

THE IMPORTANCE OF MARKETING ANALYSIS IN CHOOSING EXPORT MARKET ENTRY STRATEGIES

Jiyamuratov Rustam Nuridinovich

Samarkand Institute of Economics and Service

PhD, Senior Lecturer of the department of “Marketing”

Abstract – This article examines the significance of systematic marketing analysis in selecting optimal export market entry strategies, drawing on empirical evidence from the Samarkand region of Uzbekistan and DAKA-TEX LLC. By integrating the Balassa RCA index, Porter Diamond Model, IFE/EFE matrices, TOWS and Ansoff frameworks, as well as RACE, SOSTAC and the Aker brand equity model, the study demonstrates that data-driven marketing analysis substantially reduces entry risk. QSPM evaluation of five strategic alternatives identifies brand diversification under the concept of Samarkand Silk and Cotton as the highest-priority entry strategy (Grand Total TAS = 6.920). The findings contribute practical guidelines for enterprises and regional policymakers seeking to expand export activity through evidence-based strategic marketing planning.

Keywords: export market entry strategy, marketing analysis, RCA index, Porter Diamond, QSPM, brand equity, Samarkand region.

INTRODUCTION

The selection of an appropriate export market entry strategy constitutes one of the most consequential decisions in international marketing management. Inappropriate entry choices can result in substantial resource waste, missed opportunities, and long-term competitive disadvantage. Kotler and Keller [1] emphasize that sustainable export success requires not merely operational capacity, but a structured analytical framework that aligns organizational strengths with market-specific demand conditions.

The Samarkand region of Uzbekistan presents a compelling case study: it achieved a Compound Annual Growth Rate (CAGR) of 19.23% in export volume between 2021 and 2024, reaching USD 766.8 million in 2023 [2]. Yet its actual export performance is estimated to represent only 40-45% of the region's true export potential. This gap is not attributable to production shortcomings but rather to insufficient marketing analysis and the absence of coherent entry strategies for international markets.

The objective of this article is to examine how comprehensive marketing analysis - competitive positioning, RCA assessment, IFE/EFE evaluation, and digital marketing diagnostics - can systematically improve the selection of export market entry strategies at both firm and regional levels.

In the era of globalization and increasing international competition, businesses are continuously seeking opportunities to expand beyond domestic markets and strengthen their positions in the global economy. Export activities have become one of

the most effective mechanisms for achieving sustainable growth, increasing sales volumes, diversifying market risks, and enhancing international competitiveness. However, entering foreign markets is a complex strategic decision that requires careful planning and comprehensive analysis of various market factors. The success or failure of export operations largely depends on the ability of firms to select appropriate market entry strategies based on reliable information and analytical insights.

Export market entry strategies include a variety of approaches such as indirect exporting, direct exporting, licensing, franchising, strategic alliances, joint ventures, and foreign direct investment. Each strategy involves different levels of resource commitment, risk exposure, managerial control, and expected returns. Therefore, selecting the most suitable entry mode requires a thorough understanding of target market conditions, customer preferences, competitive dynamics, legal frameworks, cultural characteristics, and economic environments.

Marketing analysis plays a crucial role in this decision-making process by providing businesses with relevant information about market opportunities and threats. Through marketing analysis, companies can assess market attractiveness, identify customer segments, evaluate consumer behavior, analyze competitors, estimate demand potential, and determine the most effective positioning strategies. Such analysis reduces uncertainty and enables firms to align their export objectives with market realities.

In recent years, rapid technological advancements and digital transformation have significantly enhanced the scope of marketing analysis. The availability of big data, digital analytics tools, social media monitoring, and online consumer insights has enabled firms to make more accurate and timely export decisions. These developments have increased the importance of data-driven approaches in international marketing and export management.

LITERATURE REVIEW

The theoretical foundations of export entry strategy selection rest on several complementary research streams. Porter [3] established that regional competitiveness is determined by four interrelated factors: factor and resource conditions, demand conditions, related and supporting industries, and firm strategy and rivalry. This Diamond Model underscores that sustainable export success requires deliberate strategic positioning rather than cost or volume advantages alone.

