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Market Intelligence and International Franchise Attraction: Evidence From A Regional Panel Analysis in an Emerging Economy

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Abstract: Attracting international franchise brands has become an increasingly important strategy for fostering investment inflows and regional economic development in emerging economies. Previous studies have highlighted that market size, institutional quality, and infrastructure are crucial. However, there is little information on how market intelligence, as a specific source of information, might affect franchise location decisions. This research examines the impact of international franchise attraction on market intelligence. Regional panel data from an emerging economy marks the first step ahead. Using a panel estimation approach for regional data within the years 2016-2023, we measure international franchise attraction through both in-migration and out-migration indicators. For market intelligence, we have developed an index taking into account information accessibility and institutionalization as well as availability (see Appendix A). Fixed-effect and random-effect estimators are applied to accommodate unobserved regional heterogeneity, and various tests confirmed the robustness of our results. The results show a significant and positive relationship between market intelligence and international franchise attraction. That is to say, strong market information systems attract larger amounts of foreign enterprises. These conclusions are confirmed under different model specifications and definitions of variables. From the nationwide studies of franchising, this study brings further evidence in econometric analysis to show that market intelligence is an important determinant of international franchise attraction within a country. In addition, the conclusions also have policy relevance. The importance of accelerating institutional market intelligence systems is apparent: the above findings not only have significance for local and regional policy makers seeking to attract franchises from abroad.

Keywords: Market Intelligence, International Franchising, Emerging Economies, Panel Data, Investment Attraction.

1. Introduction

Global experience shows that attracting franchises marks a transition to a new stage of investment attractiveness and ultimately serves as a key factor in the economic development of many countries. The rapid growth of scientific and technological progress that renews social life is associated with the individualization of marketing research, specialization by narrow sectors, and the increasing role of consumer-demand-driven efforts to attract internationally attractive franchises into national economies. According to

data from the International Franchise Association, as of 2023 there were 16.5 thousand franchisors and more than 1.2 million franchisees worldwide; the sector's sales volume amounted to nearly USD 1.5 trillion and provided employment for about 12 million people. In global academic research, the organizational and economic aspects of attracting internationally attractive franchises to a country are being examined as a distinct global challenge. In particular, priority is given to studies on effective methods used for entering new markets and developing international trade relations; the stages of development of franchise systems with strong brand images and successful business models; the application of marketing concepts in designing strategies to enhance a country's attractiveness when entering markets and attracting new franchisees; and the effective use of marketing research to attract internationally attractive franchises at the regional level [1].

Literature Review

Globally, franchising has emerged as a global business phenomenon, offering entrepreneurs a proven model for expanding their businesses while mitigating risks. This model creates opportunities for individuals and legal entities to possess the financial capacity, experience, and commitment necessary to effectively manage franchising activities in foreign markets. The relationship between the franchisor and the franchisee forms the foundation of successful franchising operations. From this perspective, the alignment of values, goals, and expectations takes precedence. Attracting franchisees who share this alignment in partnership is critically important for the long-term success of a franchisor's expansion efforts [2].

Within the scope of our research, concepts such as "the operation of franchise enterprises" and "the importance of marketing research in attracting investments" have been extensively examined in comprehensive scientific works, studies, and publications by foreign and domestic economists. These topics are deeply explored in the fields of economics and business management, and in various sources and academic literature the essence and content of franchise and franchising activities, as well as the necessity and impact of marketing research, are interpreted using different approaches.

These concepts occupy an important place as fundamental notions in understanding economic growth, business development, and market dynamics. By examining them in depth and comprehensively, we considered it necessary to place particular emphasis on the following definitions related to the content of franchising activities.

Based on our conducted research and analyses in scientific and theoretical literature, the concept of "marketing research in attracting franchises" can be interpreted as follows: First, it is a set of strategic and applied studies conducted with the aim of expanding franchise networks and establishing cooperation with new entrepreneurs; Second, marketing research helps franchisors to direct their activities more effectively and purposefully by analyzing important information such as market trends, the competitive environment, and consumer demands and preferences; Third, it strengthens opportunities for the strategic development of the franchise system, entry into new markets, and more effective attraction of franchises [3].

Regarding the concept of franchising, Nick Neonakis emphasizes the importance of using marketing research when attracting international franchises, noting that it is impossible to invest in a specific franchise without first conducting an analysis of the local market.

Economist S. V. Ramazanov provides the following definition of conducting marketing research: "Changes in the structure and volume of demand, as well as the emergence of competition, objectively determine the need to study the theoretical and methodological problems of marketing due to the low level of marketing utilization."

In conducting marketing research, continuous market analysis is considered the most fundamental aspect. This includes identifying market size, characteristics, requirements, customer experiences, competitor activities, and potential customers, although these aspects are not always considered separately. In his research, Ye. V. Barbin highlights marketing research, stating that “meeting the need for information is, in turn, the task of marketing research. To satisfy all identified information needs of a shopping center, it is necessary to use not individual marketing studies, but a комплекс (integrated set) of marketing research with a unified analytical apparatus.”

From the definitions developed by the economists mentioned above, it follows that in today's global business environment, the success of a franchising system often depends on its ability to attract internationally appealing franchisees. In franchising partnerships, it is important that potential partners possess not only the necessary financial resources but also deep knowledge and experience of local markets. Therefore, prudent franchisors must increasingly focus on marketing research in order to structure their business strategies more effectively and rationally. Through such research, they gain the opportunity to identify the subtle characteristics of local markets, understand consumer needs, and on this basis optimize their business models and strategies [4].

