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Module - 3 Lecture - 12 Global Marketing Research - Part I

Welcome to this course on Global Marketing Management.

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And we have talked about the second section, that is Global Marketing Environment. Now, we will start talking about the development of competitive strategy. Now you see that, we are moving from the external environment to the internal environment, from the broad environment to the narrow environment. How these, the global marketing environment, how does it affects the internal environment, how does it affect the consumers.

So, this is what we will first try to understand. And we will start talking about global marketing research which is spread over 2 modules. That is, module number 12 and 13. Now, we will talk about module 12. And you see from this chart, from global marketing research will come, how to go about segmentation, targeting and positioning. And then about the 4 Ps. So, from we will understand from global marketing research, how to go about forming the marketing strategy. So, that is why this this module is called as development of the competitive strategy. And their, based on these 2 things will come the global market entry mode.

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Module Overview

- 1. Introduction
- 2. Research Problem Formulation
- 3. Secondary Global Marketing Research
- 4. Primary Global Marketing Research
- 5. Leveraging the Internet for Global Market Research



In this module, we will first talk about the marketing research process. The global marketing research process is slightly different from the domestic marketing research process. And I will tell you where the differences comes in. Then we will talk about the secondary global marketing research, the primary global marketing research and how to go about using internet for global marketing research.

Now, let us first try to understand why this marketing research is required. Given the complexity of the global marketplace, there are different types of external environments across different countries.

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Introduction

- Given the complexity of the global marketplace, solid marketing research is critical for a host of global marketing decisions.
- Skipping the research phase in the international marketing decision process can often prove a costly mistake.
- Most of the cultural blunders in global marketing stem from inadequate marketing research.
- Even marketing behemoths such as Wal-Mart and P&G sometimes fail to live up to the "Test, Test, Test" maxim.



The solid marketing research is critical for a host of global marketing decisions. Skipping or not doing the research phase in the international marketing decision process can prove to be a very costly mistake for the company. And most of the cultural blunders in global marketing, they have come up from inadequate marketing research. Therefore, even marketing behemoths such as Walmart and P&G sometimes fail to live up to the test, test and test maxim. When, now you look at this example.

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Introduction

- · When Wal-Mart first entered the Argentine market.
- Its jewellery counters displayed emeralds, sapphires, and diamonds.
 Argentine women, however, prefer wearing gold and silver.
- The hardware departments had tools and appliances for 110-volt electric power, while the standard throughout Argentina is 220-volt.



When Walmart first entered the Argentine market, its jewellery counters display emerald, sapphires and diamonds, while Argentine women prefers wearing gold and silver. The hardware department had tools and appliances for 110-volt electric power, while the standard throughout Argentina is 220-volt. Now we see, these can be not doing sufficient amount of global marketing research can prove to be a blunder. What is marketing research? So, marketing research is a systematic design, collection, analysis and reporting.

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What is Marketing Research?

- Marketing research is the systematic design, collection, analysis, and reporting of data and findings relevant to a specific marketing situation facing the company.
- Market research assists the global marketing manager in two ways:
 - To make better decisions that recognize cross-country similarities and differences.
 - To gain support from the local subsidiaries for proposed marketing decisions.



First is, it has to be systematic. Second it is the design, collection, analysis and reporting of data and findings which are relevant to specific marketing situation facing the company. So, we will do marketing research when there is a specific marketing situation that the company faces. So, marketing research assist the global marketing managers in 2 ways. First is to make better decisions that recognize cross-country similarities and differences.

And another important thing that global marketing research does is to gain support from the local subsidiaries for proposed marketing decisions. What happens many times it so happens that, the local subsidiaries, they think that the headquarters they are imposing their decisions on them. So, in order to come, do away with this kind of mindset, this marketing research can be can be a tool that can be used so that the support from local subsidiaries can be gained for the marketing decisions.

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This is the role of marketing research. These are the various customer groups. So, 1 is consumer, employees, shareholders and suppliers. All of them put together are called as customer groups. There on the right, here is the uncontrollable environmental factors, that is the external environment. That as we have seen in the second section, that is a the global marketing environment. That consists of political, legal, economic, social and cultural technology and laws and regulations.

