in the limitation of accounts payable (not more than 18% of the annual turnover), which is a serious competitive advantage during a crisis;
- adaptability and readiness for instant changes;
- lack of administrative resource and state non-interference in business;
- abandonment of all secondary functions and outsourcing them to other companies;
- transparency of financial policy [14].

While politicians and experts are discussing growing markets and the economic situation in the world markets, significant positive dynamics is noticeable in some areas – new growing markets are being formed, modern programs are being developed, and unemployment is being fought. In the wake of import substitution, agricultural sector, medical goods industry, and some food industry sectors feel confident. Growing markets here are observed due to the depreciation of the domestic currency of particular country, which generates an influx of exports in the technical and computer fields.

Microfinance organizations earn money to help people rapidly losing income. In addition, one can observe growing markets on the Internet, where we purchase goods at lower prices. It is impossible not to say about alcohol markets, in which the cost of production is more acceptable than in ordinary stores. It is also worth noting that citizens of the Russian Federation, for instance, began to prefer domestic resorts to foreign ones, which is why growing markets

also appear in the tourism sector. Nevertheless, let us look at each market in more detail.

Digital sector as fast growing marketplace

In recent years, the role of the product promotion system has grown significantly due to increased competition for the consumer, increased risks associated with creation of new products and increased requirements for product quality standards.

Among conventional elements of product promotion like trade-marketing or advertising and PR we assume that the most fast-growing segment is digital marketing, the marketing of goods and services using digital technology. It is used at all stages of interaction with consumers in the B2C and B2B segments, in retail industry. The effectiveness of this area is due to close interaction with consumers and the coverage of the target audience. Digital marketing is actively used to promote well-known brands. Unlike online marketing (which uses the World Wide Web), offline channels are also involved in digital marketing (offline tools like smart gadgets, POS terminals) [8].

Digital marketing has often been understood as the promotion of products or brands via one or more forms of electronic media. For example, advertising mediums that might be used as part of the digital marketing strategy of a business could include promotional efforts made via the Internet, social media, mobile phones and electronic billboards, as well as via digital and television and radio channels [7].

Today, 4 billion people (53% of the global population) are connected to the internet, and nearly all of them (92.6%) do so using their mobile devices. Every day, 85% of users (3.4 billion) connect to the internet and spend, on average, six and a half hours online, – The Nielsen Global Connected Commerce report says [4]. Companies recognize the influence and impact that their online presence (via branded digital properties – websites, advertising and social media) has had on their in-store sales growth, and for other companies this sparked the origins of e-commerce retailing. Development in retailing has quickly become greater in scope than either the physical or virtual store. The economic and technological environment challenges companies to rethink their competitive edge by turning into value the potential of digital tools and electronic commerce.

The authors underline that e-commerce is narrower in scope than digital business. The case studies the book incorporates refer to companies that are either benchmarks or true failures in the digital environment. Positive examples, which develop their retailer strategies into the digital parallel are eBay, Google, Amazon, as well as Debenhams, Argos, Shell Chemicals, EasyJet, Dell, Tesco and Jansen-Cilag, and many others.

In 2015 the European Union adopted the long-term vision in development of digitalization called “A Digital Single Market Strategy for Europe”. As the organization states, the digital economy can expand markets and foster better services at better prices, offer more choice and create new sources of employment. A Digital Single Market can create opportunities for new start-ups and allow existing companies to grow and

profit from the scale of a market of over 500 million people” [9].

As to European sector, digital content is one of the main drivers of the growth of the digital economy. 56% of Europeans use the internet for cultural purposes and spending on digital entertainment and media is predicted to see double digit growth rates (around 12%) for the next five years.

Moreover, online platforms have proven to be innovators in the digital economy, helping smaller businesses to move online and reach new markets. New platforms in mobility services, tourism, music, audiovisual, education, finance, accommodation and recruitment have rapidly and profoundly challenged traditional business models.

Digital marketing services are especially in demand in the B2B and B2C segments. The use of advanced digital capabilities allows us to reach a maximum of target consumers and establish the effectiveness of interaction with them, which ensures high efficiency of this approach and competitiveness of the enterprise.

Market of PR and CSR

Usually when we start talking about business processes, we cannot avoid such developing market niche as public relations and connected with that the notion of corporate social responsibility (CSR) practices which are still considered by many enterprises as another angle of doing business in sustainable manner to attract long-term trust and goodwill, as well as develop long-lasting relations with customers and stakeholders.

