

THE ROLE OF INNOVATIONS IN THE DEVELOPMENT OF LOCAL BRANDS

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РОЛЬ ИННОВАЦИЙ В РАЗВИТИИ МЕСТНЫХ БРЕНДОВ

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Abstract. This article analyzes the entry of local brands into global markets, development concepts, the importance of innovations, and effective strategies for promoting them worldwide through advertising services. The role of modern tools such as marketing strategies, digital advertising, social media, and influencer marketing in successfully promoting local brands at the international level is explored. The paper also discusses ways for local brands to establish their presence in global markets and enhance their competitiveness.

Keywords: local brands, innovation, global markets, advertising services, marketing strategies, digital marketing, social media, influencer marketing, brand building, competitiveness.

Аннотация. В этой статье анализируется выход местных брендов на мировые рынки, концепции их развития, значение инноваций и эффективные стратегии их продвижения по всему миру с помощью рекламных сервисов. Рассматривается роль современных инструментов, таких как маркетинговые стратегии, цифровая реклама, социальные сети и маркетинг с участием инфлюенсеров, в успешном продвижении местных брендов на международном уровне. В статье также обсуждаются способы для местных брендов закрепиться на глобальных рынках и повысить свою конкурентоспособность.

Ключевые слова: местные бренды, инновации, мировые рынки, рекламные сервисы, маркетинговые стратегии, цифровой маркетинг, социальные сети, маркетинг с участием инфлюенсеров, создание бренда, конкурентоспособность.

Introduction

The successful operation of local brands in global markets has become an important task and opportunity for all nations and companies in the current era of globalization. Many brands in Uzbekistan aim not only to serve the domestic market but also to promote their products and services internationally. However, the process of bringing local brands to global markets is not limited to product manufacturing alone. It requires comprehensive strategic approaches and innovative development, including the creation of effective advertising services and marketing strategies, brand promotion, and the enhancement of competitiveness.

To succeed in international markets, local brands must optimize their marketing and advertising approaches on a global scale. Through tools such as digital marketing, social media, influencer marketing, and international advertising agencies, brands can reach their target audiences and capture new markets. Additionally, understanding each country's culture, consumer behavior, and marketing preferences plays a crucial role in positioning local brands successfully on a global level.

This article analyzes the advertising services and marketing strategies necessary for local brands to enter global markets and provides recommendations for adapting them to international market conditions. It also discusses effective ways to promote Uzbekistan's local brands globally and increase their competitiveness.

Literature review related to the topic

Today, numerous scholars have conducted research on the development of local brands.

The English scholar G. A. Hobson presented the idea of local brands and innovative development more vividly by including creative abilities among the factors of production.¹ He analyzed the part of the economic system where new

¹ . Guzhin A.A., Guzhina G.N. *Material Interests in the System of Economic Growth*. // *Moscow Scientific Review*, 2012, No. 12-1, p. 6

products emerge, new markets are created, and new technologies are introduced, calling it the “progressive production sector.” Today, we refer to this as the innovation economy.

J. A. Schumpeter, in his work “Business Cycles” (1939), combined N. Kondratiev’s long-wave theory with his own innovation theory, thereby developing the first cyclical theory of economic development.² According to Schumpeter, the cyclical development of the economy is mainly driven by the internal mechanisms of the system, and this process is inherently innovative.

Meanwhile, according to Dunning’s “Eclectic Paradigm” model, the attraction of international brands to a host country requires the presence of three key advantages: ownership, location, and internalization.³

International practical experience, particularly in Turkey, Vietnam, and Poland, has shown that state-supported cooperation with international brands has led to significant progress in the development of small businesses and the diversification of exports (OECD, 2020; UNIDO, 2022). Adapting such experiences to the context of Uzbekistan holds great scientific and practical importance.⁴

Research Methodology

The article employs scientific abstraction, analysis and synthesis, induction and deduction methods. The data used in this research were obtained from official sources. The study is based on the comparative analysis of theoretical views of well-known economists regarding the role of innovations in the development of local brands, the generalization of foreign experiences, and the assessment of achievements made in Uzbekistan.

Analysis and Results

In every society undergoing technological transformation, the demand for innovation remains high. In this regard, the development of brand policies has led

² Nazarshoev N.M., Guzhina G.N., Guzhin A.A., Ezhkova V.G. *Business Development Strategy as a Tool for Competitiveness Management. // Innovations and Investments*, 2016, No. 4, pp. 90–92.

³ Dunning J.H. *Multinational Enterprises and the Global Economy*. AddisonWesley, 1993. - 480 p.

⁴ OECD. *SME and Entrepreneurship Outlook 2020*. - Paris: OECD Publishing, 2020. - 292 p.

to improvements in cooperation with global markets. Today, brand strategies are increasingly being communicated through messaging platforms and social media. For instance, Facebook, Instagram, Twitter, TikTok, and other social networks serve as excellent tools for building global brands and expanding audiences.

Local brands can attract potential customers by creating content on social media and showcasing their products in new markets. Through social media platforms, brands can share their stories, describe the features and benefits of their products, and interact directly with their target audiences.

To achieve success in promoting local brands in global markets, it is essential to develop innovative solutions and design marketing strategies tailored to the specific characteristics of each market. The following key aspects should be taken into account:

Cultural and social adaptation:

Local brands entering global markets must consider the cultural and social differences of each country. Products and advertising content should align with consumer preferences and values. For example, food brands should take into account the gastronomic preferences of each country when designing their advertisements.