Then on the extreme left, you have the internal environment. That is the controllable environmental factors, product, price, place and promotion. And then, we are doing marketing research, together information from all these places. And this marketing research will assess the information needs. They, it will provide information and it will help in marketing decision making.

And the marketing managers can use this information for market segmentation, test target market selection, the various marketing programs, performance and control. And then again, this information again goes back to marketing research so that the marketing decisions can be after performance and control and feedback, all this information goes back to again goes back to marketing research so that marketing decisions can be changed accordingly.

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Six steps in conducting global market research 1. Define the research problem(s) 2. Develop a research design 3. Determine information needs 4. Collect the data (secondary and primary) 5. Analyze the data and interpret the results 6. Report and present the findings of the study When walk a decision. When walk a decision. When walk a decision.

These are the 6 steps to conduct a global marketing research. These steps are the same that are normally done in domestic market research also. So, for the first step is to define the research problem. The second is to develop a research design. The third step is to determine information needs. The fourth is to collect the data that is the primary or the secondary data. Then we will analyze the data and interpret the result and report and present the findings of the study to the decision maker. So, keep in mind that market research will not make decisions. So, marketing research will not make a decision. It provides information to managers for decision making.

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So, the first step of this global marketing research process is to define the problem, 1. Then the decision alternatives and the research objectives. What is to be researched, that is the content and scope of the problem. And why it is to be researched, the decision that are to be

made. The second step is to develop a research plan. But, it include another 6 type of things. First is the data source, research design, research approach, sampling plan, research instrument and contact method.

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Now, let us look at each one of them. What are the various types of data sources. 1 type of data source is the secondary source or the secondary data; data that was collected for another purpose and already exist somewhere. Another type of data is primary data. That is freshly gathered data for a specific purpose, specific purpose at hand. The second component of research plan is the research design.

What is a research design? Research design is a framework or a blueprint for conducting the marketing research project. It details the procedure necessary for obtaining the information needed to structure or solve marketing research problems.

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This is the classification of various marketing research design. So, marketing research design can be exploratory or conclusive. So, these are the 2 types of marketing research designs. Now, conclusive research designs can again be of 2 types. That is, descriptive and causal. So, research designs are of 2 type, exploratory and conclusive. Conclusive research designs are of 2 types descriptive research and causal research.

Descriptive research can be cross-sectional design or longitudinal design. And cross-sectional design can be again of 2 types, single cross-sectional design and multiple cross-sectional design.

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The third thing are the research approaches. Again, these are of 6 different kinds. So, it you can conduct research by way of observation, ethnography, focus group, survey, you can use

behavioral data or you can use experimentation. The various types of research instruments available are: first as everybody knows are the questionnaires. The second is the qualitative measures.

That includes, word association, projective techniques, visualization, brand personification and laddering. The third types of type of research instrument are the technological devices that can be used to collect data, for example, galvanometers and tachistoscope, eye cameras, audiometers and GPS.

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Six steps in conducting global market research

- 5. Sampling Plan
 - Sampling unit: Who is to be surveyed?
 - Sample size: How many people should be surveyed?
 - Sampling procedure: How should the respondents be chosen?
 - Types of Samples:
 - Probability samples (Simple Random, Stratified Random, Cluster)
 - Non-probability samples (Convenience, Judgment, Quota)



The fifth component is the sampling plan. And it again consists of 3 different types of questions. First is, what is the sampling unit. That is, who is to be surveyed. For example, a person goes to a house to collect data, then who will answer the questions. The second is sampling size. How many people should be surveyed. It should be 10 or 20 or 100 or 1,000. What is the sampling procedure? How should the respondent be chosen?

Should we just start asking question to each and everyone who comes across us or we or there are other methods also. So there, the various types of samples are: probability samples, probability samples include simple random sample, stratified random sample and cluster samples. While non-probability samples are convenience, judgement and quota. The various types of contact methods are:

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Six steps in conducting global market research

- 6. Contact Methods
 - Mail questionnaire
 - Telephonic Interview
 - Personal Interview
 - Online Interview



Mail questionnaire, telephonic interviews, personal interviews and online interviews.

