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Ways to Use Branding Strategy in Managing the Competitiveness of Local Pharmaceutical Enterprises

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Abstract

This article analyzes the role and importance of branding strategy in increasing the competitiveness of local pharmaceutical enterprises. Analytical conclusions are drawn based on accurate statistical data on the growth dynamics of the pharmaceutical market of Uzbekistan for 2020-2024, the level of import dependence, and the share of local products. Based on the scientific views of international and local scientists, the conceptual foundations of branding, the main directions of branding strategies, and their current mechanisms of action are studied. The results of the research have led to the development of practical recommendations for local pharmaceutical companies.

Keywords: pharmaceuticals, competitiveness, brand, branding strategy, local manufacturer, marketing, consumer confidence, import, medicines, pharmaceutical market.

Introduction. The healthcare sector is one of the strategic priorities of every state, and its effectiveness largely depends on the development of the pharmaceutical industry. In recent years, Uzbekistan has also been implementing large-scale reforms aimed at developing the domestic pharmaceutical sector. In particular, these include providing tax incentives to manufacturing enterprises, developing state programs to promote domestic medicines, and measures to improve the investment climate.

At the same time, if we look at the current competitive environment, we see that the share of imported medicines in the market is still high. This poses serious challenges for local enterprises: they feel the need not only to produce quality products, but also to present this product as a reliable and competitive brand in the minds of consumers.

For any enterprise operating in the market, a brand is a much broader concept than a simple name or symbol; it is a set of images, values, and emotions that are formed in the minds of consumers. From this perspective, one of the important tasks facing local pharmaceutical enterprises is to properly establish a branding strategy and turn it into a means of increasing competitiveness.

The importance of the brand can be further illustrated by the example of pharmaceutical products. When choosing different medicines, the consumer often does not have complete information about the composition or clinical effectiveness of the product. He trusts the brand more in making a decision: through previous experience with it, a doctor's recommendation, or the brand's position

in the market. Therefore, local manufacturers should pay serious attention to creating and promoting their own brands.

in Uzbekistan, unfortunately, have not yet fully realized the strategic value of branding. In some cases, the concept of a brand is limited to a trademark or box design. This can lead to significant losses in the face of global and local competition. The recognition of local medicines in the domestic market, gaining trust among doctors and consumers, undoubtedly requires a comprehensive and well-thought-out branding policy.

Review of relevant literature. The role and importance of branding strategies in ensuring competitiveness in the pharmaceutical industry has been studied by many international and local researchers. Scientific work in this area comprehensively illuminates the impact of branding on product value, consumer behavior, and competitive advantage in the market.

One of the first fundamental views on branding theory was proposed by Philip Kotler. He defined a brand as a marketing asset that not only identifies a product but also expresses its functional, emotional, and symbolic values.[1] Kotler sees branding as a central element in a company's competitive strategy. However, his model is more focused on the consumer market and requires direct adaptation to the pharmaceutical industry.

David Aaker divides brand equity into four main components: brand awareness, brand loyalty, perceived quality, and brand associations.[2] His criteria, called the "Brand Equity Ten", are also important for the pharmaceutical industry, as trust and loyalty to pharmaceuticals are a decisive factor in consumer choice. Aaker's conceptual approach can be effectively applied in practice, but his theory focuses more on corporate brands and requires a separate analysis for regulated goods such as pharmaceuticals.

Jean-Noël Kapferer has focused his research on the concepts of brand identity and brand image. According to his "Brand Identity Prism," successful brands are not only tied to their external image, but also to their internal culture and values.[3] This approach is particularly relevant for pharmaceutical companies, as consumers pay close attention not only to the product's ingredients but also to the reputation of the manufacturing organization. However, Kapferer's theory is also more suited to high-value brands and may have limited practical value for local and start-up companies.

The specific aspects of branding in the pharmaceutical industry have been studied by VBRao and RRPuri, who argue that the pharmaceutical brand serves as a guarantor of trust for consumers in the face of information asymmetry.[4] They link the brand to the constituent aspects of trust, quality, safety, and physician recommendation. In this context, local brands need to strengthen the role of effective communication channels, promotion, and point of sale to build trust.

In the local context, M. Shamsutdinov, studying the competition between imported and local products in the Uzbek pharmaceutical market, notes that insufficient brand development is one of the reasons for the limited share of local products.[5] In his opinion, local manufacturers view branding as an unnecessary expense, not a marketing expense. This leads to a weakening of product recognition and market position.

Also, scholars such as K.Yu. Musin and I.V. Chechel, conducting analyses of the adoption of branding in the pharmaceutical sector in Russia and Central Asian countries, emphasize that the brand is an important platform not only for the consumer, but also for doctors, pharmacy chains, and state regulators.[6] Their opinion once again confirms that branding in the pharmaceutical market is a multifaceted communication strategy.