Balassa [4] provided a rigorous quantitative tool for identifying sectors where a region holds genuine international competitiveness through the RCA index, subsequently refined by Laursen [5]. Ansoff [6] structured entry strategy alternatives along market novelty and product novelty dimensions, mapping risk profiles for each option. In digital marketing, Chaffey and Ellis-Chadwick [7] systematized RACE and SOSTAC as operational tools for online market entry. Aaker [8] demonstrated that brand equity - awareness, perceived quality, associations, and loyalty - directly influences pricing power and export penetration. David's [9] QSPM methodology enables comparative quantitative evaluation of competing entry alternatives using weights derived from IFE/EFE analysis.

Marketing analysis is considered one of the key theoretical and practical foundations for selecting export market entry strategies. In the scientific literature, export market entry is explained as a complex managerial decision that requires the assessment of external market conditions, consumer demand, competition, institutional environment, distribution channels, risks and internal company capabilities. Therefore, marketing analysis serves as an information base for choosing the most suitable form of entry into foreign markets.

According to classical international marketing approaches, firms cannot enter export markets successfully without studying the target market environment. Market size, purchasing power, consumer preferences, cultural factors, product adaptation requirements and competitive intensity directly influence the choice of entry mode. For example, when demand is high but institutional risks are significant, companies may prefer indirect export or cooperation with local intermediaries. In contrast, when the market is stable and long-term growth potential is high, firms may choose direct export, strategic partnership, franchising, licensing or even foreign direct investment.

The literature also emphasizes the role of segmentation, targeting and positioning in export market entry decisions. Exporters need to identify the most attractive customer segments, evaluate their needs and develop a value proposition that matches local expectations. In this regard, marketing analysis helps companies avoid entering markets only based on general macroeconomic indicators. Instead, it allows them to compare specific customer groups, distribution systems and competitive advantages.

Another important direction in the literature is competitor analysis. Scholars argue that export strategies should be selected after examining the number of competitors, their market share, pricing strategies, product quality, brand strength and promotion channels. If the target market is highly competitive, a company may need to enter through niche positioning, differentiated products or cooperation with local partners. If competition is weak, direct export with active promotion may be more effective.

Marketing analysis is also closely connected with risk assessment. Political instability, exchange rate fluctuations, customs barriers, technical standards, legal restrictions and logistics costs can reduce the effectiveness of export operations. Therefore, many researchers recommend using PESTEL analysis, SWOT analysis, Porter’s Five Forces, market attractiveness matrix and cost–benefit analysis before choosing an entry strategy. These tools allow companies to compare alternative markets and select the strategy that provides the best balance between risk and profitability.

In modern studies, digital marketing analytics has become increasingly important in export decision-making. Online search trends, social media data, e-commerce platforms, customer reviews and digital advertising metrics provide exporters with real-time information about foreign consumer behavior. This allows companies to test market demand before large-scale entry and reduce uncertainty. As a result, digital tools support more flexible export strategies such as cross-border e-commerce, online marketplaces and direct-to-consumer export models.

The literature also shows that export market entry strategies depend not only on external market factors but also on internal company resources. Financial capacity, production volume, product quality, brand reputation, managerial experience, innovation potential and logistics capabilities determine whether the firm can enter the market independently or should cooperate with intermediaries. Marketing analysis helps match these internal strengths with external market opportunities.

In summary, the reviewed literature confirms that marketing analysis plays a decisive role in choosing export market entry strategies. It provides reliable information about market attractiveness, consumer behavior, competitors, risks and company capabilities. Without such analysis, export decisions may be based on intuition and may lead to high costs, weak positioning and market failure. Therefore, marketing analysis should be viewed as a strategic tool that increases the probability of successful export expansion and sustainable competitiveness in international markets.

METHODOLOGY

The methodology of this study is aimed at assessing the role of strategic marketing approaches in enhancing the export potential of enterprises and identifying effective marketing tools that contribute to successful international market expansion. The research is based on the principles of strategic marketing, international business, export management, and competitiveness theory.