According to the classic definition given by the European Commission, CSR can be understood as a concept that reflects the voluntary decision of business representatives (enterprises, organizations, small firms and transnational corporations) to participate in the social development of their employees, to contribute to the improvement of society and the implementation of measures aimed at protecting the environment [10].

Today, in a general sense, CSR is usually understood as a set of obligations undertaken by companies regarding the results and consequences of their business activities. It reflects the voluntary decision of companies to participate in social development of their work team, improve the quality of life and society, as well as protect the environment.

Social investments are expanding the concept of CSR. Moving from charity to social investments focused on a national and regional level, they aimed at addressing the most urgent questions for the country in the field of employment, poverty alleviation, education, housing, security, health and environment [20].

Human capital development is also a necessary element of internal CSR. The effectiveness of the company depends on the quality of labor resources, their level of professionalism and training, as well as motivation and job satisfaction. The primary role in this direction is given to the training of employees (both professional and personal) and the organization of effective internal communications [16].

In this case, Russian business, primarily large, is aware of its role and confirms its participation in the

implementation of the global sustainable development goals. According to a survey of more than 200 companies, including large, medium and small businesses, conducted by the Russian Union of Industrialists and Entrepreneurs (RSPP) in 2019, 50% of companies relate their activities to SDG-2030 [19].

Responsibility to consumers lies in the release on the market of quality goods and services. This implies the need to comply with the necessary standards, including internal standards. The higher the quality of the product, the better it can satisfy the needs of customers and increase their satisfaction. High product quality is the key to successful development in the long term.

Environmental activity is also considered one of the main vectors of external CSR. It includes not only financing environmental protection measures, but also includes energy consumption, conservation of resources, control and minimization of harmful emissions, etc. In recent years, the transition of enterprises to alternative energy sources has become very popular.

The basis for business interaction with government and local communities is the desire to develop the appropriate infrastructure (transport, social, information, etc.). Thus, business contributes to the development of regions of its presence.

Therefore, the business considers the changing expectations of society regarding not only its products, but also its participation in the formation of high social standards, such as, for example, the quality of education. The Corporate Responsibility Managers Association Committee (Russia) formulated this approach in far 2008 [17].

Speaking about developing markets we can admit that the main action forms for CSR as a dimension of business processes here are conducting public relations campaigns and implementing advertising programs in the field of sports, culture, and education in order to improve the business reputation in the eyes of target audience. At the same time, the effectiveness of social policy determined by financial returns: influence on business development, obtaining a greater market share, increasing profits.

Proving that fact, the example below is presented. D. Kotter and J. Heskett, authors of the book “Corporate Culture and Efficiency”, analyzed the results that showed companies with different traditions in business ethics. The study showed that for 11 years, “high-moral” firms with developed goodwill increased their income by 682%, and “ordinary” – by 166%. High-moral firms increased their headcount by 282%, and their less-ethical competitors by 36%, the value of their shares on the exchange grew by 901% (respectively 74%), and net income increased by 756% (1%) [11].

Thus, CSR deals with the whole cycle of business activities and, to address effectively its corporate responsibilities it needs to focus on such improvements in implementation phase as business impacts determine by identifying the social and environmental impacts of its operations and assess their significance in broad sense.

Conclusion

According to the findings, we admit that any entrepreneur strives to conduct his business in a dynamically developing market. The explanation is simple: the competition there is not so intensified, because everyone can take their market cell, therefore, the cost of production is practically not growing, but consumer demand, sales and profit are increasing. Leading a growing market in a crisis is a goal that many businessmen find unrealistic to achieve. However, some categories of European and Russian entrepreneurs have already entered growing markets that have not disappeared into the crisis. According to the latest research, this is mainly the digital sector, food industry, construction materials, agricultural and transport business, as well as public relations activities.