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So these, all this things they these can be the details can be available for or you can go through any course on marketing research for understanding the details of these courses, of these things and we will also talk about these things in some more detail later on. But, let us look at the major challenges faced by the global marketing researchers. So, this is the problem specific to, these are the problems which are specific to global marketing researchers and not to domestic market researchers.

The first problem that a global marketing researcher faces is complexity of research design because of environmental difference. And the research design, that is a second step. Because you see that research design includes so many things, the research approaches and

instruments and sampling plan and types of sample, etcetera. So, this the research design

becomes complex across the various countries across the world.

Then, there can be lack and inaccuracy of secondary data. So, what is, for example, what is

poverty line? So, that kind of thing can be different in different countries. What is the voting

age in different countries? So that, the lack, so either the information is not available or the

information available is inaccurate. Time and cost to collect primary data. That will be

different in different countries depending upon the type of method of contact that you may

use.

So, if you are getting information from internet, gathering getting up getting people to fill

questionnaires through internet, then the cost and time may be low. Other is when you go

from door to door and collect data, then the time and cost can be very high. And then, the

fourth problem is coordination of multi country research efforts. So, when you are doing

research, marketing research in different countries, so how to go about coordinating this.

And then, the fifth problem that the global marketing researcher face is difficulty in

establishing compatibility across multi-country studies. So, in 1 country the findings, how to

relate, how to understand those findings with respect to the findings of the other country. I

will give, briefly give you an example about this. So, let us talk of the use of the bicycle. In 1

country the number of bicycles sold may be different from the number of bicycle sold in

another country.

Because, in 1 country it is, they are used to used for the purpose of transportation and in other

country they are used for leisure or just for the sake of cycling. So therefore, how to

established the comparability of the data across countries.

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Research Problem Formulation Any research starts off with a precise definition of the research problem(s). In an international context, the marketing research problem formulation is hindered by the self-reference criterion (SRC). A major difficulty in formulating the research problem is unfamiliarity with the foreign environment. Omnibus surveys are regularly conducted by research agencies.

Then, we talk about the first step of this research process, that is the problem, research problem formulation. Any research starts off with a precise definition of the research problem, the precise definition of the research problem. And in international context, the marketing research problem formulation is hindered by the self-reference criteria, that we have talked about earlier or ethnocentrism.

A major difficulty in formulating the research problem is unfamiliarity with the foreign environment. So, how do we go about defining a research problem when we are not aware of the environment in the foreign country. Therefore, omnibus surveys are regularly conducted by research agencies.

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Let us look at this example of multi-country marketing research project by Eli Lilly. The research problem was to estimate the dollar potential for a prescription weight-loss product in the U.K., Spain, Italy and Germany. This research problem was converted into research hypothesis. That is the patients would be willing to pay a premium price for the product, even without reimbursement by the government.

We use primary and secondary data to conduct this research. The secondary data research included market share of similar product, that is isomeride. The second type of data that they use was incidence of overweight and obesity in Europe. Then they conducted after having collected secondary data; so, that was the first step. Then they started collecting primary data. The sample size that they have chosen was 350 physicians from these 4 countries U.K., Italy, Spain and Germany.

The sampling procedure was random selection from a high prescribers doctors list based on company data. The data collected was by 3 different methods. The first is, a diary was kept by physicians for 2 weeks. So, these 350 physicians, they kept a diary for 2 weeks. Questionnaires completed by patients who were just to be prospect for the product by physicians. So, people who were obese and overweight, they were contacted and they were asked to fill a questionnaire. The pricing study done based on 30 additional phone interviews with physicians in the U.K., Italy and Spain to measure the price sensitivity.

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Secondary Global Marketing Research

- Once the research issues have been stated, management needs to determine the information needs.
- Researchers will first explore secondary data sources, since that kind of information is usually much cheaper and less time consuming to gather than primary data.
- Market researchers in developed countries have access to a wealth of data that are gathered by government and private agencies.
- Unfortunately, the equivalents of such databases often are missing outside the developed world.



What is secondary global marketing research? Once the research issue has been stated, management needs to determine the information needs. Researchers will first explore

secondary data sources, since that information, that kind of information is usually available which is much more cheaper and less time consuming to gather, as compared to the primary data.

