Global Marketing

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Ninth Edition, Global Edition

Global Marketing Information Systems and Market Research

Chapter 6

Learning Objectives

1. Discuss the roles of IT, MIS, and big data in a global company's decision-making processes.

2. Describe the various sources of market information, including direct perception.

3. Identify the individual steps in the traditional market research process and explain some of the ways global marketers adapt them.

4. Compare the way a multinational firm organizes the marketing research effort with the way a global or transnational firm approaches the organizing issue.

5. Explain how information's role as a strategic asset affects the structure of global corporations.

Information Technology, Management Information System & Big Data

IT: An organization's processes for creating, storing, exchanging, using, and managing information.

MIS: A means for gathering, analyzing and reporting relevant data to provide managers and other decision makers with a continuous flow of information about markets, customers, competitors and company operations.

Big Data: Extremely large data sets that can be subjected to computational analysis to reveal patterns and trends.

Business Intelligence Network

- A component of MIS

- Major Objective:

  To enable interactive access to data, enable manipulation of these data, and to provide managers and analysts with the ability to conduct appropriate analysis. By analyzing historical and current data, situations, and performances, decision makers get valuable insights upon which they can base more informed and better decisions.

IT Infrastructure

- Intranet: A private network that allows insiders or outsiders to share information securely and without paper

- RTE: Real Time Enterprises are companies like Google, Amazon, FedEx that leverage big data

- EDI: Electronic Data Interchange systems allow computer systems to speak the same language

IT Infrastructure

- ECR: Efficient Consumer Response is a joint initiative of supply chain members to optimize the supply chain to benefit customers.

- EPOS: Electronic Point of Sale data read on checkout scanners help firms identify sales patterns & geographical consumer preferences.

IT Infrastructure

- CRM: Customer Relationship Management is a philosophy that values two-way communication between the company & the customer.
  - Touchpoints are any point of contact between the two.
  - 360-degree view of the customer
  - SFA: Sales Force Automation software automates routine sales & marketing functions
  - Data warehouses

Sources of Market Information

- Personal Sources
  - As much as 2/3rd of corporate information
  - Executives based abroad, company subsidiaries and affiliates
  - Travel builds contacts and rapport
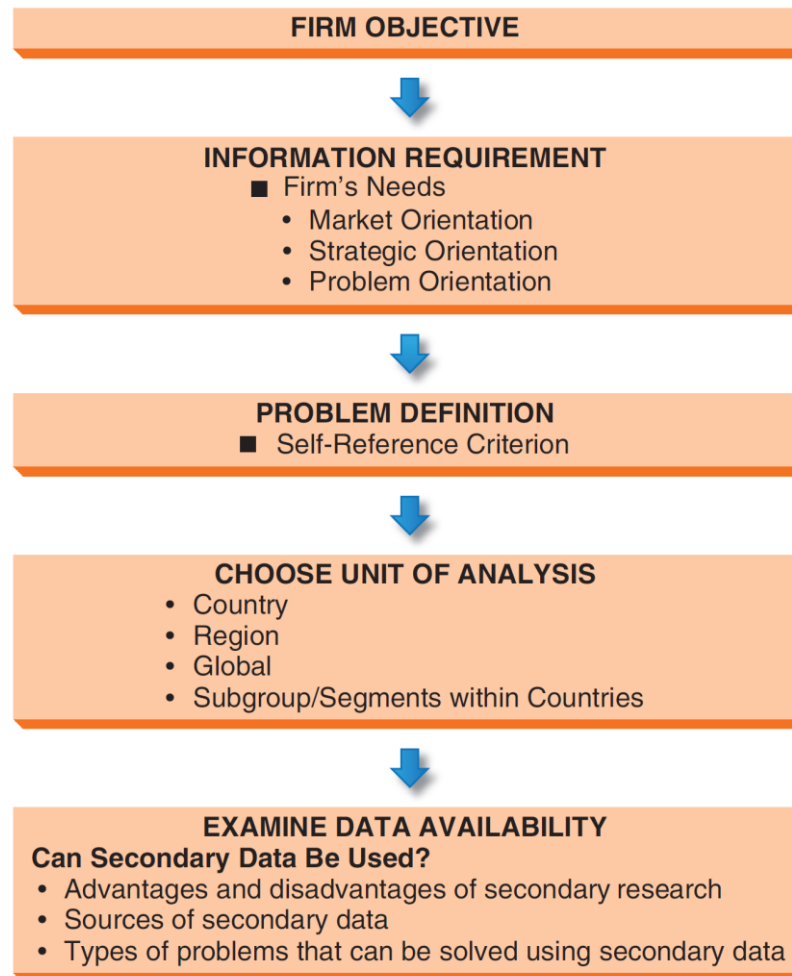 - 75% from face-to-face conversations

