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Improving Retail Marketing Strategies in the Context of Digital Transformation

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Abstract: This article examines the issues of improving retail marketing strategies in the context of digital transformation from both scientific-theoretical and practical perspectives. The main objective of the research is to develop modern approaches for evaluating and advancing the effectiveness of marketing strategies among retail entities. The article expands the traditional marketing mix model based on the requirements of the digital economy and establishes a scientifically grounded system of indicators based on the **5P+T model** (Product, Price, Place, Promotion, People, Technology). The indicators enable a comprehensive assessment of retail marketing strategies across product policy, pricing mechanisms, distribution channels, promotional methods, the human factor, and the level of technological support. This system of indicators serves to identify the strengths and weaknesses of a marketing strategy, evaluate the degree of digital technology adoption, and support evidence-based marketing decision-making.

Keywords: Retail trade, digital transformation, marketing strategy, 5P+T model, marketing effectiveness, omnichannel marketing, digital marketing technologies, marketing indicators, competitiveness.

Introduction

Today, the global economy is undergoing profound digital transformation processes. In particular, new formats such as digital technologies, e-commerce, and social commerce are developing rapidly in the retail sector. According to global analyses, by 2025 the share of online sales in total retail trade will exceed 25%, and this trend is leading to a shift in consumer behavior across world markets [1].

The Decree of the President of the Republic of Uzbekistan No. PF-60, dated January 28, 2022, "On the Development Strategy of New Uzbekistan for 2022–2026," sets out the following tasks: "...developing trade infrastructure across the regions of the Republic — specifically, establishing large wholesale trade centers in each region, including logistics facilities, refrigeration units, and warehouses; creating at least 3 modern shopping centers in major districts and cities; expanding mobile trade points in rural areas; and organizing trade centers in border areas to enable free trade for the population" [2].

From this perspective, developing effective marketing strategies for the advancement of retail trade in Uzbekistan is a pressing issue. This direction serves to strengthen economic stability, revitalize the domestic market, and enhance the competitiveness of national brands in the international marketplace[3].

Literature Review

The issue of improving retail marketing strategies in the context of digital transformation has become one of the most relevant areas of economic research in recent years. The rapid development of digital technologies is requiring retail entities to fundamentally reconsider traditional marketing approaches and to adopt consumer-oriented and data-driven strategies.

The classical foundations of marketing theory were developed by P. Kotler, who interprets marketing as a management process aimed at identifying and satisfying consumer needs [4]. According to the author, in the conditions of a digital economy, marketing strategies should serve not only product and pricing policy, but also the formation of long-term relationships with customers. From this perspective, the traditional 4P model has evolved under modern conditions into an integrated approach encompassing the human factor and technology.

The marketing mix concept proposed by J. McCarthy serves as an important theoretical foundation for strategic decision-making in retail enterprises [5]. Although this model was originally developed for traditional markets, it is currently being adapted for marketing activities carried out through digital trading platforms, mobile applications, and social networks. Researchers emphasize that enriching this model with digital technologies increases the competitiveness of retail trade.

The impact of digital transformation on retail has been extensively studied by foreign scholars. In the research of K. Verhoef and co-authors, it is substantiated that digital transformation fundamentally changes the business models, marketing channels, and consumer interactions of retail enterprises [6]. The authors emphasize that an omnichannel marketing strategy is an important factor in improving the shopping experience for consumers and increasing sales effectiveness.

According to M. Porter's theory of competitive advantage, the success of retail enterprises is ensured through the introduction of innovations, cost optimization, and increasing brand value [6]. In the context of digital transformation, these advantages are further strengthened through the analysis of large volumes of data, the use of CRM systems, and digital marketing tools.

Empirical research conducted in recent years on digital marketing and e-commerce confirms that the use of digital channels in the retail sector has a positive impact on sales volumes and consumer loyalty. In particular, the adoption of SEO, SMM, mobile marketing, and electronic payment systems is helping retail entities expand their market share[7].

Uzbek scholars have also studied the issues of developing retail trade and marketing strategies. Local research recognizes the modernization of retail trade infrastructure, the introduction of digital technologies, and the development of regional markets as important factors for improving marketing effectiveness. At the same time, research has not sufficiently addressed the issue of comprehensively evaluating and adapting retail marketing strategies in the context of digital transformation.