Business plays a very significant role in our country's economy. This indicates that business performs important socio-economic functions. For newly established enterprises, ensuring business success is the primary objective. In today's conditions of globalization and intensified competition, consumers are entitled to choose products of the highest quality that meet international standards. This, in turn, requires entrepreneurs to invest greater effort and resources in improving product quality and promoting it through advertising.

2. Methodology

As is well known, a franchise is the object of a franchising agreement. In this arrangement, the franchisee (user) not only acquires the right to use the franchisor's brand and business model, but also gains access to other privileges necessary for establishing and operating a business. For companies that start new entrepreneurial activities through such a franchise, entry into the market becomes easier, albeit in return for a required fee. This clearly demonstrates that franchises play a very important role in increasing the number of entrepreneurs and fostering economic development [5].

From the above considerations, it can be observed that studying the contribution of entrepreneurs operating under franchising arrangements to gross domestic product (GDP), as well as the factors influencing this contribution, is of significant importance. The amount contributed to GDP by entrepreneurs operating on the basis of franchising is affected by several positive and negative factors. These include GDP per capita, the number of franchising brands, inflation, existing political conflicts in the region, infectious diseases, terrorism, and others. From the factors listed above, those that are not multicollinear with one another are selected. These include GDP per capita (MT), the number of franchising brands (BS), inflation (I), and existing political conflicts in the region (SN) [6].

Accordingly, the general form of the regression equation is as follows:

$$Y = e^{\alpha} \cdot (MT)^{\gamma_1} \cdot e^{\gamma_2 \cdot (BS)} \cdot e^{\gamma_3 \cdot (I)} \cdot e^{\gamma_4 \cdot (SN)}$$

To determine the unknown parameters specified in this function, we take the natural logarithm of both sides and express it in the following form:

$$\ln Y = \alpha + \gamma_1 \ln(MT) + \gamma_2(BS) + \gamma_3(I) + \gamma_4(SN)$$

As noted above, there are many other factors that also influence the amount contributed to gross domestic product (GDP) by entrepreneurs operating on the basis of

franchising. However, since these factors are highly correlated with the selected variables (i.e., they are multicollinear), they were not included in the estimated regression equation. If these factors had been included, they would have led to estimation errors in the regression equation.

In order to estimate the coefficients of the proposed regression equation, we introduce the following notations:

$$\ln Y = y, \ln MT = x_1, BS = x_2, I = x_3, SN = x_4$$

Using these notations, the proposed regression equation can be written in the following form:

$$y = \alpha + \gamma_1 x_1 + \gamma_2 x_2 + \gamma_3 x_3 + \varepsilon$$

To estimate the coefficients of this regression equation, statistical data for the period from 2016 to 2023 were analyzed, including the contribution of entrepreneurs operating under franchising to GDP, GDP per capita (MT), the number of franchising brands (BS), inflation (I), and existing political conflicts in the region (SN) (see Table 1). Based on the analyzed statistical data, the estimated regression equation is as follows:

$$y = 3,59 + 1,19x_1 + 0,002x_2 - 0,044x_3 - 0,468x_4$$

From this natural logarithmic-scale regression equation, the following conclusions can be drawn. A one-unit increase in X_1 leads to an average increase of Y by 1,19 units; a one-unit increase in X_2 increases Y on average by 0,002 units; a one-unit increase in X_3 decreases Y on average by 0,044 units; and a one-unit increase in X_4 decreases Y on average by 0,468 units.

Substituting the variables back into the natural logarithmic regression equation yields the following expression:

$$\ln Y = 3,59 + 1,19 \ln MT + 0,002BS - 0,044I - 0,468SN$$

The non-logarithmic form of this natural logarithmic regression equation is given by:

$$Y = e^{3,59} \cdot (MT)^{1,19} \cdot e^{0,002(BS)} \cdot e^{-0,044(I)} \cdot e^{-0,468(SN)}$$

It is important to determine the reliability of the proposed regression equation. For this purpose, we first calculate its correlation coefficient and average error. In performing these calculations, we rely on the computations presented in the following table.

Table 1. Analysis of the model and observed values for the period 2016–2023.

Year	Y	Y(x)	$\varepsilon = Y - Y(x)$	ε^2	$(Y - Y_{\text{ort}})^2$	$ \varepsilon : Y $
2016	22.191	22.168	0.0231	0.000532	0.53	0.00104
2017	21.655	22.028	-0.372	0.139	1.598	0.0172
2018	23.091	22.59	0.501	0.251	0.0293	0.0217
2019	22.659	22.364	0.295	0.0869	0.0678	0.013
2020	22.419	22.714	-0.295	0.0869	0.251	0.0131
2021	23.31	23.5	-0.19	0.036	0.153	0.00814
2022	23.659	23.676	-0.0168	0.000283	0.547	0.000711
2023	24.371	24.317	0.0547	0.00299	2.108	0.00224
Total				0.603	5.283	0.0772

Based on the data constructed in this table, the results of the proposed regression equation are compared with the actual statistical data in order to evaluate the average error. This assessment is carried out using the following formula.

$$A = \frac{\sum_{i=1}^n \left| \frac{\varepsilon}{Y} \right|}{n} \cdot 100\% = \frac{0,0772}{8} \cdot 100\% = 0,96\%$$

From this result, it can be observed that the outcomes of the proposed regression equation for the period 2016–2023 differ from the actual statistical values for the same years

by an average error of 0.96%. Since the deviation between the estimated and actual values is small, the proposed regression equation can be assessed as having a high level of reliability.