Direct Sensory Perception

- Seeing, feeling, hearing, smelling, or tasting firsthand to find out what is going on in a country
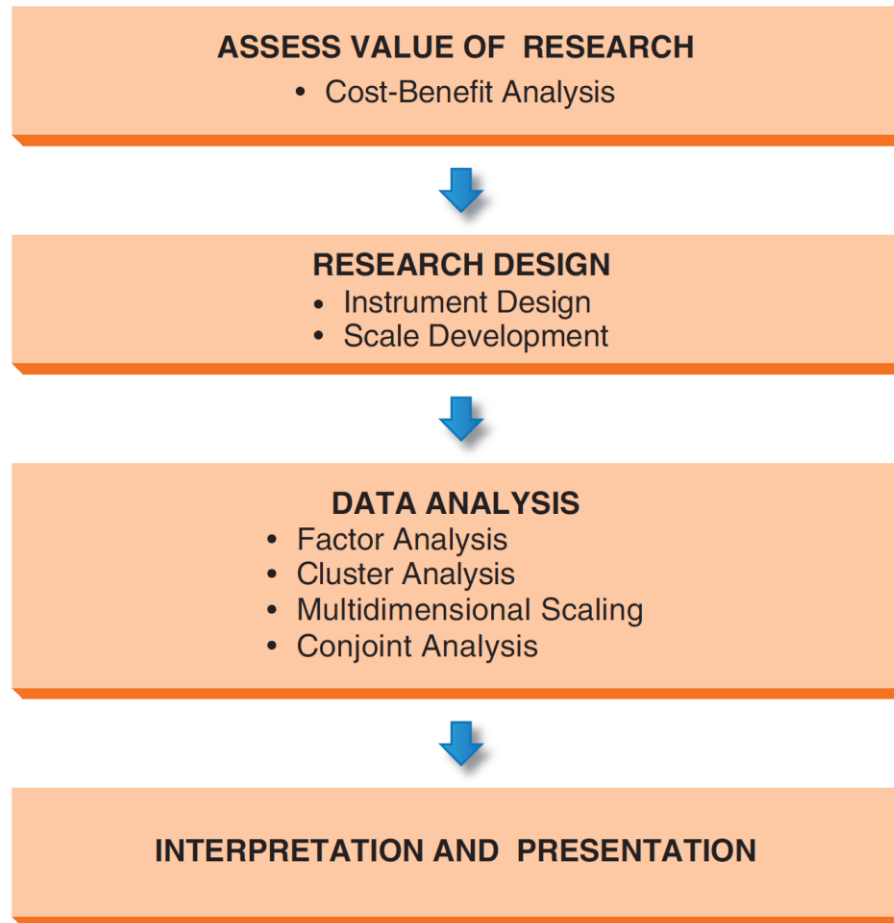
"I believe it is part of any good marketer's job to be in touch with their audience and their product. There's no substitute for face-to-face, eye-to-eye, hand-to-hand."

Cindy Spodek-Dickey

Microsoft Executive

Formal Marketing Research

FIRM OBJECTIVE

INFORMATION REQUIREMENT
- Firm's Needs
  - Market Orientation
  - Strategic Orientation
  - Problem Orientation

PROBLEM DEFINITION
- Self-Reference Criterion

CHOOSE UNIT OF ANALYSIS
- Country
- Region
- Global
- Subgroup/Segments within Countries

EXAMINE DATA AVAILABILITY
Can Secondary Data Be Used?
- Advantages and disadvantages of secondary research
- Sources of secondary data
- Types of problems that can be solved using secondary data

Formal Marketing Research, (cont.)