So, any kind of marketing research, the first thing that you should do is to look at the secondary data sources before you go in for the primary data sources. Marketing researcher, market researchers in developed countries have access to a wealth of data that are that was gathered by government and private agencies earlier. But unfortunately, the equivalents of such databases are missing outside the developed world.

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Secondary Global Marketing Research

- Even when the information is available, it may be hard to track down.
- A starting point for data collection is the internet or a computerized service that provides real-time online access to information resources based on user-provided keywords. (See Exhibit)
- Many companies have their own libraries that provide valuable data sources.
- Large companies typically compile enormous databanks on their operations.



When the information is available, it may be hard to track down. The starting point for data collection is the internet or a computerized service that provides real-time online access to information resources based on user provided keywords. So, we will look at this in a moment. Many companies have their own libraries that provide valuable data sources. And large companies typically compile enormous data banks on their operations. So, they keep on collecting data which is then stored in data banks. And then it acts as a source of secondary data.

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Secondary Global Marketing Research

- Government publications sometimes offer information on overseas markets.
- Besides government offices, international agencies such as World Bank, OECD, IMF and United Nations gather a humongous amount of data.
- Reports published by these organizations are especially useful for demographic, economic information and trends in socio-economic indicators.
- Several companies specialize in producing business-related information, which is more directly relevant for companies. However, such information is usually far more expensive than government-based data.



Governments publish lots of data and this can be sometime offer information on overseas markets also. Beside government offices, there are various international agencies such as the World Bank, OECD, IMF and United Nations. They gather a huge amount of data. Now, lots of reports are published by these organizations which are especially useful for demographics, economic information and trends in social economic indicators.

So, all this information can be used, which is freely available before we start looking for primary information. Several companies, they specialize in producing business related information, which is more directly relevant for companies. However, such information is usually far more expensive than government based data. Because, this information, lots of this information is freely available on the websites of these organizations. But then, their this information may not be so useful for a company. Therefore, there are several companies who collect data for other companies on the basis of payment.

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Now, these are the various sources of secondary data that can be easily and freely used. That is, Yearbook of International Trade Statistics, that is published by United Nations. U.S. Imports, that is published by U.S. Bureau of the Census. U.S. exports and then Exporters' Encyclopaedia. There are country information handbooks with that includes socioeconomic and political conditions.

Yearbook of Industrial Statistics is published by United Nations. Then there are Statistical Yearbook that are that is published by United Nations and updated by Monthly Bulletin of Statistics. Then there is OECD, that is OECD's economic survey. World Competitiveness Yearbook. Then there are Country Reports that are published by EIU. Demographic Yearbook that is published by United Nations.

Statistical Yearbook is again published by United Nations. So, all this information is freely available and these can be the first step. And this information can be used as the first step for conducting marketing research. After gathering this information, then people may move or the companies may move to collect the primary data. But keep in mind that secondary data which is freely available should be first used, so that it cuts down the time and money.

Then, these are some other sources of secondary data that are freely available. The problem with the, but all this information that is freely available, they are, it comes with certain kind of problems. So, the problems with secondary data research is that, is the accuracy of data;

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How accurate the data is, so that is the question; how accurate it is. Age of data: how old it is. Reliability over time: so has the reliability been lost over time and how to go about comparing this data across countries. These are the 2 methods for, that can be used to compare data across compare across countries and across sources. So, 1 source may say that the number of adults in a country is X.

Another source says that the number of adults in a country are Y. And yet another source says that it is Z. So, how to go about comparing that. So, for that we need, there are 2 types of methods are available. First is to triangulate and then functional or conceptual equivalence has to be seen. And the lumping of data. So, for example, 1 study collects data for kids 0 to 5, another from 6 to 10. In another country they collect data for 0 to 3, 4 to 6 and 7 to 10. Now, how to these are the various lumps of data. How to establish a compatibility between from in this data.