References

1. Acs Z., Parsons W., Tracy S. (2010). High-Impact Firms: Gazelles Revisited.
2. Birch D. (1979). The Job Generation Process. A report prepared by the Massachusetts Institute of Technology Program on Neighborhood and Regional Change for the Economic Development Administration / D. Birch, U. S. Department of Commerce, Washington, D. C. Cambridge.
3. Bouafia K., Molnár B. (2018). Dynamic business process: comparative models and workflow patterns. Conference: The 11th Conference of Phd Students In Computer Science. Volume CS2. 194 p.
4. Connected Commerce (2019). The Nielsen Company (US), LLC. URL: <https://www.nielsen.com/wp-content/uploads/sites/3/2019/04/connected-commerce-report.pdf>. Accessed: 23.05.2020.
5. Davenport T., Short J. (1999). The New Industrial Engineering: Information Technology and Business Process Redesign // Sloan Management Review. 31(4). Pp. 11-15.
6. Dietz J., Hoogervorst J., Albani A., et al. (2013). The discipline of Enterprise Engineering. International Journal of Organisational Design and Engineering. 3. 86-114. 10.1504/IJODE.2013.053669.
7. Digital marketing. URL: <http://www.businessdictionary.com/definition/digital-marketing.html>. Accessed: 28.05.2020.
8. Digital marketing. URL: <https://www.investopedia.com/terms/d/digital-marketing.asp>. Accessed: 28.05.2020.
9. European Commission. A Digital Single Market Strategy for Europe. Brussels, 6.5.2015. COM(2015)192final. URL: <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52015DC0192&from=EN>. Accessed: 27.05.2020.
10. European Commission. CSR. URL: https://ec.europa.eu/growth/industry/corporate-social-responsibility_fr. Accessed: 29.05.2020.
11. From Aristotle to Starbucks: How Ethics Affect the Economy. In Russ. От Аристотеля до Starbucks: как этика влияет на экономику. URL: <http://www.washprofile.org/ru/node/753>. Accessed: 28.05.2020.
12. Hammer M., Champy J. (1993). Reengineering the Corporation: A Manifesto for Business Revolution. New York: Harper Business Books.
13. Kirchoff B. A. (1994). Entrepreneurship and Dynamic Capitalism. Westport, Conn.
14. Li S., Easterby-Smith M., Hong J.F.L. (2019). Towards an understanding of the nature of dynamic capabilities in high-velocity markets of China. Journal of Business Research 97. 212–22.
15. Martin J.H. (1994). Enterprise Engineering the Key to Corporate Survival. Lancashire: Savant Institute.
16. Rangan K., Chase L., Karim S. (2018). Why every company needs a CSR strategy and how to build it // Harvard Business school working paper.
17. Report on social investments in Russia. Integration of CSR in corporate strategy. M. 2008. In Russ. Доклад о социальных инвестициях в России. Интеграция КСО в корпоративную стратегию.
18. Rother M., Shook J., Womack J., Jones D. (1999). Learning to See: Value Stream Mapping to Add Value and Eliminate MUDA. Massachusetts: Lean Enterprise Institute.
19. Russian Union of Industrialists and Entrepreneurs. Decent Work – Sustainable Business. Corporate practices collection, 2020. URL: <http://en.rspp.ru/download/cff5605f4c289703adee957e0a923e57/>. Accessed: 27.05.2020.
20. Votchenko E.S., Bogdashev I.V. (2018) Social investments at a glance: reviewing Russian perspectives. RUDN Journal of Economics, 26 (1), 47—60. DOI: 10.22363/2313-2329-2018-26-1-47-60.

Сведения об авторах

Вальчук Петр Александрович

Бакалавр управления бизнесом, факультет экономики и менеджмента, Чешский аграрный университет; 16500, Чешская Республика, г. Прага, Камýská 129; кафедра маркетинга и торгового дела экономического факультета, Кубанский государственный университет, Россия; 350040, г. Краснодар, ул. Ставропольская 149, **Беспалых Ангелина Владимировна** Бакалавр управления бизнесом, факультет экономики и менеджмента, Чешский аграрный университет; 16500, Чешская Республика, г. Прага, Камýská 129; кафедра маркетинга и торгового дела экономического факультета, Кубанский государственный университет, Россия; 350040, г. Краснодар, ул. Ставропольская 149, **Киви Светлана Сергеевна** Бакалавр управления бизнесом, факультет экономики и менеджмента, Чешский аграрный университет; 16500, Чешская Республика, г. Прага, Камýská 129; кафедра маркетинга и торгового дела экономического факультета, Кубанский государственный университет, Россия; 350040, г. Краснодар, ул. Ставропольская 149,