Localization of products and services:

To establish a strong presence in global markets, local brands must adapt their products and services to local conditions. Improving and customizing products for new markets facilitates their acceptance. Translating content into the local language, recognizing cultural codes, and considering market needs are key methods for successful brand adaptation.

Competitive analysis and differentiation:

Each global market has its own competitive environment. To succeed, local brands must analyze their competitors and identify ways to differentiate themselves. This ensures the uniqueness and competitiveness of the brand.

Table 1

Survey on Brand Internationalization⁵

№	Survey questions	Yes (%)	No (%)
1	Are you interested in collaborating with a local brand?	82	18
2	Is there an international brand operating in your field of activity?	57	43
3	Do you have the financial capacity to collaborate with local brands?	31	69
4	Do you have a plan to operate based on franchising or licensing?	40	60
5	Are there any obstacles that prevent you from working with international or local brands?	88	12
6	Do you think your business would experience growth if you collaborated with an international brand?	76	24
7	Do you think working with international brands improves product quality?	85	15
8	Do you believe that attracting a brand brings economic benefits?	79	21
9	Do you think collaboration with local brands increases the opportunity for export?	68	32
10	Do you believe that local brands can enhance their competitiveness through innovations?	83	17
11	Do you think working with an international brand increases customer trust?	87	13
12	Do you think working with international brands has more advantages compared to local brands?	71	29

Based on the results of a survey conducted on 12 questions in the table above, customer opinions were studied regarding the service processes of international brands, the interaction between international and local brands, conditions for

⁵ Author's Work

export development, and the advantages of applying innovations. These experiences indicate that in order to attract international brands, it is necessary to improve the regulatory and legal framework, simplify franchising and licensing systems, provide financial guarantees and incentives by the government, and enhance the capacity of local personnel for negotiations with brands. In addition, practical solutions have been developed to address existing shortcomings in the process of brand development.

Table 2

Problems Observed in Brand Development and Their Practical Solutions ⁶

№	Main problem	Practical Solution Proposal
1	Limited Financial Resources	Introducing mechanisms for preferential loans, state grants, and guarantee funds aimed at covering franchising fees.
2	Underdevelopment of the franchising and licensing system	Adopting a separate law on franchising activities and simplifying licensing and registration procedures
3	Limited information and consulting services	Establishing centers such as a “Brand Information Center” and disseminating information on cooperation terms with international brands through online platforms.
4	Lack of qualified personnel	Implementing training and certification programs in brand management, international negotiations, and service culture
5	Instability of the regulatory and legal environment	Stabilizing tax, customs, and licensing legislation, and strengthening legal mechanisms that guarantee investment activities
6	Insufficient market	Implementing programs to develop infrastructure,

⁶ Author’s Work

№	Main problem	Practical Solution Proposal
	infrastructure	logistics, and service systems in free economic zones in accordance with the requirements of international brands
7	Imbalance between local and international brands	Developing co-branding projects and promoting joint product production based on collaboration between international and local brands

When conducting an in-depth analysis of the problems and opportunities identified based on the survey results, it is particularly important to take international experience into account. Many countries have developed strategic approaches to attract international brands to the activities of their small and medium-sized enterprises, emphasizing the importance of innovation, which has led to significant achievements in exports, innovation, and competitiveness. This clearly shows that innovation plays a crucial role in brand development.

Conclusion and Recommendations

Taking the above into account, it can be concluded that innovation plays a crucial role in the process of developing local brands. This is because, in today's market, it is not enough to simply produce goods — it is equally important to introduce products to consumers through modern, reliable, and continuous communication, which becomes a profitable solution for production in a new direction.

By using digital platforms, companies can deliver fast, accurate, and visually engaging information about their products, establish direct interaction with consumers, build a positive image, strengthen market trust, and most importantly, achieve rapid brand recognition. Therefore, making effective use of all digital marketing tools is essential for the development of local brands. The rapidly growing technologies such as SEO (Search Engine Optimization), SMM (Social Media Marketing), and online advertising open up new opportunities for brands to enter global markets.

At the same time, we consider the following recommendations important for strengthening the competitiveness and visibility of local brands:

Developing internal capacity in digital marketing:

1. Each industrial enterprise should have a digital marketing department or specialist. Training programs should be organized for marketing personnel on the use of digital tools, content creation, and social media advertising. Furthermore, to enhance product branding and visual identity, it is necessary to develop a unified brand concept that includes a logo, slogan, and design standards.

2. Creating digital content and expanding e-commerce presence:

It is important to establish a practice of producing digital content (videos, photo banners, infographics) in collaboration with local designers and marketing specialists. Companies should actively use online trade and e-commerce platforms such as Amazon, Alibaba, and Made-in-Uzbekistan.uz to promote industrial products in domestic and international markets. Additionally, software support and grant programs should be introduced to help enterprises open free online stores.

3. Strengthening collaboration with research institutions:

Cooperation with regional higher education institutions should be enhanced by establishing scientific and practical laboratories focused on industrial marketing and IT approaches. This will help bridge the gap between theory and practice, ensuring more effective brand development and innovation integration.⁷

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⁷ Sharipov, G. K. (year). Ways to Develop Local Industrial Brands through Digital Platforms. Zenodo. <https://doi.org/10.5281/zenodo.15744587>

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