



BLUE AND RED OCEAN STRATEGY IN UZBEKISTAN
MAVZU: O'ZBEKISTONDA KO'K VA QIZIL OKEAN STRATEGIYASI
ТЕМА: СТРАТЕГИЯ ГОЛУБОГО И КРАСНОГО ОКЕАНОВ В УЗБЕКИСТАНЕ

Rakhimova Mokhinur

Officer of the "El-yurt umidi" foundation

Annotation: *This article discusses how to prevent problems arising in Uzbekistan through the blue and Red Ocean Strategy existing in the economy, creating a new market space with absolutely no participants as a means of developing new opportunities and industrial innovation at a mature level, ensuring that red ocean participants can work in areas where any growth achieved at the expense of others will be. The article also provides relative information on how the Blue Ocean Strategy can be used in the Uzbek market.*

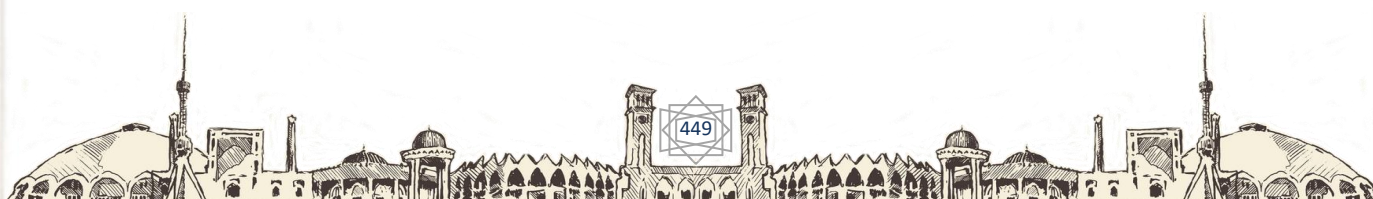
Annotatsiya: *Ushbu maqolada iqtisodiyotda mavjud bo'lgan ko'k va qizil okean strategiyasi orqali O'zbekistonda vujudga kelgan muammolarni oldini olish haqida keltirilgan bo'lib, yangi imkoniyatlar va yetuk darajadagi sanoat innovatsiyalarni rivojlantirish vositasi sifatida mutlaqo ishtirokchilarsiz yangi bozor maydonini yaratish, qizil okean ishtirokchilari raqobat darajasi boshqalar hisobiga erishilgan har qanday o'sish chiqib ketadigan sohalarida ishlay oilinishi va O'zbekistonda mavjud bo'lgan ikkita qiyin muammoga yechim beradi. Shuningdek, maqolada O'zbekiston bozorida moviy okean strategiyasidan qanday foydalanish mumkinligi haqida nisbiy ma'lumotlar keltirilgan.*

Аннотация: *В этой статье рассказывается о предотвращении проблем, возникающих в Узбекистане, с помощью существующей в экономике стратегии голубого и красного океана, о создании новой рыночной площадки без участия участников как средства развития новых возможностей и промышленных инноваций на зрелом уровне, о том, как участники красного океана могут работать в областях, где любой рост достигается за счет уровня конкуренции, и о том, как дает решение проблемы. Также в статье представлена относительная информация о том, как можно использовать стратегию голубого океана на рынке Узбекистана.*

Key words: *Business, competition, blue and red ocean strategy, business environment, Uzbekistan, market conditions.*

Kalit so'zlar: *Biznes, raqobat, ko'k va qizil okeanlar strategiyasi, ishbilarmonlik muhiti, O'zbekiston, bozor sharoitlari.*

Ключевые слова: *Бизнес, конкуренция, стратегия голубого и красного океанов, бизнес-среда, Узбекистан, рыночные условия*





Introduction.

In this rapidly changing world, businesses forced to seek for new sources of an innovation constantly. Innovation is relevant to build on the sustainable source of competitive advantage, which is the source of unique tangible resources or distinctive intangible skills and competences that differentiate company from its competitors. However, due to the rapid pace of changes any competitive advantage will last for short period based on the nature of the market and environment. All of these circumstances leads to the intensification of competition among businesses, hence, they ask themselves shall we compete based on costs or shall we compete on value? Those who decide to compete on value are the value-innovators or participants of the Blue Ocean who decide to create a small specific market segment to operate in, instead of fighting in a bloody Red Ocean with numerous competitors. In this assignment, I will try to demonstrate my understanding of this theory, as well as try to implement it in case of our country, where this is relatively new and rarely implemented strategy.