The above literature review shows that while the relationship between digital transformation and retail marketing strategies has been scientifically substantiated, there is a need to study in depth the regional characteristics and practical mechanisms of these processes in Uzbekistan. This research is aimed at filling that scientific gap[8].

Research Methodology

This research is aimed at comprehensively studying the development trends of Uzbekistan's retail sector, the effectiveness of marketing strategies, and the process of introducing digital technologies. The study employed a harmonious combination of quantitative and qualitative analysis, statistical, and comparative analysis approaches[9].

Analysis and Results

The volume of retail trade in the Republic of Uzbekistan has developed significantly. In 2010, the total retail trade volume across the country amounted to 21.8 trillion soums, while by 2024 this figure had reached 410.0 trillion soums — an 18.8-fold increase. Such dynamic growth is explained by the overall modernization processes of the country's economy, the rise in the real incomes of the population, the expansion of the service sector, and the introduction of electronic forms of trade.

Analysis by region shows that Tashkent city leads in terms of retail trade volume. The figure, which was 5.4 trillion soums in 2010, reached 108.1 trillion soums by 2024 — accounting for nearly 26% of the country's total volume. This result is due to the high capacity of the consumer market in the capital, the developed trade infrastructure, and the high purchasing power of the population[10].

Among the regions, high growth rates have also been recorded in Samarkand, Fergana, and Andijan regions. In Samarkand region, the retail trade volume grew from 1.68 trillion soums in 2010 to 35.9 trillion soums in 2024, representing a 21.3-fold increase. The dense population, active development of entrepreneurial entities, and investments in market infrastructure in these regions are having a positive impact.

In contrast, retail trade volumes remain relatively low in Sirdarya region and the Republic of Karakalpakstan. In 2024, their figures amounted to 6.4 and 14.2 trillion soums respectively. This situation is explained by the smaller population size, low economic activity, and limited logistics capabilities [11].

During the period 2010–2024, it is observed that Uzbekistan's retail sector is transitioning from a stage of quantitative growth to a stage of qualitative development. In recent years, the Table 1. introduction of digital trading platforms, mobile payment systems, marketing analytics, and consumer-oriented strategies is increasing the competitiveness of this sector.

Table 1. Indicators of retail trade development in Uzbekistan.

<i>billion soums</i>								
№	Regions	2010	2015	2020	2021	2022	2023	2024
1	Republic of Uzbekistan	21872,8	71184,1	199518,8	252056,6	270687,2	330448,1	410068,1
2	Republic of Karakalpakstan	711,3	2397,7	6861,8	7582,5	9557,9	11392,6	14263,8
3	Andijan region	1704,2	5564,3	14810,1	15376,3	19046,9	22770,8	28630,5
4	Bukhara region	1290,2	4481,8	12072,8	12747,1	15522	18167,1	22420,5
5	Jizzakh region	629,6	2320,5	7223,3	6472,8	7995,4	9516,8	11372,9
6	Kashkadarya region	1325,2	5042,8	13523,9	14399,4	18165,9	21781,7	26804,1
7	Navoi region	850,6	3001,9	7922,8	8091,6	10101,6	12356	15253,7
8	Namangan region	1297	4166,7	12233,8	13541,9	17273,1	20665,8	25185,7
9	Samarkand region	1683	6078,2	16816,8	19882	25342,5	30196,5	35994,7
10	Surkhandarya region	1321,3	4766,4	12545,8	13737,4	17428,5	20845,7	25310,4
11	Sirdarya region	411,1	1246,5	3584	3800,3	4453,7	5239,2	6420,5
12	Tashkent region	2306,3	7663,3	20808,1	20389,1	25250	30872,1	38550,4

13	Fergana region	1911,6	6150,8	16414,8	18850	22448,5	27781,8	35545,6
14	Khorezm region	1005,9	2723,5	8589,2	8869,9	11317,2	13412,3	16127,3
15	Tashkent city	5425,5	15579,7	46111,6	52954,5	66784	85449,9	108188

Based on the above analyses, a steady growth in retail trade turnover is observed in Uzbekistan, which indicates a rising level of consumption in the domestic market.

Small businesses and private trade entities play a large role in the sector. In the regional distribution of retail trade, commercial activity is higher in the capital and major cities, while it is developing at a relatively slower pace in rural and regional networks. In the country, traditional trade networks are widespread, and investment in the sector, the establishment of modern trading spaces, and the creation of digital trade infrastructure are becoming increasingly important.