The indicator that reflects the degree of the joint influence of factors on the result is the correlation index. This index takes values between 0 and 1. The more closely the actual statistical values are clustered around the proposed regression equation, the smaller the residual variance will be. The smaller the residual variance, the larger the value of the correlation index, approaching 1.

Conversely, the more dispersed the actual statistical values are around the proposed regression equation, the larger the residual variance will be. As the residual variance increases, the value of the correlation index decreases, approaching 0 [7].

Based on the data presented in the above table, the correlation index is determined as follows.

$$R = \sqrt{1 - \frac{s_e^2}{\sum(y_i - \bar{y})^2}} = \sqrt{1 - \frac{0,603}{5,28}} = 0,94$$

The value of this correlation index is equal to 0,94, which is close to 1. This indicates that the actual statistical results are closely clustered around the proposed regression equation. In other words, the factors influencing the contribution of entrepreneurs operating under franchising to gross domestic product have been correctly selected.

Another type of multifactor regression equation is the standardized-scale equation. When the factors included in a regression equation differ in nature and are measured in different units, it becomes difficult to compare the magnitude of their effects. In such cases, a multiple regression model on a standardized scale is applied in order to more accurately assess the impact of each factor.

A regression model based on a standardized scale assumes that all values of the analyzed variables are transformed into standard (standardized) values according to specific formulas [8].

$$t_y = \frac{y - \bar{y}}{\sigma_y}, t_{x_1} = \frac{x_1 - \bar{x}_1}{\sigma_{x_1}}, \dots, t_{x_n} = \frac{x_n - \bar{x}_n}{\sigma_{x_n}}$$

If the relationships between variables measured on a natural scale are linear, then changing their origin and units of measurement does not violate this property. Therefore, standardized variables are also connected by a linear relationship. Its mathematical representation is as follows:

$$t_y = \sum_j \beta_j t_{x_j}$$

To find the coefficients β from this expression, we use the least squares method. In this case, the system of normal equations takes the following form:

[illegible]

Based on our data, this system of equations can be written as:

$$\begin{cases} 0,86 = \beta_1 + 0,853\beta_2 - 0,455\beta_3 + 0,06\beta_4 \\ 0,881 = 0,853\beta_1 + \beta_2 - 0,556\beta_3 - 0,197\beta_4 \\ -0,594 = -0,455\beta_1 - 0,556\beta_2 + \beta_3 + 0,1\beta_4 \\ -0,27 = 0,06\beta_1 - 0,197\beta_2 + 0,1\beta_3 + \beta_4 \end{cases}$$

Solving this system using the Gauss method yields the following results:

$$\beta_1 = 0,62; \beta_2 = 0,21; \beta_3 = -0,17; \beta_4 = -0,25$$

Accordingly, the standardized form of the proposed regression equation is:

$$t_v = 0,62x_1 + 0,21x_2 - 0,17x_3 - 0,25x_4$$

From the standardized regression equation, it can be concluded that among the positive factors influencing the contribution of entrepreneurs operating under franchising to GDP, GDP per capita (MT) is the most influential, while among the negative factors, existing political conflicts in the region (SN) have the strongest adverse effect [9].

Next, we determine the five-year forecast results for the contribution of entrepreneurs operating under franchising to GDP. For this purpose, we first take the logarithm of each indicator, because the indicators have large numerical values. To obtain the forecast, we use a regression equation of the following form:

$$y = a \cdot b^x$$

Based on the 8-year statistical data analyzed, this regression (trend) equation takes the following form:

$$y = 21,65 \cdot 1,0134^t$$

We also assess the reliability of this trend equation. For this purpose, we calculate its coefficient of determination, the average approximation error, and test it using Fisher's criterion at a 95% confidence level. These calculations are performed using the data presented in the following table.

Table 2. Measures and results of the regression model.

i	x_i	y_i	$\hat{y}_i$	$y_i - \bar{y}$	$(y_i - \bar{y})^2$	ε_i	ε_i^2	A_i	$\Delta \varepsilon_i$	$(\Delta \varepsilon_i)^2$
1	1	22.19	21.86	-0.73	0.5329	0.324	0.105	0.014	—	—
			55			5	3	6		
2	2	21.66	22.15	-1.26	1.5876	-0.49	0.247	0.023	-0.82	0.6761
			78			78	8		23	
3	3	23.09	22.45	0.17	0.0289	0.636	0.404	0.027	1.133	1.2856
			4				5	5	8	
4	4	22.66	22.75	-0.26	0.0676	-0.09	0.008	0.004	-0.73	0.5331
			41			41	9	2	01	
5	5	22.42	23.05	-0.5	0.25	-0.63	0.407	0.028	-0.54	0.2961
			83			83	4	5	41	
6	6	23.31	23.36	0.39	0.1521	-0.05	0.003	0.002	0.581	0.3385
			65			65	2	4	8	
7	7	23.66	23.67	0.74	0.5476	-0.01	0.000	0.000	0.037	0.0014
			88			88	4	8	7	
8	8	24.37	23.99	1.45	2.1025	0.374	0.140	0.015	0.393	0.1548
			53			7	4	4	5	
Σ	—	—	—	—	5.2692	—	1.317	0.116	—	3.2856
Σ							8	4		

The result of the correlation coefficient calculated on the basis of the data in the above table is as follows:

$$R = \sqrt{1 - \frac{\Sigma(y_i - \hat{y}_i)^2}{\Sigma(y_i - \bar{y})^2}} = \sqrt{1 - \frac{1,3178}{5,2692}} \approx 0.9$$

Since the correlation coefficient is equal to 0.9, it can be concluded that the selected factors have a strong relationship [10].