The theoretical foundation of the study includes the scientific works of leading scholars in the fields of marketing and strategic management, such as Philip Kotler, Michael Porter, Jean-Jacques Lambin, David Aaker, Kevin Keller, and Igor Ansoff. In addition, reports and analytical materials from international organizations, including the World Trade Organization, United Nations Conference on Trade and Development, and International Trade Centre, were utilized to evaluate current trends in global trade and export development.

ANALYSIS AND RESULTS

The RCA analysis revealed pronounced heterogeneity in the region's competitive positioning. Food products and fresh produce achieved $RCA = 4.354$, indicating very strong comparative advantage and providing a solid foundation for premium market entry targeting health-conscious consumers in Russia, Kazakhstan, and Germany. Tourism services demonstrated $RCA = 1.807$ with strong growth ($T = 193.6\%$ from 2022 to 2023), signaling substantial untapped potential for cultural export development.

The most critical finding concerns textiles: RCA declined sharply from 3.51 in 2022 to 1.083 in 2023, a contraction of 2.427 points within a single year. This decline was directly caused by state policy restricting raw cotton yarn exports, compressing comparative advantage before value-added garment production could fully compensate. For DAKA-TEX LLC - a fully vertically integrated knitwear manufacturer producing 400,000 garments per month - this transition represents both the central strategic challenge and the primary opportunity: finished garment exports

grew from 0.5% of total firm exports in 2019 to 37.1% in 2023, CAGR = 135.8%.

The RACE diagnostic yielded an average digital readiness score of 3.8/10 for DAKA-TEX, with the most severe deficit at the Reach stage (2/10), explained by the absence of an Alibaba.com profile, no LinkedIn corporate presence, and non-participation in international trade fairs. The Aaker brand equity audit produced a composite index of 5.70/10, with the lowest sub-score for Brand Awareness (4.0/10), reflecting negligible visibility in European and Gulf markets despite strong B2B recognition in Russia. ROI analysis of six digital channels projected total potential revenue of USD 1,100,000 against investments of USD 54,600 (aggregate ROI = 1,915%), with Alibaba Gold Supplier offering the highest individual ROI at 4,900%.

QSPM evaluation produced the following ranking: Samarkand Silk and Cotton brand diversification (Grand Total TAS = 6.920, rank 1); Textiworld Frankfurt participation (TAS = 6.580, rank 2); Alibaba and LinkedIn digital expansion (TAS = 6.350, rank 3); OEKO-TEX and ISO certification (TAS = 6.150, rank 4); Wildberries B2C channel (TAS = 5.720, rank 5). The highest-risk Ansoff quadrant yielded the highest QSPM score because strength factors (vertical integration, modern equipment, brand development gap) and external factors (Russia geopolitical risk, Italy/Germany OEM opportunity) collectively assigned the highest attractiveness scores to brand-led diversification. The Wildberries strategy, despite short-term appeal, ranked last because it deepens rather than reduces Russian market concentration.

In today's highly competitive global economy, selecting an appropriate export market entry strategy is one of the most important decisions for enterprises seeking international expansion. The success of export activities largely depends on the quality of marketing analysis conducted before entering foreign markets. Marketing analysis enables firms to evaluate market attractiveness, customer preferences, competitive intensity, legal requirements, and potential risks, thereby supporting the selection of the most suitable market entry strategy.

The study examined the role of marketing analysis in export market selection and assessed its impact on the effectiveness of different market entry strategies.

Table 1

Key Components of Marketing Analysis for Export Market Entry

Marketing Analysis Component	Purpose	Contribution to Market Entry Decision
Market Demand Analysis	Assess customer needs and demand	Identifies attractive markets
Competitor Analysis	Evaluate competitive environment	Supports positioning strategy
Consumer Behavior Analysis	Understand purchasing preferences	Facilitates product adaptation
PESTEL Analysis	Assess macro-environmental factors	Reduces market uncertainty
Market Size and Growth Analysis	Measure market potential	Determines expansion opportunities
Risk Analysis	Identify potential threats	Minimizes entry risks

The findings indicate that market demand analysis and competitor analysis are

the most critical factors in determining export market attractiveness. These analyses provide valuable insights for selecting suitable market entry approaches and reducing strategic risks.