ASSESS VALUE OF RESEARCH
- Cost-Benefit Analysis

RESEARCH DESIGN
- Instrument Design
- Scale Development

DATA ANALYSIS
- Factor Analysis
- Cluster Analysis
- Multidimensional Scaling
- Conjoint Analysis

INTERPRETATION AND PRESENTATION

Step 1: Information Requirement

TABLE 6-1   Subject Agenda Categories for a Global Marketing Information System

Category	Coverage
1. Market potential	Demand estimates, consumer behavior, review of products, channels, communication media
2. Competitor information	Corporate, business, and functional strategies; resources and intentions; capabilities
3. Foreign exchange	Balance of payments, interest rates, attractiveness of country currency, expectations of analysts
4. Prescriptive information	Laws, regulations, rulings concerning taxes, earnings, dividends in both host and home countries
5. Resource information	Availability of human, financial, physical, and information resources
6. General conditions	Overall review of sociocultural, political, and technological environments

Step 2: Problem Definition

- Be aware! The Self-Reference Criterion is at work when a person's home-country values and beliefs influence the assessment of another country.
  - Mattel execs thought Japanese girls would like Barbie just like American girls. They didn't.
  - Disney's detailed code about personal appearance was an insult to French culture, individualism, and privacy when Disneyland Paris opened.

Step 3: Choose a Unit of Analysis

- Single country
- Region
- Global
- City, state, or province

Step 4: Examine Data Availability

- U.S. Government Resources
  – National Trade Data Base (Dept. of Commerce)
  – Bureau of Economic Analysis
  – Census Bureau
- Eurostat
- Canadian Trade Commissioner Service
- Statistical Yearbook of the United Nations
- CIA World Factbook
- MarketResearch.com

Secondary Data

- Data from sources that already exist - they have not been gathered for the specific research project
- Minimal effort and cost
- Possible problems
  - accuracy
  - Availability
  - timeliness
  - comparability of data

Step 5: Assess Value of Research

- If secondary data are not available, managers may conduct further studies

- Assess the cost of research vs. what the information is worth

- Would the company enter the market without spending big money on research?

- Small markets may merit only modest research expense

Step 6: Research Design

- Primary Data

  - when secondary data not available

  - provides accurate data which give exact answers to a given research problem

- Possible problems

  - difficulties in gaining the data

  - cost

  - more time is necessary to gather the data

Step 6: Research Design

- Use multiple indicators rather than a single measure
- Individual companies should develop customized indicators specific to the industry, product market, or business model
- Always conduct comparative assessments in multiple markets
- Observations of purchasing patterns, other behavior should weigh more heavily that reports or opinions about purchase intention or price sensitivity

Qualitative Research Use

- To provide consumer understanding; to "get close" to the consumer

- To describe the social and cultural contexts of consumer behavior, including cultural, religious, and political factors that impact decision making

- To identify core-brand equity and "get under the skin" of brands

- To "mine" the consumer and identify what people really feel

Issues in Data Collection

- Standardization vs. Extension of Marketing Mix?
- Demand & profit potential may depend on whether the market is existing or potential
- Existing Markets are being served by one or more companies
- Potential Markets
  - Latent: An undiscovered segment
  - Incipient : A market will emerge is an economic, demographic, political, or sociocultural trend continues

Research Methodologies

- Survey Research: Qualitative or Quantitative
  - Make use Back or Parallel translation technique to insure accuracy
- Consumer Panel: Respondents behavior tracked over time; Nielsen Media tracks television audience measurement (TAM)
- Observation: Trained observers or a mechanical device (video camera) watch & record actual or potential consumers
- Focus Groups: Moderator leads 6-10 person discussion
- Scale Development: Likert scale; be aware of bias
- Sampling: Convenience or Quota samples

Data Analysis

Data must be cleaned & tabulated

- Factor analysis

- Cluster analysis

- Perceptual mapping

- Conjoint analysis

- Comparative analysis

- Market estimation by analogy

- Comparative analysis

- Cluster analysis

Step 8: Interpretation & Presentation

- The report should clearly link to the problem or opportunity indentified in Step 1

- Use language with which managers are comfortable

- Simplify complex quantitative analysis

Current Issues in Global Marketing Research

- **Comparability** means that research can be used for valid comparisons between countries

- **Emic analysis** studies a culture from within

- **Etic analyis** is detached & used in multi-country studies