The average error of this trend equation is determined as follows:

$$\bar{A} = \frac{1}{n} \sum \left| \frac{y_i - \hat{y}_i}{y_i} \right| \cdot 100\% = \frac{0,1164}{8} \cdot 100\% \approx 1,45\%$$

As the average difference between the results obtained from the estimated trend equation and the actual statistical data is 1.45%, it can be concluded that the proposed trend equation has a high level of reliability.

The recommended trend equation is tested using Fisher's hypothesis at a 95% confidence level. In this case, the following two hypotheses are formulated:

H0 – hypothesis: The proposed trend equation is not statistically significant. If the condition $F_{tab} > F_{act}$ is satisfied, the trend equation is considered statistically insignificant.

H1 – hypothesis: The proposed trend equation is statistically significant. If the condition $F_{tab} < F_{act}$ is satisfied, the trend equation is considered statistically significant.

The actual value of Fisher's criterion is calculated as follows:

$$F_{act} = \frac{R^2}{1 - R^2} \cdot \frac{k_2}{k_1} = \frac{0.91}{1 - 0.91} \cdot \frac{6}{1} \approx 17.991$$

Based on the given conditions, the tabulated value of Fisher's criterion is determined as:

$$F_{tab} = F(\alpha, k_1, k_2) = F(0.05, 1, 6) \approx 5.9874$$

For the actual and tabulated values of Fisher's criterion, the following condition holds:

$$F_{tab} < F_{act}$$

Thus, the null hypothesis H0 is rejected and the alternative hypothesis H1 is accepted. That is, at a 90% confidence level, the proposed trend equation is considered reliable.

After establishing the reliability of the trend equation, it is used to determine the forecast results for the contribution of entrepreneurs operating under franchising to gross domestic product for the period 2024–2028. The results are presented in the following table:

Table 3. Forecast results of the contribution of entrepreneurs operating under franchising to gross domestic product (billion UZS).

By years:	2024	2025	2026	2027	2028
Contribution to GDP	39,73	55,1	76,75	107,38	150,92

The graphical representation of the contribution of entrepreneurs operating under franchising to gross domestic product and its forecast results is presented below.

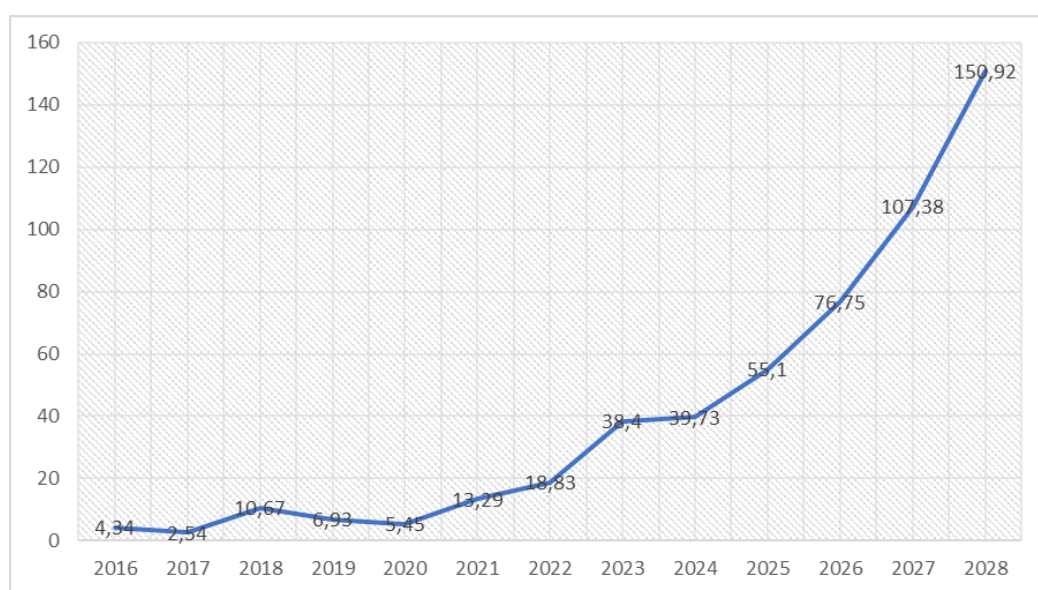


Figure 1. Forecast results of the contribution of franchises to gross domestic product.

The franchising business model is one of the key instruments of economic development in modern entrepreneurship, and its potential is clearly evident. Entrepreneurs operating under franchising facilitate market entry and make a significant contribution to GDP. Among the factors influencing GDP, GDP per capita, the number of franchising brands, inflation, and political conflicts play an important role. Based on statistical data for the period 2016–2023, the estimated regression equation shows that a one-unit increase in GDP per capita leads to an average increase in GDP of 119 units, while a one-unit increase in the number of franchising brands increases GDP by 0.002 units. Conversely, a one-unit increase in inflation reduces GDP by 0.044 units, and a one-unit increase in political conflicts reduces GDP by 0.468 units. The regression model constructed on the basis of the above factors demonstrates a high level of reliability, with an average error of 0.96% and a correlation index of 0.94. Using this model, future forecasts were generated, indicating that during the period 2024–2028, the contribution of entrepreneurs operating under franchising to gross domestic product is expected to increase by 26%.

