

# International marketing research

Foreign  
Multi-country  
Cross-cultural



„Systematic gathering, recording, analysis and interpretation of data and information on problems relating to international marketing“

### ■ 3 functions:

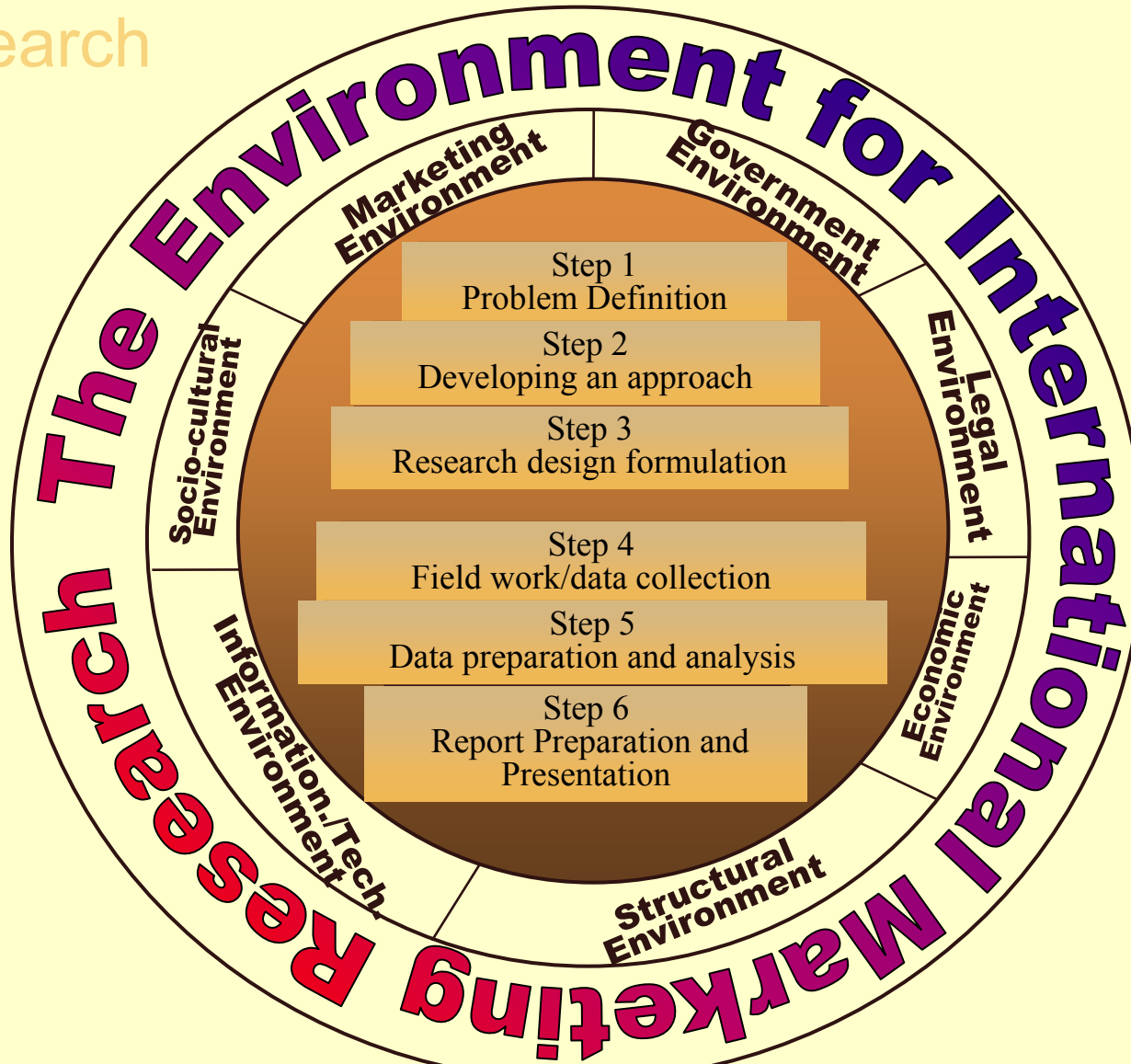
- scanning international environment to identify and analyse the opportunities and threats
  - building MIS to monitor environmental trends
  - carrying out primary research (surveys)
- input into the development of MKT strategies and to test feasibility of possible MKT mix options

### ■ research process:

defining the problem → developing the plan → designing the research → field work → analysis the data → report



# Framework for international marketing research



# Survey methods - differences

- In the United States and Canada, telephone interviewing is the dominant mode of questionnaire administration. The same situation exists in some of the European countries such as Sweden and the Netherlands.
- In many of the other European countries, such as Great Britain, Finland and Portugal, telephone interviewing is not the most popular method.
- In Hong Kong, 96% of households can be contacted by telephone. Yet, given the culture, this is not the most important mode of data collection.
- In developing countries, only a few households have telephones. Telephone directories tend to be incomplete and outdated. In many cultures, face-to-face relationships are predominant. These factors severely limit the use of telephone interviewing.
- Telephone interviews are most useful with relatively upscale consumers who are accustomed to business transactions by phone or consumers who can be reached by phone and can express themselves easily.