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Primary Global Marketing Research Seldom do secondary data prove sufficient for international market research studies. The next step in the research process is to collect primary data specifically for the purpose of the research project. Primary data can be collected in several ways: i. Focus groups ii. Survey research iii. Observational research iv. Test markets

The next thing is primary global marketing research. After going through the secondary data, the another thing another important step that has to be taken is to conduct a primary global marketing research. Because, seldom do secondary data prove sufficient for international marketing research studies. So, it is not sufficient enough to base your marketing research marketing decisions. Therefore, companies they go in for primary research also. The primary data can be collected in several ways. 1 is the focus groups, survey research, observational research and test markets.

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A focus group is a loosely structured free-flowing discussion among a small group. The group may have 8 to 12 people of target consumers. So, this focus group will, is a loosely structured free-flowing discussion in a small group of 8 to 12 target consumers which is facilitated by a professional moderator. The focus group can be used for many different

purposes. The different purposes may include that it can be used to generate information to guide the quantitative research projects, 1.

To uncover new product opportunities and to test out new product concepts. So, when 8 to 12 target consumers, they come together, they, then they can be used, this group can be used to identify what may be the new product opportunities and to test out new product concepts. Moderator should be familiar with the local language and the social interaction pattern.

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Primary Global Marketing Research

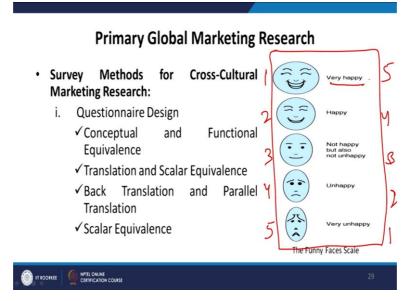
- Cultural sensitivity is an absolute must with focus groups.
- Japanese consumers tend to be much more hesitant to criticize new product ideas than their Western counterparts.
- When analyzing and interpreting focus group findings, market researchers should also concentrate on the nonverbal cues.



The problem is, the culture sensitivity is an absolute must with focus groups. Japanese consumers tend to be much more hesitant to criticize new product ideas than their western counterparts. So, the idea of for telling you all this is that, these are the various approaches and the importance or utility. Importance and utility of these methods may be different in different countries in different contexts.

So, 1 method cannot prove to be a solution for all kind of problems across the world. When analyzing and interpreting focus group findings, market researcher should also concentrate on nonverbal cues. That is why, there is a need to have a moderator who will moderate the this focus group discussion. So, that is why it is called as focus group discussion. So, this moderator, he should be familiar with local language and social interaction pattern so that these nonverbal cues can also be incorporated in the finding of the focus group discussions.

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How to go about conducting survey methods for cross-culture marketing research. 1 is the questionnaire design. So, we will look at the conceptual and functional equivalence, translation and scalar equivalence. Back translation and parallel translation and scalar equivalence. Now, this is a funny faces scale. Instead of asking whether they like the concept or not or how much they like the new product idea; these are the faces that are shown.

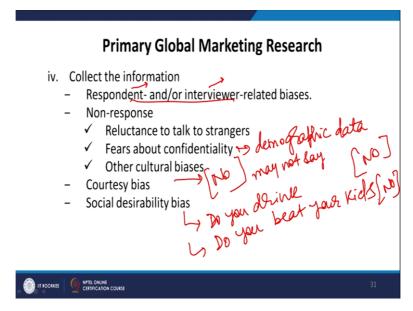
So, obviously, as you can see that this is very unhappy and this is very happy. So, instead of giving marks from 1, 2, 3, 4, 5 or 1, 2, 3, 4, 5, these faces are shown. And then, after telling about the concept, the faces are shown. And the respondents, they tick on whatever they feel comfortable with.

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The sampling plan consists of the sampling unit who answers the question, how many people will answer the question and the sampling procedure. The contact method is by mail. That is your normal postal mail. The telephone; person to person interviews, that is going from door to door. And there can be online survey methods. So, you can attach a questionnaire with the email and then you can send it to the respondents. There are random website surveys and panel website surveys.

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When you collect information, there can be respondent and or interviewer related biases. So, either the biases creep in from the respondent side or from the interviewer side. Then there can be a problem of non-response. The respondent maybe reductant to talk to the strangers. Then they may fear about the confidentiality of their of the data that they provide. If suppose, you also, the questionnaire also talks about ask about the demographics, then the respondent may not feel comfortable in providing that data, because they may think that the data may not be confidential.