3. Results

In attracting franchises, addressing the challenges reflected in the system of public administration is of critical importance for the subsequent success of implementing marketing research. Unlike the attraction of other countries, these directions are influenced by intergovernmental relations and political conditions. One of the main difficulties encountered in conducting marketing research is the need to thoroughly understand the rules, regulations, and policies introduced by public authorities, while simultaneously tailoring research activities to the specific cultural and economic systems of the host country. This process requires a deep and integrated approach to ensure the alignment of products or services with the target market. Research outcomes must correspond to the legal measures of public administration and the economic and cultural characteristics of the country, thereby enhancing both the effectiveness and legality of marketing strategies [11].

Further increasing a country's investment attractiveness is a vital component of economic development and the expansion of commercial relations. Enhancing investment attractiveness contributes to strengthening national independence by stimulating business activity and investment, as well as by creating new economic projects and organizations. This process promotes economic diversification and the development of new industrial sectors, while also generating employment opportunities and increasing household incomes. Through investment, a country's economic potential expands, creating broader opportunities for citizens and ensuring overall welfare.

Table 4. Investment Shares Relative to GDP in Uzbekistan, Tajikistan, Kazakhstan, and Kyrgyzstan (2023).

Country	Investment share of GDP (%)
Kazakhstan	32.7
Tajikistan	34.9
Uzbekistan	32.8
Kyrgyzstan	40.5

Uzbekistan's investment performance is characterized by several key aspects. In 2023, the share of investment relative to GDP amounted to 32.8% (see Table 2.5), exceeding the previous year's level of 32.1%. Over the period from 2016 to 2023, the average share was 31.6%, indicating stability in the country's ability to attract investment. In March 2023,

Uzbekistan's economy inclined 5.5 percent upward for effective investment performance. The macroeconomic prospects also looked bullish despite inflation approaching 40% around this period too. In March 2023, the nominal GDP reached USD 17.5 billion, while GDP per capita stood at USD 2,551.2 in December 2022-just as an example extra-suggesting the level of this economy and that per capita income is also represented. Uzbekistan's strategy for investment promotion is mainly aimed at deepening economic reforms, perfecting the business environment, and a favorable environment to develop foreign investors. The government has implemented various programs to attract foreign investment, with the creation of tax incentives and land allocation as well as other support measures. Although the percentage of investment is relatively high and indicates a strong economic potential, there still lies a need for further deletion and change to make the economy swifter and more efficient. Also, global economic conditions, political stability and anti-corruption efforts all greatly influence the investment appeal of a country. Nonetheless, Uzbekistan's investment climate as a whole is developing smoothly. Nevertheless, the country still faces some important challenges resulting from its ongoing economic and social reform and how it must adapt to new international trends. These matters will be investigated here in a systematic way.

According to a Presidential Decree of 11 September 2023, the Strategy of Uzbekistan-2030 is expected to draw in 50 billion dollars worth of investment from all sources, of which 110 billion USD foreign funds and also 30 billion through public-private partnerships are hoped for. In this context, market research plays a pivotal role in the improvement of investment attractiveness through the additional provision of relevant expertise and practice. This research can provide a more comprehensive understanding of the possibilities for national economic growth and it helps to raise the profile of Uzbekistan as an object for international investment. Through such research, we can identify the competitive advantages of Uzbekistan, come up with effective presentations and strategies and initiate collaborative projects that bear fruit by producing a product or service. As a result, new and high-yield economic relations are formed and unused resources more effectively utilized [12].

To be successful, marketing strategies have to be adapted to local rules and state-established regulations must be obeyed. In view of this, how to study, adapt to and apply state-adjusted marketing research strategies to suit their own purposes is something that those companies which aim at attracting your franchise will have to find out. Through our investigation, we discussed ways of overcoming the difficulties encountered in conducting marketing research in a system set up by state organizations. The direction and first priority is to have a full understanding of legal restrictions and regulatory procedures that have been introduced by the state during the implementation of marketing research. From this perspective, marketing research should be carried out in line with state-established modes and standards, observe legal requirements, and fully consider obligations related to contracts and agreements. Thus it is necessary to closely monitor the political and legal environment and to know the governance system of relevance, in order to achieve lawful and effective implementation for marketing research. Chinese International Public Administration Journal. Of course, a number of major challenges are directly connected with the system of public administration. The first challenge involves tariffs and import-export conditions. Since import and export regulations and fees vary from nation to country, it is necessary to know local trade procedures. The second challenge lies in differences of language and of culture. Every country has its own languages, cultural norms and style of advertising, all of which must be adhered to. It affects investment and development paths [13].

Therefore, obtaining information about local brands and customs is critically important. The third challenge involves identifying the targeted object. Determining the financing potential of a specific product or service and developing investment-attraction strategies accordingly is essential. This process makes it possible to identify which goods

or services are most effective for investment and to allocate financial resources on that basis, thereby ensuring the financial sustainability and development capacity of enterprises or projects.

In addition, state-managed marketing research requires studying and utilizing its own sources to facilitate governance and the implementation of guidelines. The use of legal services, engagement with local marketing agencies, and cooperation with local partners can serve as important tools for sustaining state-managed marketing research activities.

Both large and small companies seeking to attract franchises must study and implement these approaches as part of their development strategies. One of the most effective public-facing means of addressing sector-specific marketing research challenges within a state-defined system is to understand these directions and prepare accordingly. Studying these pathways constitutes one of the most important steps toward achieving success in attracting customers [14].

The integration of marketing research within the framework of public administration must be closely linked to the country's economic and political conditions. Fulfilling the needs for goods and services in Pakistan's economy boosts market demand. With an increasing consumer base, whichever industry succeeds in the country will be successful both economically and politically. Market demands are also an important forcing factor on government policies to provide economic incentives and transfer technological know-how.