Blue Ocean and Red Ocean concepts.

Blue ocean strategy is the creation of a new market space with smaller or absolutely no participants by excelling on critical success factors of a market. Any market has its own specific critical success factors that are minimal requirements to meet to be able to operate in a chosen market or being in a position to compete with the existing competitors. For instance, to start a pastry business a businessperson has to invest some capital to rent a place, buy some cooking machineries and hire employees, and possess some information related to the industry trends,(green trend, healthy-diet food) if no baking skills at least managerial skills to be able to handle internal processes. Critical success factors are particularly valuable to customers and that is why Blue Ocean players try to create a new source of opportunity. They can use knowledge about existing markets to create a new technology, which will improve customers' lives or identify markets where introduction of a particular technology or skills will be perceived as a newness. Red Ocean participants usually operate in industries where the level of competition is so fierce that any growth achieved at the expense of others exit. Industries or products at their mature level often considered as red oceans, since there is no potential growth beyond the existing share or customers. However, some industries are also in Red Ocean despite their growth due to the large number of substitutes and competitors available. Companies in the red ocean are so busy with fighting each other that they often unable to see window of potential opportunity, instead they address relatively easy to observe aspects of the market, while Blue Ocean players seeks underlying or hidden market elements that are likely to generate potential opportunity. However, Blue Ocean strategy is not always about breakthrough innovations. In some cases, managers might come up with a new use to the existing products or services, as in the case of aluminum that is long been used in construction purposes until they started to use it in airship and automobile





manufacturing. Another interesting linkage is conglomerate (unrelated) diversification that many found similar to the blue ocean strategy. Conglomerate diversification strategies is about moving towards new unrelated spheres or products for a new group of customers. Since companies deviating from their relative set of activities towards completely new markets and products that require from them new skills and competences, thereby, it can fairly be linked with the blue ocean approach.

Blue Ocean strategy in Uzbekistan.

Blue ocean strategy was studied by several authors in Uzbekistan, for instance, kimdur familiyaasi in his work find out disizda buni ichida conclusion boladi yoki boshida findings. If we look at the demographics of the Uzbekistan, we can observe that the youngsters constitute the biggest and most powerful customer segment of the market. The individuals whom we usually name as y and z generation have very sophisticated tastes and requirements on products and services they demand. Learning languages is one of the most popular activities among Uzbek youngsters, especially English. Because most of the local people see knowledge of English as an indicator of the social norm in the foundation of their children personality. Therefore, they send their children to learning centers with the hope to improve their future life-long perspectives. Now, thanks to globalization, there are no borders limiting career success or growth beyond national borders, and majority of people of different age understand how far they can go by mastering their language skills, as a result interest towards language centers growing rapidly. In this cycle, however, there is one client segment that is left or somehow ignored, this is middle-aged or aged people. This is a new market with no competitors in it could be a great start for blue ocean strategy practice. Clients in this category usually are busy and find it difficult, in some cases even improper to go on physical classes to learn with comparatively younger students. We can offer them alternative learning via online platforms, which will simultaneously foster their digital skills as well. An online educational platform with qualified teachers will be beneficial for all category of students, since some disabled students or those who just value their time spent on the road might also enjoy distance learning. By this way, they can save enormous amount of time that can be invested on some other aspects of life. Another distinctive value of our approach is creating value for each level of social groups, where disabled or people from lower living conditions will receive full or partly exemptions of payments. On the other hand, while we offer online education, at the same time, we create a new source of job opportunities for those individuals seeking jobs that are more flexible. Starting from language courses, we can expand range of courses and respectively start hiring more people who are qualified, and capable to teach on distance. This business will provide a solution to two difficult problems that exist in Uzbekistan now. If first is absence of online learning platforms, second is there is no opportunity in Uzbekistan for those who prefer to work online or on freelance, while there are hundreds of qualified talents to fill these opportunities.





Conclusion.

In this assignment, I tried to imply my knowledge on Red and Blue strategy concepts to demonstrate their distinctions and provide a relative view how Blue Ocean strategy can be used in Uzbek market.

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