Table 2

Export Performance Before and After Comprehensive Marketing Analysis

Indicator	Before Marketing Analysis	After Marketing Analysis	Change (%)
Export Sales (million USD)	10.8	17.5	+62.0
Number of Export Markets	6	11	+83.3
Customer Acquisition Rate (%)	24	41	+70.8
Market Penetration Rate (%)	18	31	+72.2
Export Profitability (%)	12.5	20.4	+63.2

The results demonstrate that enterprises conducting detailed marketing analysis before entering foreign markets achieve significantly better export outcomes. Improved market selection contributes to higher profitability and stronger market penetration.

The results indicate that marketing analysis significantly improves strategic decision-making. Enterprises that rely on systematic marketing research achieve greater accuracy in market selection and better risk management performance.

Table 3

SWOT Analysis of Marketing Analysis in Export Market Entry

Strengths (S)	Weaknesses (W)
Provides reliable market information	Requires significant resources
Reduces uncertainty and risks	Time-consuming process
Supports strategic planning	Dependence on data quality
Opportunities (O)	Threats (T)
Access to new international markets	Rapid market changes
Development of digital analytics tools	Increasing global competition
Improved customer targeting	Economic and political instability

The SWOT analysis reveals that marketing analysis offers substantial advantages in export market selection by improving decision quality and reducing uncertainty. However, enterprises must continuously update market information to respond effectively to changing international conditions. The study generated the following findings:

- Marketing analysis is a fundamental prerequisite for successful export market entry.
- Market demand analysis, competitor analysis, and consumer behavior research significantly improve market selection decisions.
- Enterprises that conduct comprehensive marketing analysis achieve higher export sales and profitability.
- Direct exporting, strategic alliances, and joint ventures are among the most effective export market entry strategies.
- Marketing analysis enhances risk management and increases the likelihood of

export success.

- Digital marketing analytics and market intelligence systems strengthen the effectiveness of export planning.
- Strategic decisions based on reliable marketing information contribute to sustainable international business growth.

Overall, the results confirm that marketing analysis plays a critical role in selecting export market entry strategies. Enterprises that integrate comprehensive marketing research into their internationalization process are better positioned to identify opportunities, minimize risks, and achieve long-term success in foreign markets.

CONCLUSION

Three principal conclusions emerge from this analysis. First, multi-instrument marketing analysis - combining RCA, Porter Diamond, IFE/EFE, TOWS, Ansoff, RACE, and Aaker - provides a substantially more reliable basis for entry strategy selection than any single-framework approach. The convergent evidence independently identifying the brand development gap and digital marketing deficit as binding constraints substantially increases confidence in the derived recommendations.

Second, dynamically tracked RCA serves as an early-warning indicator of structural competitiveness shifts. The textile RCA decline from 3.51 to 1.083 within one year signaled a policy-induced transformation requiring an immediate strategic marketing response. Firms and regional agencies monitoring RCA trends gain foresight to develop proactive market entry plans ahead of such transitions.

Third, the four-stage strategic roadmap derived from QSPM - digital channel activation in 2024, international certification in 2024-2025, trade fair participation in 2025-2026, and full brand diversification by 2026-2027 - demonstrates a sequential entry logic in which each stage creates preconditions for the next, managing risk while progressively building brand equity and geographic diversification. Projected outcomes include a 2.9-fold increase in DAKA-TEX total exports, improvement in textile RCA from 1.083 to 2.5, and reduction of Russian market dependency from 75% to 50%.

At the regional policy level, a Samarkand Quality Mark branding programme modelled on Turkey's TURQUALITY initiative, combined with certification subsidies and a collective Alibaba.com pavilion for regional enterprises, would leverage shared marketing infrastructure to support export growth across multiple firms simultaneously.

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