Therefore, understanding the political environment, its changes and the role of political conditions in sectoral policies is very important. Getting hold of such knowledge results firstly in turning marketing research into something more effective and secondly into a system of public administration that works smoothly under economic conditions characterised by continual change, with politics doing likewise.

By understanding the economic situation and political requirements, the targets of marketing research must be readjusted. It follows that when investigating how the state carries out its functions, we must allocate resources to priority industries for investment. Analysis of suitable advertising directions is also needed at this stage of 4 marketing research [15].

Enhancing the effectiveness of marketing research managed by the state calls for continued innovation. By constantly monitoring changes in the economic and political environment, producing and adapting new legal norms and keeping flexible marketing strategies up to date regularly. Devoting careful attention to these processes will enable enterprises achieve considerable success in both expanding their brands and exploring franchising opportunities. Such a dynamic approach assists businesses to adapt quickly as the market environment changes rapidly-while increasing their competitive edge.

To ensure the effective implementation of state-managed marketing research, enterprises should intensify cooperation with reliable Uzbek marketing professionals who possess in-depth knowledge of local market conditions and relevant expertise. By utilizing the services of local marketing agencies and international consulting firms, companies can develop marketing strategies that are more effective and better aligned with local market needs. This approach represents an important step for Uzbek enterprises in enhancing competitiveness in both domestic and international markets and contributes to improving the quality of marketing research and strategies.

In recent years, more efficient approaches to conducting marketing research through the internet and network technologies have emerged. As a result, understanding, managing, and integrating the country's online media and social networks into marketing research processes has become increasingly important.

The introduction of state-managed marketing research may require a wide range of changes for individual companies; however, by confronting and overcoming these challenges and by learning from accumulated experience and data, it is possible to identify

significant opportunities for success. Although this process requires time for each company, collaboration with experienced and local specialists is essential to achieving successful outcomes.

When implementing state-managed marketing research, the primary priority is to understand the target country and how to influence its consumers. For this purpose, it is necessary to understand the local language, culture, and social characteristics in order to enhance communication and coordination when developing marketing strategies.

Understanding and complying with public administration measures is also crucial. Such measures can guide firms toward appropriate engagement when conducting marketing research. They create valuable opportunities to study the rules, incentives, and contractual frameworks associated with state-managed marketing research implementation.

Another important direction for attracting customers involves working with local partners and utilizing cooperation with local support institutions. Local companies and organizations can assist in understanding the national marketing landscape and learning from accumulated experience.

In the modern era, automated marketing technologies, large-scale data analytics, and the growing importance of social media have emerged as key components of national marketing analysis. These technologies and algorithms enhance the efficiency of marketing research and enable the generation of accurate and timely results. Collectively, they support the development of more effective marketing strategies and facilitate more informed decision-making based on national marketing data. These changes create new opportunities in the field of marketing research and fundamentally transform data analysis and application processes.

The results of this study indicate that, in the near future, when conducting marketing research under public administration systems, learning from and applying experiences oriented toward both local and global environments will become a key practical step in marketing development. A thorough examination and implementation of these directions may constitute the core competencies required for successfully attracting franchises.

The insufficient consideration of environmental factors in developing the investment management system and the state investment policy is reflected in the following key problems:

1. Uncertainty regarding specific investor groups and their needs.

This creates difficulties in accurately pricing investment products (projects, assets, etc.), positioning them appropriately, and assessing the effectiveness of implemented activities. It also complicates the development of clear and effective strategies aimed at meeting investor needs.

2. Limited information about potential investors.

The lack of complete and reliable data on potential investors, their needs, and the most effective ways to influence them constrains the effective design and implementation of investment policy. This also leads to challenges in strategic planning for attracting and retaining investment.

3. Weak investment and institutional infrastructure.

There is insufficient provision of information and resources necessary for investment-related decision-making processes. This creates problems in effectively managing investments, evaluating new projects, and making informed management decisions.

These problems may reduce the effectiveness of the investment policy and management system, as well as limit the country's investment attractiveness and economic growth. Therefore, fully considering environmental factors and analyzing their impact is critically important for the effective formulation and implementation of investment policy.

Table 5. STEP Analysis of the Economy of Uzbekistan.

STEP Element	Current Situation	Expected Trend	Potential Impact
Political	Political stability with ongoing changes; legal reforms are being implemented.	Greater openness of the political system and strengthening of democratic reforms.	Improved investment climate and expanded international cooperation.
Economic	Continued economic growth; leading sectors include agriculture, energy, and tourism.	Sustained growth with policies aimed at diversification and enhanced competitiveness.	Increased investment volumes and job creation.
Social	Improving education system and population growth.	Improvements in literacy, health, and overall welfare.	Higher-quality labor force and increased consumer purchasing power.
Technological	Technological progress and infrastructure improvements.	Faster adoption of new technologies and development of the digital economy.	Higher production efficiency and emergence of new sectors and business models.

The STEP analysis of Uzbekistan's economy (see Table 5) provides a comprehensive assessment of political, economic, social, and technological factors. These factors are essential for analyzing the national economy, as they directly affect the business environment and investment attractiveness. By examining these dimensions, the STEP analysis enables an evaluation of the country's business and investment climate as well as its economic growth prospects. Such analysis is crucial for strategic planning in business operations, investment decisions, and public policy formulation.

Direct regulation methods are implemented through legislation, administrative measures, and economic instruments, implying direct state intervention. Indirect regulation methods are mainly carried out through economic tools, such as tax incentives or market mechanisms. Direct and indirect methods of managing investment activity are integrated through economic instruments.