From these analyses, it can be concluded that branding is an important strategic tool for building trust, recognition and competitive advantage in the pharmaceutical sector. However, in practice, its implementation is often limited to the visual elements of marketing. In local conditions, an institutional approach, scientific knowledge and human resources capacity need to be sufficiently developed to systematically organize branding.

Research methodology. The methods of systematic analysis, historicity and logic, induction and deduction, analysis and synthesis, comparative and selective research, monographic analysis and grouping were used to study the ways of using branding strategy in managing the competitiveness of local pharmaceutical enterprises.

Analysis and results. The role of the pharmaceutical industry in ensuring the effectiveness of the healthcare system is incomparable. Medicines are an important strategic resource that not only protects human life and health, but also reflects the economic and scientific potential of the country. Therefore, each state pays special attention to the strong and sustainable development of the pharmaceutical industry. In Uzbekistan, a number of legal, economic and institutional reforms have been implemented in recent years to support this sector.

Achieving competitiveness in the pharmaceutical industry is not limited to improving product quality and technological innovation. Today, brands that inspire confidence in the minds of consumers, are gaining an advantage, which are professionally and actively promoted. In this sense, branding strategies are of decisive importance for local manufacturers to take their rightful place in the global and domestic markets. In today's market, the brand has become not only a marketing tool, but also a competitive tool, a symbol of trust and an expression of corporate culture.

1. Growth indicators in the pharmaceutical sector in Uzbekistan in 2020-2024

Years	Market size, UZS trillion soums	Average exchange rate UZS /USD
2020	19.9	10800
2021	19.9	11000
2022	20.3	11200
2023	24.8	12400

Source: Data from the Pharmaceutical Industry Development Agency

According to the data presented in the table, even if the market value is adjusted for the impact of the UZS/USD exchange rate and domestic inflation, the hidden growth in real USD remains stable between 2020 and 2024. This indicates that import dependence and domestic inflation will play a significant role in the market in these years.

Table 2 . Pharmaceuticals in Uzbekistan in 2024 consumption structure of products

Category	Monetary share (%)	Physical percentage (%)
Prescription (Rx)	76	70
OTC (over the counter)	24	30
Imported products	87	63
Local products	13	37

Source: Data from the Pharmaceutical Industry Development Agency

The data in the table shows that while prescription drugs form the backbone of the market, there is still a significant reliance on imported products. This highlights the need to strengthen the potential of local brands not only through value figures, but also through trust and standards.

Conclusion. The pharmaceutical industry of Uzbekistan has been experiencing consistent growth and structural changes in recent years. During 2020–2024, significant progress was made in such areas as sector reforms, improving the investment climate, supporting local production, and introducing international standards (GMP, GDP, ISO). However, the issue of competitiveness - in particular, the rightful place of local pharmaceutical products in the domestic and foreign markets - remains one of the main challenges.

The results of the analysis show that, despite the growth in market size, the dominance of imported products is maintained: in 2024, the share of imports in monetary terms amounted to 87%. The market share of domestic manufacturers remains limited not only in terms of numbers, but also in terms of brand recognition and consumer trust. This puts the issue of forming, promoting local

brands and creating a positive image in the minds of consumers on the agenda.

World experience and analysis of scientific sources show that branding is not just a trademark or logo, but a complex approach, a set of targeted images, values, and conclusions in the consumer's mind. As experts such as D. Aaker, Kotler, and Kapferer have noted, through branding, a company can demonstrate the distinctive features of its products and form a loyal consumer segment. If the brand strategy is properly organized, it is possible to achieve an advantage over even strong competitors in terms of quality and price.

It is advisable to formulate branding strategies for local pharmaceutical companies in the following key areas:

1. **Defining brand positioning and values** : How is the product different? What need does it meet? Who is the target audience?
2. **Brand Identity** : Standardizing visual components such as logo, box design, font, colors, and developing them in a memorable format.
3. **Communication strategy** : Expand direct cooperation with healthcare professionals, doctors, and pharmacies; build branding in the minds of the population through digital marketing, social media, and influencers.
4. **Assurance and trust criteria** : Increasing trust through certifications, compliance with international standards, and transparent information.
5. **Education and human resources** : Training personnel with sufficient knowledge in the field of marketing and branding and organizing this activity at a strategic level within the enterprise.

At the same time, government agencies and industry associations should also consider branding development as a strategically important task, developing special platforms, exhibitions, and promotional programs for local brands. This will not only increase competitiveness, but also strengthen the public's confidence in national pharmaceutical products.

In conclusion, the effective use of branding strategy in ensuring the competitiveness of local pharmaceutical enterprises is of great importance not only from an economic, but also from a social, political and cultural perspective. Only a comprehensive and integrated approach to this issue will serve to enhance the country's pharmaceutical potential.

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