

PRODUCT QUALITY AND COMPETITIVENESS

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***Abstract:** This article discusses product quality and its relevance and competitiveness. It also analyzes their importance in the modern economy, key indicators, and interrelationship. The article examines the physical, functional, aesthetic, and service aspects of product quality, highlighting strategies for enhancing competitiveness and its impact on economic efficiency.*

***Keywords:** Product quality, competitiveness, quality indicators, consumer demands, innovation, market strategy, brand reputation.*

***Аннотация:** В данной статье рассматривается качество продукции, его актуальность и конкурентоспособность. Также анализируется их значение в современной экономике, ключевые показатели и взаимосвязь. В статье исследуются физические, функциональные, эстетические и сервисные аспекты качества продукции, освещаются стратегии повышения конкурентоспособности и её влияние на экономическую эффективность.*

Ключевые слова: *Качество продукции, конкурентоспособность, показатели качества, требования потребителей, инновации, рыночная стратегия, репутация бренда.*

In my view, creating products or services that satisfy customers and continuously improve in quality is essential in today's highly competitive market. To achieve this, it is crucial to understand which product attributes consumers consider important and how well these attributes meet their expectations. Such understanding enables firms to respond more effectively to customer needs and improve overall service or product quality. Product quality and competitiveness are among the most critical factors determining the success of any enterprise or organization in the modern economy. Every consumer considers the quality and competitiveness of a product when making a purchase. Therefore, improving product quality and strengthening market position are crucial strategic goals for every manufacturer. Product quality is an indicator that reflects how well a product meets consumer demands and needs. Quality encompasses a product's physical properties, durability, safety, appearance, ease of use, and other parameters. In the food industry, for instance, quality is determined by taste, aroma, color, and the preservation of beneficial nutrients. Furthermore, with the continuous development of the Internet of Things and information technologies, countries worldwide are actively taking measures to emphasize the importance of manufacturing in their national economies. Analyzing manufacturing competitiveness and its driving factors not only helps identify new challenges and phenomena in industrial development but also encourages the world's major economies to participate in the sustainable development of manufacturing. This research aims to help readers understand this field - ensuring the sustainable development of manufacturing by identifying the key drivers of its competitiveness.

Competition, as an economic category, is the most important feature of a market economy and commodity production in general. A market economy, regardless of its maturity level and developmental characteristics, necessitates the

existence of competition. Moreover, Product quality is one of the sources for improving production efficiency. Savings in material and labor resources are also reflected in product quality. From this perspective, Importance–Performance Analysis (IPA), originally proposed by Martilla and James (1977), serves as a powerful and widely used analytical tool across various industries. In IPA, importance reflects the value customers place on specific attributes, while performance indicates how well a product or service fulfills those expectations. By visualizing these two dimensions in a matrix, organizations can identify attributes that are highly important but underperforming and prioritize improvements accordingly.

I argue that KWIPCA (Kano-weighted Importance–Performance Competitor Analysis) reveals genuine strengths and weaknesses that may be overlooked when relying solely on nominal counts of positive and negative comments. For instance, an attribute with many positive reviews may still represent a weakness if negative comments carry greater weight due to its must-be nature. Conversely, an attribute with relatively few positive comments may be a strength if it is classified as an attractive quality. Therefore, this study introduces KWIPCA as a novel review-based IPCA framework that evaluates attribute importance and the competitive performance of all market offerings simultaneously. The resulting matrix not only identifies attributes requiring immediate improvement but also provides strategic guidance for enhancing overall customer satisfaction.

Quality is measured through numerous indicators. Among them, technical quality, functional quality, aesthetic quality, and service quality are considered the most important. Technical quality refers to a product's performance capability and reliability, functional quality indicates how effectively a product performs its intended task, aesthetic quality expresses its external appearance and design, and service quality encompasses the accompanying customer service and convenience. Several key indicators exist for assessing product quality. The first is durability, which refers to a product's ability to function over a long period. The second is

performance efficiency, showing how effectively a product performs its function. The third is reliability, meaning the product operates without faults or breakdowns under specified conditions. The fourth is safety, ensuring the product does not harm the user. The fifth is convenience and ergonomics, referring to the ease of use and alignment with user needs. Additionally, aesthetic aspects like design, color, and form are also important indicators in quality assessment.

Competitiveness refers to the advantageous and sufficiently attractive nature of a product or service compared to other similar products in the market. A competitive product must be valuable, high-quality, and possess unique characteristics for the consumer. Enterprises employ various strategies to make their products competitive: improving product quality, setting competitive prices, implementing new technologies, and attracting customer attention through marketing and advertising. The main factors of competitiveness are quality, price, innovative features, service level, and brand image. High-quality products attract consumer attention, increase trust in the brand, and consequently provide an advantage in market competition. Conversely, if product quality is poor, no matter how low the price, consumers will refrain from purchasing it, leading to a loss in competitiveness. To be competitive, alongside product quality, factors such as service, delivery speed, warranty, and additional bonuses are also crucial. In this study, I propose an advanced IPA approach that further extracts latent evaluations of importance and performance from review data. First, the analysis is extended from a single product or service to the entire market. Traditional survey-based IPAs often focus on individual offerings or a limited number of competitors, which increases costs and introduces selection bias. In contrast, online reviews collected from e-commerce and social media platforms reflect diverse consumer opinions across all competitors, enabling a comprehensive market-wide Importance–Performance Competitor Analysis.

Enterprises use various strategies to improve product quality. First, automating production processes and introducing modern technologies. This

reduces errors and stabilizes quality. Second, upskilling employees and conducting training on quality control. Qualified personnel play a vital role in creating quality products. The third strategy involves product testing and considering customer feedback. Customer feedback helps further refine the product. Besides, Product quality is understood as the set of characteristics that determine the product's ability to meet specific needs in accordance with its intended purpose. In other words, product quality is described by the properties that define its fitness for use. Therefore, indicators such as labor productivity, reliability and trouble-free operation, service life, ease of control, appearance and finish, compliance with material requirements, and spatial planning are widespread for industrial products.

To remain competitive, enterprises must continuously analyze the market, monitor competitors' activities, and adapt to customer demands. Simultaneously, focusing on ecological issues enhances competitiveness, as today's consumers prefer environmentally friendly products. Product quality and competitiveness directly impact a company's revenue. High-quality and competitive products experience high market demand, increasing sales and revenue. Conversely, poor quality leads to economic losses such as product returns, customer dissatisfaction, and damage to brand reputation. This contributes not only to economic profit but also to the country's economic development. Competitive enterprises increase export volumes, create new jobs, and foster innovation.

In conclusion, product quality and competitiveness are fundamental pillars of the modern market economy. Quality products attract consumer attention, enhance brand reputation, and ensure a company's competitiveness. Similarly, competitive products succeed in the market, boost sales, and ensure economic efficiency. Enterprises can achieve market dominance by improving quality, introducing innovations, and developing marketing and services. Enhancing product quality and competitiveness is the most critical factor for a company, not only for economic gain but also for increasing customer loyalty and achieving long-term success. Moreover, improving quality and competitiveness drives national

economic growth, increases export volumes, and introduces innovative products to the market.

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