State economic regulation tools can be classified into four main groups:

1. Active structural instruments. These include direct public financing of projects, state participation in investment activities, external debt management, and related measures. These instruments reflect the state's direct role in stimulating and managing investment.
2. Fiscal and structural instruments. This group includes tax policy measures such as tax incentives, subsidies, and similar tools, through which the state directs investment flows and regulates economic development.
3. Instruments of money and credit. These include tools of financial and monetary policy like interest rates, credit constraints, and the management of liquidity. They affect both the investment climate and macroeconomic stability.
4. Other instruments. This category includes additional means utilized in the implementation of state investment policy, frequently directed at specific sectors or conditions.

By way of these instruments, the state lays out and actually carries on sustainable and effective paths of economic development.

To implement the entire set of state investment management tools, it is necessary to have a set of regulatory and institutional measures, known as the implementation and institutional mechanisms within the frame of law. This establishes the investment sector's infrastructure, acts as the motive force propelling investment behaviour and is the cornerstone of state investment policy.

It is suggested, in order to improve the effectiveness of investment and to increase the attractiveness of domestic investment,

that:

First, the provision of information and analysis to support investment activity, with continuous collection and analysis of investment markets ' data opportunities and risks. This means monitoring investment projects, financial indicators, sectoral and regional trends. - Second, bringing investment projects and reforms to fruition through negotiations with investors, provision of an environment conducive to investment, location analysis, identification of key projects and policy-setting reforms, along with promotional reforms. - Third, public relations campaigns, geographic marketing strategy and other forms of image-building to increase the attractiveness of the investment environment domestically and showcase successful investment projects to the outside world.

Through these components, states can improve investment strategies, strengthen investor relations, enhance their investment image, and expand opportunities for economic growth and investment inflows.

State support for investment activity from an information-analytical and technological perspective should include:

- Creation and continuous updating of an investment project database to analyze current market conditions and regional investment trends, supported by marketing analytics;
- Development of a unified digital marketing system based on open data, encompassing regional investment activity, state-guaranteed projects, and priority regional initiatives;
- Swot analysis of the national economy to identify strengths, weaknesses, opportunities, and threats and define clear development priorities;
- Monitoring and benchmarking foreign investment practices to track global trends and adopt international best practices.

These measures collectively contribute to more effective investment governance, improved strategic planning, and increased investment attractiveness.

During our research, it became necessary to examine both **internal factors** (strengths and weaknesses) and **external factors** (opportunities and threats/risks) (see Table 6).

Table 6. SWOT Analysis of Attracting International Franchises.

No.	Strengths	Weaknesses	Opportunities	Threats
1	Stable franchising business model: Franchising provides entrepreneurs with access to a reliable and proven business model.	Limited resources for marketing research: Insufficient resources for marketing research may constrain the effectiveness of investment policies and strategies.	Introduction of innovative technologies: Franchising enables the wide adoption of innovative technologies and modern management methods.	Intensified competition: The opening of global markets and the entry of international franchises increase competitive pressure.
2	Ability to attract international	Legal and economic	Local and international	Changing market conditions: Rapid

No.	Strengths	Weaknesses	Opportunities	Threats
	franchises: Marketing research enhances the ability to attract international franchises, positively affecting the national economy and enabling access to new markets and consumers.	autonomy in franchising: The legal and economic independence between franchisors and franchisees may create complexities, especially in new markets, requiring careful balancing of interests.	cooperation: Marketing research strengthens cooperation at local and international levels, expanding opportunities to engage new markets and customers and supporting global business development.	changes in market conditions and consumer preferences require continuous updating of marketing strategies; otherwise, firms risk losing competitiveness.

This SWOT analysis indicates that franchising possesses strong advantages through a stable business model and the ability to attract international franchises. However, it is necessary to overcome weaknesses related to limited marketing research resources and legal-economic autonomy. The adoption of innovative technologies and expanded cooperation present significant opportunities, while heightened competition and volatile market conditions represent key risks that must be carefully considered. Overall, franchising can achieve sustainable growth and development by strengthening its advantages, addressing weaknesses, maximizing opportunities, and mitigating risks.

In particular, through the measures outlined above, the state seeks to further strengthen support for investment activity, stimulate economic development, and expand opportunities to attract both national and international investments.

System of instruments for stimulating structural reforms and priority projects

The system of methods and instruments for promoting structural reforms and specific projects includes the following elements:

- Investment cooperation and joint activities with representatives of foreign organizations and diplomatic missions, including negotiations on investing in regional projects;
- Organization and conduct of competitive selection processes;
- Consulting services, including evaluation, expertise, and selection of investment projects;
- Cooperation with regional authorities to identify and support priority projects.

Traditional marketing instruments for enhancing investment image

Traditional marketing methods and tools are reflected in the third group of organizational and managerial measures aimed at improving the country's investment image, including:

- Stimulation of investment inflows through advertising and public relations (PR);
- Organization of investment forums, exhibitions, round tables, personal meetings, and other investor relations activities;
- Promotional activities of enterprises and regions.

These measures collectively contribute to strengthening the investment image, improving investor engagement, and supporting the sustainable development of franchising and investment-driven economic growth.

4. Discussion

The empirical findings of this study provide clear evidence that market intelligence plays a critical role in attracting international franchise activity in an emerging economy context. The positive and statistically significant relationship between market intelligence and international franchise inflow supports the main line of argument of this paper. A region that can significantly reduce investment uncertainty and information asymmetry via well-organized, easily available market intelligence will attract more international franchise brands than other places where such conditions do not exist.

