

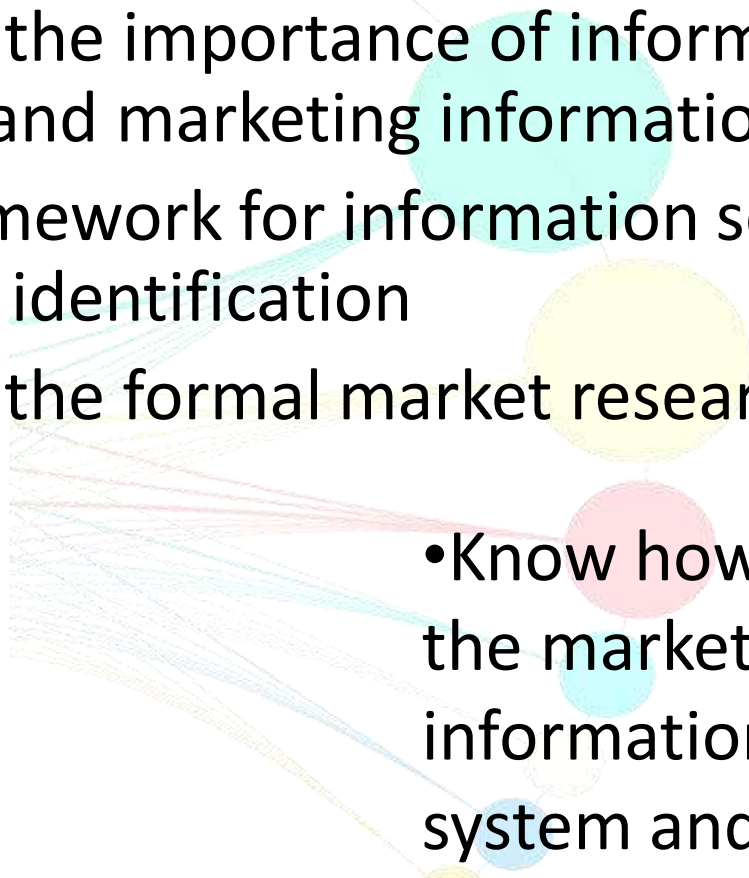


Global Marketing

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Global Information Systems and Market Research Chapter 6

Learning Objectives

- 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
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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

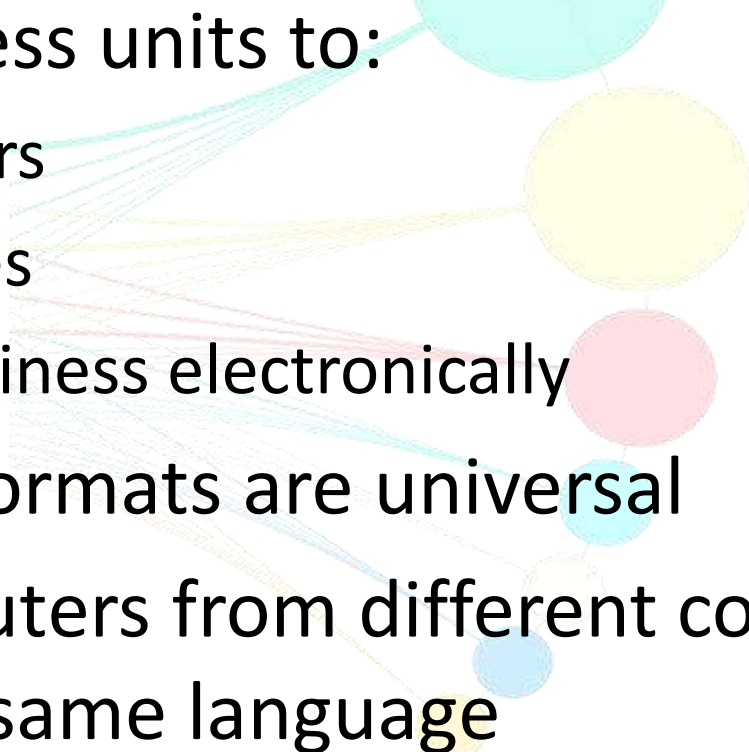
Tools of MIS

- Intranet
- Electronic Data Interchange (EDI)
- Efficient Consumer Response System (ECR)
- Electronic point of sale

Intranet

- A private network
- Allows authorized company personnel (or outsiders) to share information electronically
- 24-Hour Nerve Center
- Allows companies like Amazon.com and Dell to operate as real time enterprises

