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)

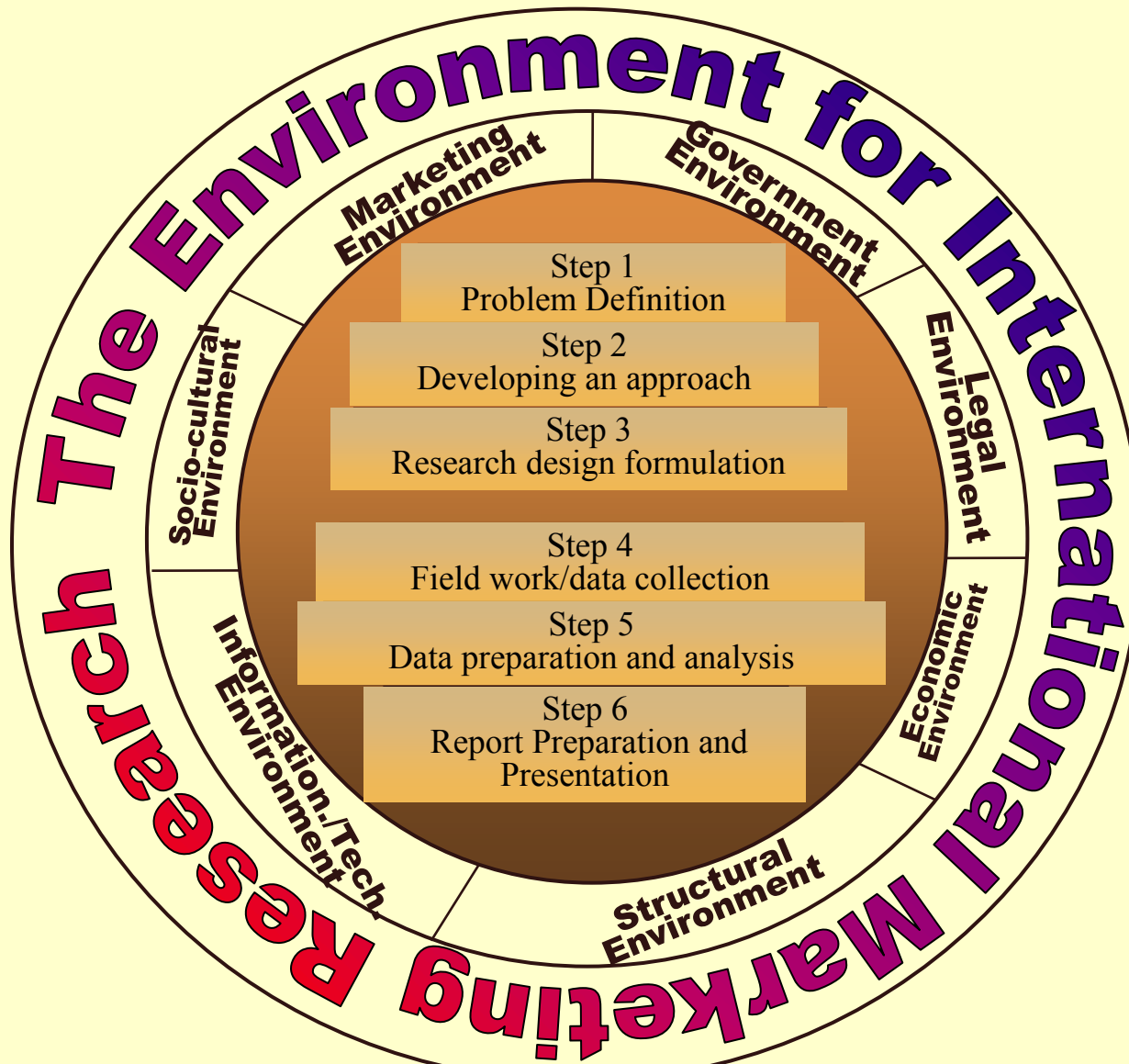⟶ input into the development of MKT strategies and to test feasibility of possible MKT mix options

■ research process:

defining the problem ⟶ developing the plan ⟶ designing the research ⟶ filed work ⟶ analysis the data ⟶ report

What problems can in international environment occur?

Framework for international marketing research

The Environment for International Marketing Research

Marketing Environment
Government Environment
Legal Environment
Economic Environment
Structural Environment
Information./Tech Environment
Socio-cultural Environment

Step 1 Problem Definition

Step 2 Developing an approach

Step 3 Research design formulation

Step 4 Field work/data collection

Step 5 Data preparation and analysis

Step 6 Report Preparation and Presentation

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 Telephone directories tend to be incomplete and outdated.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.

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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.

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- Door-to-door interviewing in Saudi Arabia is illegal,
- No accurate maps (or no maps at all) of some South American and Asian cities

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

How do these difficulties influence research?

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…

- <u>Problems with Secondary Data Research</u>:
    - 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 usefullness of product and concept
- **Willingness to respond** – (gender, topics…)
- **Mulicultural research**- comparability and equivalence
- **Language and comprehension** – equivalent concepts? , literacy rate, PLC…

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, dicersity 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, infrastrucutre, 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)

Categories of cross-cultural EQUIVALENCE in MKT research

- Conceptual E - *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 E – *Similar products and activities 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, childcare, housework, cooking, do it yourself - purpose, time for consumption…

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

- Milk-based chocolate drinks – USA, UK – evening dring, Latin America and also Czech Republic – morning drink

- Wine?, beer? Soup?

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

Lexical – dictionary: warm = chaud; idiomatic –linguistic usage that is natural to native speaker: it´s warm = il fait chaud or c´est chaud; grammatical-syntactical – how the words are ordered, sentences are constructed and meaning is expressed: German long multiwords; experiential – what words and sentences mean for people in their everyday experience

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

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

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

sampling unit – choice of respondents – are they really same?

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

Perceptual – sensitivity of colours and/or symbolic interpretation of colours: I feel blue + smell; metric – validity of rating scale: different gradation and discrepancies in value of adjectives in scale: muy malo – 58%higher than very bad as equivalent; calibration – units for measuring - monetary, weight, volume, distance; temporal – age, inflation, technological development

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

respondents´cooperation; data collection context – e.g. taboo topics; relationship with the interviewer – nationality, sex, age, approach…;response style – yes/nay-saying pattern (more positive/negative than reality, canot say „no/yes"?)

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.**