From an economic perspective, these findings underscore that informational efficiency is particularly important when locating franchises. International franchisors face substantial uncertainty when entering emerging markets, especially for regulatory conditions, market demand and reliability of institutions or operational risks. The effect of this is to determine that although franchise investment brings home relatively good returns in high-risk emerging markets like China (because cheap labor there is something you won't find in any developed country) still very poor results can occur due to things not thought of beforehand even with large resources devoted towards innovation. In the end one discovers many variables blank this way as well as that far which presents such projects' downside risk characteristics.

The conclusions show that market intelligence works as an institutional signal, reducing transaction costs and improving these investors' confidence in franchise activities. This way of thinking is based on information asymmetry theory. Information availability is generally a factor that shapes investment behavior and affects positive roles in economic life according with its social importance: whether individuals rely upon evidence from reliable institutions before making decisions rather than just what they think or feel about something at any particular moment.

The result of the study basically conforms with previous 30 Hanover Research Institute for Advanced Material Industry in China research results on international market high performance plans. Yet alone not wedded to orthodoxy, this paper is a first effort aimed at systematically analyzing market intelligence - which policy-related factor with stable performance and international appeal--rather than simply inquiring as from what quarter or about which grade that really signifies information situations increased commodification throughout the last five to ten years. Through analyzing market intelligence at a regional level, the study finds that information environments--a factor absent from prior work on the determinants of foreign franchise investment soundness--are able to have significant impact in and of themselves upon franchise attraction outcomes within one emerging Chinese economic entity.

On and on, the results imply, that local economic information environments in China are relatively backward compared to those found in more developed markets. Local information problems can take different forms one visible form is analysts separated by mountain ranges from one another. The outcome then is, that these information differences can introduce very definite distinctions into the international franchiser landscape. This reinforces the idea already mentioned several times: in an emerging economy losing international investment is controlled less by pure large market appeal and cost competitiveness alone than also by what kind this expansion environment that economy can provide entrepreneurs.

More evidence for our interpretation comes from how control variables were used. Market size, investment climate and infrastructure are still important determinants of the attractiveness of a franchise. But their effectiveness appears to be enhanced when there is a strong market intelligence system. Rather than running against traditional economic laws, this actually indicates something contradictory is at work. In regions where economic opportunity is strong but market intelligence is weak, the sphere of international franchise

activity can remain below its potential level due to high risks and high perceived uncertainty.

From the viewpoint of policy, the conclusions that emerge here have vital implications for the strategy of investment promotion in emerging economies. In addition to fiscal incentives and legal reforms, officials should therefore assign priority to systematizing market intelligence that provides up-to-date, accurate information in investor-readily available form. This means building regional investment information platforms, constructing economic reporting systems capable of being standardized, and giving investment promotion agencies additional power to analyze. Such steps not only augment the impact of current investment policies but also help overseas franchise investors to see clearly and assist them into regional markets.

According to the findings, market intelligence should be perceived as a dynamic capability rather than static institutional feature. When global franchise competition intensifies, the regions which update, analyze and distribute market information continuously are likely to gain a lasting competitive advantage for attracting superior franchise investments. Particularly in view of the nature of structural change and widespread institutional transformation currently occurring within emerging economies worldwide, this dynamic perspective is quite illuminating.

Yet with these contributions come some limitations for us to admit. The analysis is based on regional data, and there are qualitative aspects of marketing information that it may not cover, such as informal networks of information or firm-specific knowledge. In addition, while our econometric method controls for observed influential factors, unforeseen bursts and bias in measurement methods could still affect results. These limitations point in directions for future research, such as firm- or firm-level studies, as well as international comparisons of market intelligence effectiveness in franchising. Overall, the discussion reinforces the central message of this study: market intelligence is not just an auxiliary tool but central driving force behind international franchises' attraction to emerging economies. By empirically establishing this relationship, the study adds depth and dimension to public understanding of how information environments shape international business practice in action offers policymakers some practical ideas on how they might foster spatially dispersed economic growth along different routes.

5. Conclusions

This study reveals that effective use of marketing research plays a significant role in attracting competitive franchises from the international to enter Uzbekistan and make it more favorable for investment. The findings also confirm that franchising represents a solid, low-risk business model which assists entry into markets, speeds diffusion of advanced management practices and significantly benefits diversification of economic activities leading to generation of employment opportunities.

The analysis shows that good organizational and economic mechanisms within the franchising system will also serve to strengthen the relationships between franchisors and their franchisees--matters such as building brands, providing management consultation services and offering marketing expertise. These mechanisms can reduce operation uncertainties and encourage the continuing improvement in national markets. In such an approach, marketing research becomes a very important instrument for measuring market potential, understanding human nature and adapting international franchise concepts into local economic conditions.

According to empirical evidence, there is a statistically positive link between the development of franchising and macro-economical output. The faster GDP growth in vocational colleges and more franchises mean faster economic development. In contrast, the impact of inflationary pressure and political instability is negative. Forecast estimates

indicate that over the 2024 to 2028 period the franchise-based business will continue to make a positive contribution to GDP, once again demonstrating long-term value for economy on franchising as means of growth. This study points out the increasingly crucial role that digital marketing channels and blogs play in raising franchising visibility, making direct contact with potential franchisees and consolidating brand loyalty at an international level. Furthermore, how marketing research results are integrated into governance frameworks involving public administration—this is to improve the effectiveness of Investment Promotion policies through measures such as preferential tax treatment, regulatory support and targeted development programmes.

Overall, the findings confirm that a systematic, data-driven marketing research approach is essential for leveraging Uzbekistan's strategic position in Central Asia, strengthening its global competitiveness, and ensuring sustainable economic growth through international franchising.

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