And then, there are other cultural biases which inevit respondents from giving the data. There are courtesy biases. So, the courtesy is that people may not say no, as we have seen in the case of Japan, people do not generally say no. So, that is the courtesy bias. And then, there are social desirability bias. So, what is considered to be socially acceptable, so if a question like, do you drink or do you normally or more often. You will get a response as no. So, this is the social, because these are socially desirable, socially acceptable answers.

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Primary Global Marketing Research

Observational Research

- Ethnographic research:
 - Field workers (usually cultural anthropologists) embed themselves in the local communities that they are studying.
 - ✓ The basic notion is to gather useful information by participating in the everyday life of the people being studied.
 - ✓ Part of the data collection exercise often involves videotaping part of the data confection character of consumption settings.
- Picture completion or collages
 - Often useful when studying the behavior or feelings of young children.



Then, there are certain observational research. Observation that, as the name suggests, you are observing people. 1 type of observation research is ethnographic. It means, it includes field workers. These field workers are usually cultural anthropologist, embed themselves in local communities that they are studying. So, they go and live with the communities. The basic notion is to gather useful information by participating in the everyday life of people being studied.

So, they live their, with the, with those people. And then, they look through their life all through the day for collecting data. Part of the data collection exercise often involves videotaping, participating consumers in purchase or consumption settings. So, how do they make purchase, 1. And how do they consume, 2. So, these things are videotaped or recorded, so that they can be analyzed later on.

Because, the this these 2 things, give they gives lot of information about new products also. Another type of observational research is picture completion or collage. They are often useful when studying the behavior or feelings of young children.

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Primary Global Marketing Research	
Challenges in collecting the information	
Issues of non-response	1
Courtesy bias	
Social desirability bias]
Redundancy (asking the same question in different ways)]
Issues of ethnographic research	
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The challenge in collecting the information is the issue of non-response. People do not respond, 1. Second again is the courtesy bias; social desirability bias; or redundancy, asking the same question in different ways. And issues of ethnographic research, because it takes lots of time and money to conduct ethnographic observational research. Then, there can be, how you, how to go about leveraging or using the internet for global marketing research.

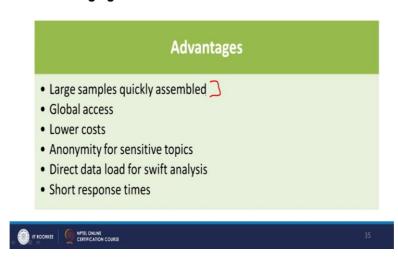
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So, these are the various types of methods. 1 is online surveys; bulletin boards and chat groups; webs web visitor tracking; virtual panels and again focus groups. So, the here we are using focus group in online context. So, here those 8 to 10 people, they come together online and discuss out the issue at hand.

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Leveraging the Internet for Global Market Research



There are various advantages of using global marketing research. For example, the large samples, they can be quickly assembled, while in offline it is a timely and costly affair. Then, internet provides access to, access across the globe to the consumers. Obviously, the cost is low. And then, anonymity of sensitive topics; direct data load for swift analysis and short response time.

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The disadvantage of using internet is that the limited internet access in many countries. So, in many countries, the internet access may not be available or it may not be so good. Samples will not be representators because samples will include people only with internet access. Download time that will hinder access; there may be incorrect addresses or poor connection. The that is, another disadvantage is low response rate and multiple responses from the same person, so that will create data, the problem with analysis of the data.

Should we take only 1 response from the respondent or; and how to identify whether the same person is giving more than 1 response. So, to conclude, this model covered major issues that complicate cross-country research.

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Conclusion

- This module covered the major issues that complicate cross-country research.
- Process and techniques of global market research were also described.
- We also discussed how the Internet can support global market research studies.

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In domestic marketing research, all these issues are not there, while in global marketing research, these issues, they creep in. And then, they make this cross-country research complicated. The process and techniques of global market research were also described in this module. And we have also discussed how the internet can support global marketing research studies. Again, these are the 2 books that can be used for further understanding of global marketing research process. Thank you.

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