Four topics to study
- Understand the importance of information technology and marketing information systems
- Utilize a framework for information scanning and opportunity identification
- Understand the formal market research process
- Know how to manage the marketing information collection system and market research effort

Information Technology for Global Marketing
- Information Technology refers to an organization’s processes for creating, storing, exchanging, using, and managing information.
- Management Information Systems provide managers and other decision makers with a continuous flow of information about company operations
5 Tools of MIS

- Intranet
  - A private network
  - Allows authorized company personnel (or outsiders) to share information electronically
  - 24-Hour Nerve Center

- Electronic Data Interchange (EDI)
  - Allows business units to:
    - Submit orders
    - Issue invoices
    - Conduct business electronically
  - Transaction formats are universal

5 Tools of MIS

- Efficient Consumer Response (ECR)
  - Joint initiative by supply chain members (retailers and vendors) to work closely improving and optimizing aspects of the supply chain to benefit customers

- Electronic Point of Sale (EPOS)
  - Gathers data at checkout scanners
  - Identifies product sales trends
  - Identifies how consumer preferences vary geographically

- Data Warehouses
  - Can help fine-tune product assortments for multiple locations
  - Enhances the ability of management to respond to changing business conditions

Customer Relationship Management

- Philosophy that values two-way communication between company and customer
- Every point of contact with a consumer is an opportunity to collect data
- Can make employees more productive and enhance corporate profitability
- Varies from culture to culture
Privacy

*Safe Harbor Agreement* establishes principles for privacy protection for companies that transfer data to the US from Europe:
- Purposes of the information collected and used
- An ‘opt out’ option to prevent disclosure of personal information
- Can only transfer information to 3rd parties that are in compliance with Safe Harbor
- Individuals must have access to information

Information Subject Agenda

<table>
<thead>
<tr>
<th>Category</th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Market potential</td>
<td>Demand estimates, consumer behavior, review of products, channels, communication media</td>
</tr>
<tr>
<td>2. Competitive information</td>
<td>Corporate, business, and functional strategies, resources and incentives. Capabilities.</td>
</tr>
<tr>
<td>3. Foreign exchange</td>
<td>Balance of payments, interest rates, competitiveness of country currency, expectations of analysts</td>
</tr>
<tr>
<td>4. Descriptive information</td>
<td>Laws, regulations, rules concerning taxes, earnings, dividends in both host and home countries.</td>
</tr>
<tr>
<td>5. Resource information</td>
<td>Availability of human, financial, physical, and information resources. Overall review of international, political, technological environments</td>
</tr>
<tr>
<td>6. General conditions</td>
<td></td>
</tr>
</tbody>
</table>

Scanning Modes: Surveillance and Search

*Surveillance*
- Informal information gathering
  - VIEWING – general exposure to information
  - MONITORING – paying special attention and tracking a story as it develops

*Search*
- Formal information gathering
  - INVESTIGATION – seeking out secondary data
  - RESEARCH – conducting primary research

*Avoiding Information Overload*
Sources of Market Information

- **Human sources**
  - Distributors, consumers, customers, suppliers, and government officials;
  - Friends, acquaintances, professional colleagues, consultants, and prospective employees.
- Direct perception provides a vital background for the information that comes from human and documentary sources
  - Gets all the senses involved.
  - Some information requires sensory experience to interpret it correctly.

Formal Marketing Research

- **Global Marketing Research** is the project-specific, systematic gathering of data in the search scanning mode on a global basis.
  - Challenge is to recognize and respond to national differences that influence the way information is obtained.

Marketing Research

1. **Exploratory Research**
   - Sheds light on problem - suggest solutions or new ideas.
2. **Descriptive Research**
   - Ascertains magnitudes.
3. **Causal Research**
   - Tests cause-and-effect relationships.
   - Tests hypotheses about cause-and-effect relationships.
8 Steps in the Research Process

- Identifying the Information Requirement
- Problem Definition
- Unit of Analysis
- Data Availability
- Value of Research
- Research Design (data collection)
- Analyzing data
- Presenting the Findings

Identifying the Information Requirement

- What information do I need?
  - Existing Markets – customer needs already being served by one or more companies; information may be readily available
  - Potential Markets
    - Latent market – an undiscovered market; demand would be there if product was there
    - Incipient market – market will emerge as macro environmental trends continue
- Why do I need this information?

Problem Definition: Overcoming the SRC

- Self-Reference Criterion occurs when a person’s values and beliefs intrude on the assessment of a foreign culture
- Must be aware of SRC’s
  - Enhances management’s willingness to conduct market research
  - Ensures that research design has minimal home-country bias
  - Increases management’s receptiveness to findings
Developing A Research Plan

- Do we need quantitative or qualitative data?
- What is the information worth (versus what will it cost to collect)?
- What will it cost if we don’t get the information?
- What can be gained from the information?

Collecting Data

- Secondary Data
  - Statistical Abstract of the United States
  - Statistical Yearbook of the United Nations
  - World Factbook
  - The Economist
  - The Financial Times
  - Syndicated studies
  - And much more

Collecting Data (cont.)

- Primary Data Collection Methods
  - Survey research
  - Interviews
  - Consumer panels
  - Observation
  - Focus groups
**Special Considerations for Surveys**

**Benefits:**
- Data collection from a large sample
- Both quantitative and qualitative data possible
- Can be self-administered

**Issues**
- Subjects may respond with social desirability
- Translation may be difficult
  - Use back and parallel translations to ensure accuracy and validity

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**Sampling**

- A sample is a selected subset of a population that is representative of the entire population.
  - Probability samples
  - Non-probability samples

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**Analyzing Data**

- Demand Pattern Analysis
- Income Elasticity Measurements
- Market Estimation by Analogy
- Time-series displacement
- Comparative Analysis
- Cluster Analysis
Presenting the Findings

- Report must clearly address problem identified in Step 1
- Include a memo or executive summary of the key findings along with main report

Global Issues in Marketing Research

- Many country markets must be included
- Markets with low profit potential justifies limited research expenditures
- Data in developing countries may be inflated or deflated
- Comparability of international statistics varies greatly
- Limits created by cultural differences

Enhancing Comparability of Data

- Emic analysis
  - Ethnographic in nature
  - Studies culture from within
  - Uses cultures’ own meanings and values
- Etic analysis
  - From the outside
  - Detached perspective that is used in multi-country studies
  - Enhances comparability but minimizes precision