In recent years, the retail sector in Uzbekistan has become one of the most dynamic areas of the economy. However, traditional trade approaches are no longer sufficient for effective competition in a market economy. For this reason, it is necessary for retail entities to develop consumer-oriented, digital, and innovative marketing strategies.

In recent years, the sharp increase in the number of internet users in Uzbekistan — more than 27 million in 2024 — is expanding e-commerce opportunities. Therefore, retail entities must adopt an omnichannel marketing strategy, that is, creating a unified sales system through physical stores, mobile applications, social networks, and websites. In this process, it is necessary to strengthen SEO and SMM strategies and to develop the "online order — offline pickup" model[14].

Based on current global trends, promoting environmentally friendly products, creating energy-efficient trade facilities, abandoning plastic packaging, and expanding digital payment systems ensure the sustainable development of retail trade.

Improving the effectiveness of retail marketing strategies in the context of digital transformation requires not only refining theoretical approaches, but also forming a specific system of indicators that enables empirical evaluation. The modern retail market is characterized by high competition, rapid changes in consumer behavior, and the widespread adoption of digital technologies. In such conditions, evaluating marketing strategies based solely on descriptive approaches is insufficient, and the need arises to comprehensively analyze them using quantitative and qualitative indicators.

Although the 4P and 5P models have been widely used in the scientific literature to evaluate marketing strategies, digital transformation processes are requiring these approaches to be enriched with technological factors. In particular, in the retail sector, the introduction of digital payment systems, e-commerce platforms, marketing automation tools, and data analysis technologies is directly affecting all structural elements of marketing activity. For this reason, in evaluating marketing strategies, the 5P+T model — which encompasses the Technology component alongside the Product, Price, Place, Promotion, and People elements — emerges as a scientifically and practically sound approach.

In this research, a system of indicators Table 2. was developed for evaluating retail marketing strategies based on the 5P+T model. This system enables the measurement of each structural element of the marketing strategy in alignment with digital transformation conditions, the identification of their mutual coherence, and the comprehensive evaluation of the marketing effectiveness of retail entities. The table of indicators presented below serves to link the theoretical foundations of this model with empirical analysis and functions as a methodological base for subsequent statistical and comparative analyses.

Table 2. The "5P+T" model for technology development in the retail sector.

№	Core Element	Direction of Implementation
1	Product	Improving the quality of local brands, expanding assortment
2	Price	Regional price differentiation strategy, loyalty programs
3	Place	Location of trade points in areas with convenient transportation access
4	Promotion	Digital advertising, blogger marketing, video content
5	People	Service culture, trainings, improving service quality
6	Technology	Introduction of online payment systems, CRM, and data analytics

With the help of this model, retail chains can ensure stable competition in the domestic market, create consumer brands with export potential, and optimize marketing costs.

A product is interpreted not merely as a tangible commodity, but as a complex value created for the consumer. In retail trade, the product assortment should be formed on the basis of digital analytical tools and improved through demand forecasting and the development of personalized offers. Product quality, environmental cleanliness, local brand identity, and additional digital services (for example, obtaining information via QR code, online warranty registration) are important factors that increase marketing effectiveness.

Pricing policy is no longer a fixed constant, but transforms into a flexible, data-driven mechanism. Retail entities, using big data and digital analytics tools, gain the ability to develop differential pricing strategies tailored to regional, seasonal, and consumer segments. In addition, loyalty programs, electronic coupons, cashback systems, and dynamic discounts are emerging as the primary instruments of digital pricing policy.

Digital transformation requires the concept of place to expand beyond traditional points of sale and to be interpreted as an omnichannel distribution system. In retail trade, creating a unified sales environment through physical stores, e-commerce platforms, mobile applications, and social networks increases consumer convenience. The digitalization of logistics infrastructure, the "online order — offline pickup" (click & collect) model, and fast delivery services are becoming important structural components of marketing strategy[15].

In the digital environment, promotional strategies take on an interactive and targeted character, unlike traditional advertising tools. Two-way communication with consumers is established through SEO, SMM, contextual advertising, influencer marketing, and video content. The main advantage of digital promotion is the ability to measure advertising effectiveness in real time and optimize marketing costs.