# Survey methods - differences

- Because of low cost, mail interviews continue to be used in most developed countries where literacy is high and the postal system is well developed.
- Mail interviews constitute 6.2% of the interviews in Canada and 7% in the United States. In countries where the educational level of the population is extremely high (Denmark, Finland, Iceland, Norway, Sweden, and the Netherlands), mail interviews are common.
- In Africa, Asia, and South America, however, the use of mail surveys and mail panels is low because of illiteracy and the large proportion of population living in rural areas.
- Mail surveys are, typically, more effective in industrial international marketing research, although it is difficult to identify the appropriate respondent within each firm and to personalize the address.



# 12 C framework for analysing international markets:

- **Country** (general c. information, basic SLEPT data, impact of env. dimensions)
- **Concentration** (structure of the market segments, geographical spread)
- **Culture/consumer behaviour** (cultural characteristics of the country, diversity of cultural grouping, nature of decision-making, major influences of purchasing behavior)
- **Choices** (analysis of supply, international and external competition, characteristics of competitors, import analysis, competitive strength and weaknesses)
- **Consumption** (demand and end use analysis of economic sectors that use the product, market share by demand sector, growth patterns of sectors, evaluation of the threat of substitute products)
- **Contractual obligations** (business practices, insurance, legal obligations)



- **Commitment** (access to market, trade incentives and barriers, custom tariffs)
- **Channels** (purchasing behavior, capabilities of intermediaries, coverage of distribution costs, physical distribution, infrastructure, size and grade of products purchased)
- **Communication** (promotion, media infrastructure and availability, which marketing approaches are effective, cost of promotion, common selling practices, media information)
- **Capacity to pay** (pricing, extrapolation of pricing to examine trends, culture of pricing, conditions of payment, insurance terms)
- **Currency** (stability, restrictions, exchange controls)
- **Caveats** (factors to beware of)



# Difficulties with global marketing research

- More diverse research projects: language, religion, race...
- More unknowns: market conditions
- Data collection methods
- Longer completion time
- Higher costs
- Restrictive laws





# Problems with secondary data:

- **Availability** - detailed data, no central (governmental) agencies – collecting data on regular basis (U.S.A., Germany, Scandinavia)
- **Reliability** – official data vs. Reality – „adjusted reporting“ (who collected the data? – purposely misrepresenting?, for what purpose were the data collected, how – methodology, internally consistent and logical?)
- **Comparability** – out of date, different categories,



# Problems, problems, problems...

## ■ Problems with Secondary Data Research:

- Accuracy of Data
- Age of data
- Reliability over Time
- Comparability of Data
  - Triangulate
  - Functional or Conceptual Equivalence
- Lumping of Data



# Problems with gathering primary data:

- **Sampling** – lack of adequate demographic data and available lists
- **Ability to communicate opinions** and attitudes – ability to recognise the value and usefulness of product and concept
- **Willingness to respond** – (gender, topics...)
- **Multicultural research**- comparability and equivalence
- **Language and comprehension** – equivalent concepts? , literacy rate, PLC...



# Categories of cross-cultural equivalence in MKT research

- **Conceptual** - *Concepts (e.g., quality, sex-appeal, loyalty, image etc.) may have different meanings and connotations in different countries.*

similar or same meaning? – basic concepts – wealth, sex-appeal, beauty, friendliness, family, household, perceived risk – social, physical, financial

- **Functional** – *Similar products may perform different functions in different societies. To establish functional equivalence, one should examine the social setting in which the product is consumed.*

activities /products- functions – bicycle, tomato juice, - purpose, time for consumption, purpose...

Coffee – social setting – at home..., forms – quantity, quality, concentration, with?, cold?, function, form of coffee base



- **Translation** – *Due to special characteristics of a language, culture and communication, a translated instrument may fail to generate comparable data.*

lexical, idiomatic, grammatical-syntactical, experiential

<http://www.joke-archives.com/dictionaries/badads.html>

<http://www.i18nguy.com/translations.html#clairol>

- **Sample** – *Involves choice of respondents, representativeness and comparability of samples.*

sampling unit, frame, sample selection

- **Measure** - *Refers to variation in the reliability of research instruments.*

perceptual, metric, calibration, temporal

- **Data collection** – *Involves issues such as secrecy or unwillingness to answer, response biases and response style.*

respondents' cooperation, data collection context, response style



# Other problems...

## ■ Lack of qualified researchers and interviewers

- Postal system and telephone system are unreliable and rate of literacy is rather low. These make mail survey and telephone survey, respectively, difficult.
- There is high crime rates. Respondents are often reluctant to allow interviewers to conduct in-home interview.

## ■ Secondary data

- is nonexistent, unreliable or too expensive to obtain.
- Rate of change is high and fast; data quickly becomes outdated
- Survey research suffers from sampling problems including non-availability of reliable sampling frames; respondents' unfamiliarity with research and lack of trust in the interviewers resulting in refusals or less than truthful responses.