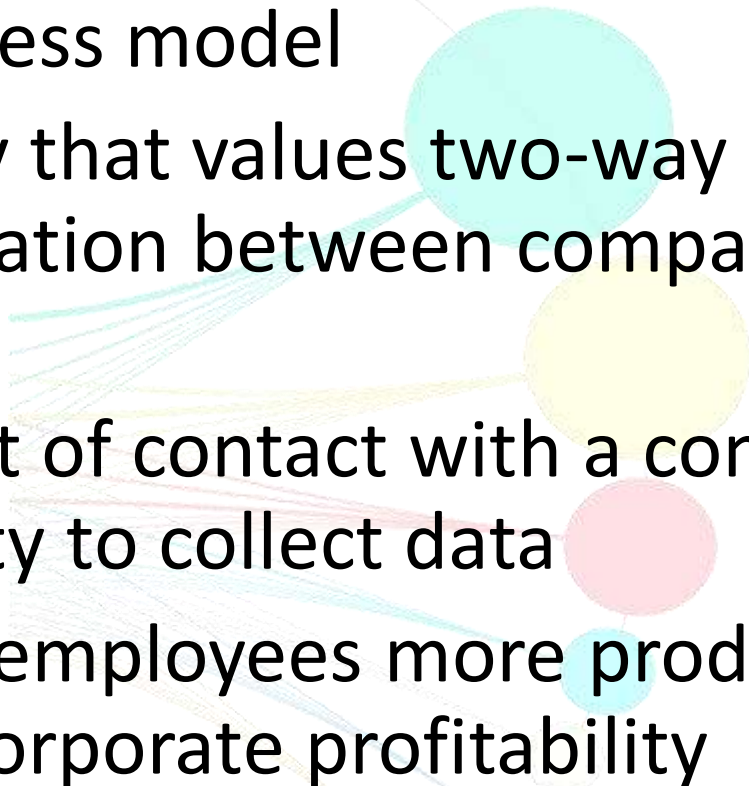
Electronic Data Interchange

- Allows business units to:
 - Submit orders
 - Issue invoices
 - Conduct business electronically
 - Transaction formats are universal
 - Allows computers from different companies to speak the same language
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Efficient Consumer Response (ECR)

- A joint initiative by members of a supply chain to work toward improving and optimizing aspects of the supply chain to benefit customers
- This is in addition to EDI
- An effort for retailers and vendors to work closely on stock replenishment
- Utilizes electronic point of sale

Customer Relationship Management

- New business model
 - 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
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CRM and Privacy Issues

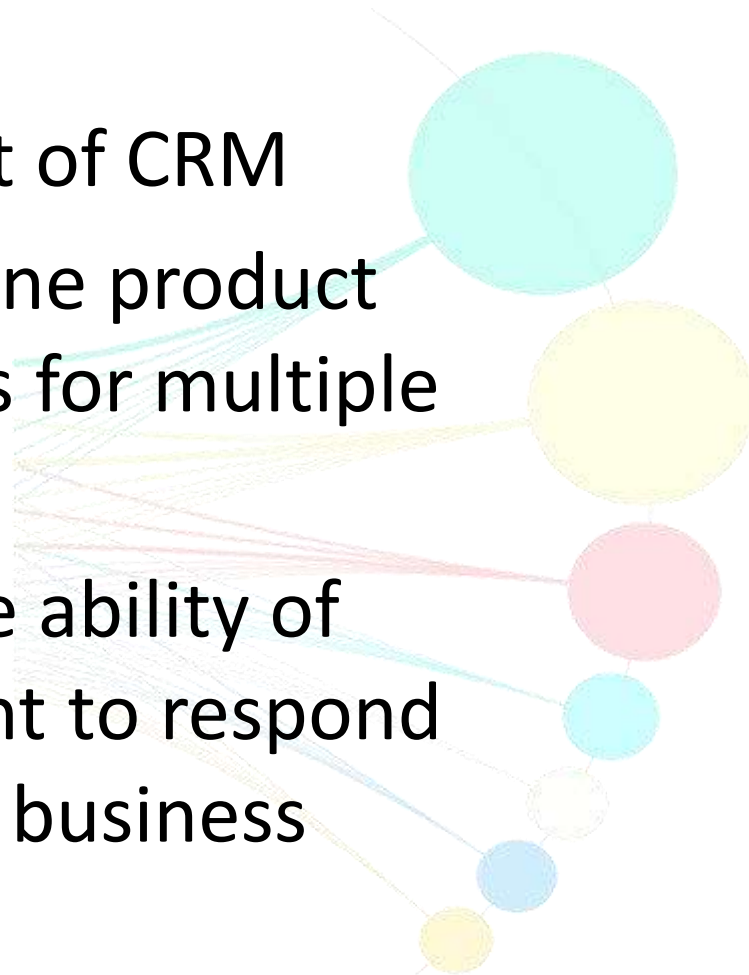
- EU's Directive on Data Collection, 1998, ensures regulations of all 27 members
- The U.S./EU Safe Harbor agreement, 2000, protects individuals' rights among nations