The human factor remains one of the most important resources in retail trade even in the context of digital transformation. The digital literacy, service culture, and customer communication skills of employees are among the key factors determining the success of a marketing strategy. Improving employee performance through training, motivation systems, and service quality evaluation mechanisms increases the competitiveness of retail enterprises.

Technology is the integrative core of the 5P+T model, harmonizing all marketing elements into a unified system. CRM systems, marketing automation platforms, electronic payment systems, artificial intelligence-based analytical tools, and databases serve to improve the effectiveness of the retail marketing strategy. Through technological

solutions, in-depth analysis of consumer behavior, development of personalized marketing offers, and the decision-making process are accelerated.

The 5P+T model emerges as a comprehensive approach that enables the adaptation of retail marketing strategies to the conditions of digital transformation. This model:

- increases the level of systematization of marketing strategies;
- creates the ability to flexibly respond to consumer needs;
- ensures the measurement and evaluation of marketing effectiveness on the basis of digital technologies;
- forms the sustainable competitive advantage of retail entities.

Thus, the 5P+T model serves as a scientifically and practically grounded conceptual platform for improving marketing strategies in Uzbekistan's retail sector under the conditions of digital transformation.

The indicators Table 3. proposed within the framework of the 5P+T model serve to specify the main structural components of the retail marketing strategy in alignment with digital transformation conditions. The indicators selected for each element cover the key metrics expressing consumer needs, the level of digital technologies, service quality, and the effectiveness of marketing activity. This approach reduces the influence of subjective opinions in evaluating marketing strategies, enables quantitative and qualitative analysis of results, and creates the opportunity for cross-comparison of the performance of various retail entities.

Table 3. System of indicators for retail marketing strategies in the context of digital transformation.

№	Model Element	Indicator Name	Measurement Form
1	Product	Assortment breadth	% / expert assessment
		Product quality	Likert (1–5)
		Local brand share	%
		Value-added services	present / not present
2	Price	Price competitiveness	Likert (1–5)
		Price flexibility	present / not present
		Loyalty programs	present / not present
		Payment convenience	Likert (1–5)
3	Place	Trade point convenience	Likert (1–5)
		Omnichannel availability	present / not present
		Delivery speed	days / Likert
		Click & Collect model	present / not present
4	Promotion	Share of digital advertising	%
		SEO and SMM activity	Likert (1–5)
		Content quality	Likert (1–5)
		Influencer marketing	present / not present
5	People	Employee competence	Likert (1–5)
		Service quality	Likert (1–5)

6	Technology	Training system	present / not present
		Customer communication	Likert (1–5)
		CRM system	present / not present
		Marketing automation	present / not present
		Data analytics	Likert (1–5)
		Digital payment systems	Likert (1–5)

The system of indicators specified on the basis of the 5P+T model enables a comprehensive evaluation of the effectiveness of retail marketing strategies in the context of digital transformation. These indicators serve to systematically analyze the marketing activities of retail entities from the perspectives of product policy, pricing strategy, distribution channels, promotional methods, the human factor, and technological support.

The use of the indicator system creates the opportunity to make evidence-based decisions in developing retail marketing strategies, to increase the level of digital technology adoption, and to strengthen consumer-oriented approaches. Moreover, this approach serves as a methodological base for comparing marketing effectiveness across regions, trade formats, and various retail entities.

Overall, the system of indicators formed on the basis of the 5P+T model is evaluated as a scientific-practical mechanism aimed at adapting retail marketing strategies to the conditions of digital transformation, improving their effectiveness, and ensuring sustainable competitive advantage. These indicators can be widely applied in subsequent empirical research, statistical analyses, and marketing strategy optimization processes.

Conclusion

The above analyses show that improving marketing strategies is a decisive factor in developing the retail system in Uzbekistan. Through an effective marketing approach, the sector can be elevated to a qualitatively new level — that is, an opportunity is created to segment the market based on a deep analysis of consumer needs and behavior, to widely introduce digital technologies, and to develop innovative trade mechanisms.

Overall, the developed marketing strategy serves the sustainable development of the retail sector in the country, and the diversification and innovative growth of the economy. Through this, the retail sector is formed not only as a mechanism satisfying the consumer demand of the population, but also as an important driver of national economic growth.

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