Privacy

- Safe Harbor Agreement establishes principles for privacy protection for companies that transfer data to the U.S. from Europe
 - Purposes of the information collected and used
 - An 'opt out' option to prevent disclosure of personal information
 - Can only transfer information to third parties that are in compliance with Safe Harbor
 - Individuals must have access to information

Data Warehouses

- Integral part of CRM
- Help fine-tune product assortments for multiple locations
- Enhance the ability of management to respond to changing business conditions



Organizational IT Necessities

- An efficient, effective system that will scan and digest published sources and technical journals
- Daily scanning, translating, digesting, abstracting, and electronic input of information into a market intelligence system
- Expanding information coverage to other regions of the world

Sources of Market Information

- Personal sources
 - Company executives based abroad who have contact with distributors, consumers, suppliers, and government officials
 - Friends, acquaintances, professional colleagues, consultants, and prospective employees
- Direct sensory perception
 - Using the senses to find out firsthand what is going on in a particular country

Formal Market Research

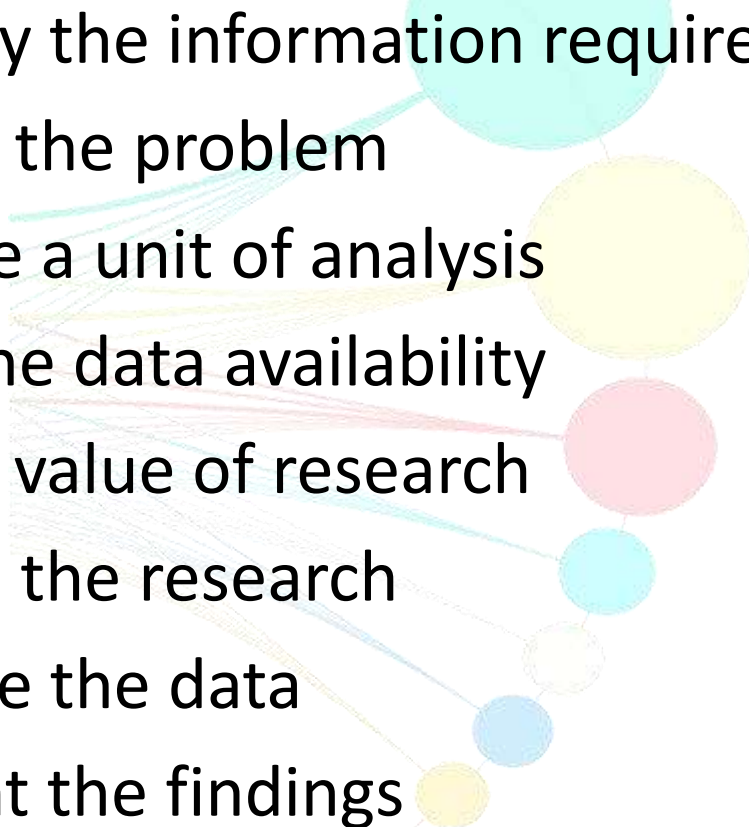
- Global Marketing Research is the project-specific, systematic gathering of data in the search scanning mode on a global basis
 - Challenge is to recognize and respond to national differences that influence the way information is obtained

Agendas for a Global MIS

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

Steps in the Research Process

1. Identify the information requirement
 2. Define the problem
 3. Choose a unit of analysis
 4. Examine data availability
 5. Assess value of research
 6. Design the research
 7. Analyze the data
 8. Present the findings
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Step 1: 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?

Step 2: Problem Definition and 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

Step 3: Choose a Unit of Analysis

- Will the market be:

- Global
- A region
- A country
- A province
- A state
- A city



Step 4: Examine Data Availability

- Sources may be:
 - Company's records
 - Secondary sources
 - Trade journals
 - Government sources like National Trade Data Base, Bureau of Economic Analysis, Eurostat (EU), Foreign Commercial Service, Virtual Trade Commissioner (Canada)
 - Commercial sources like *The Economist* and *Financial Times*, Marketresearch.com

Step 5: Assess Value of Research

- What is the information worth vs. what it will cost to collect?
- What will it cost if the data are not collected?
- What will the company gain with this information?

Step 6: Research Design—Data Collection

- Use multiple indicators
- Develop customized indicators specific to the industry, product market, or business model
- Do not assess a market in isolation
- Observation of purchasing patterns/behavior are more important than reports of purchase intention or price sensitivity

Step 6: Research Design—Research Methodologies

- Primary Data Collection Methods
 - Survey research
 - Interviews
 - Consumer panels
 - Observation
 - Focus groups



Special Considerations for Surveys

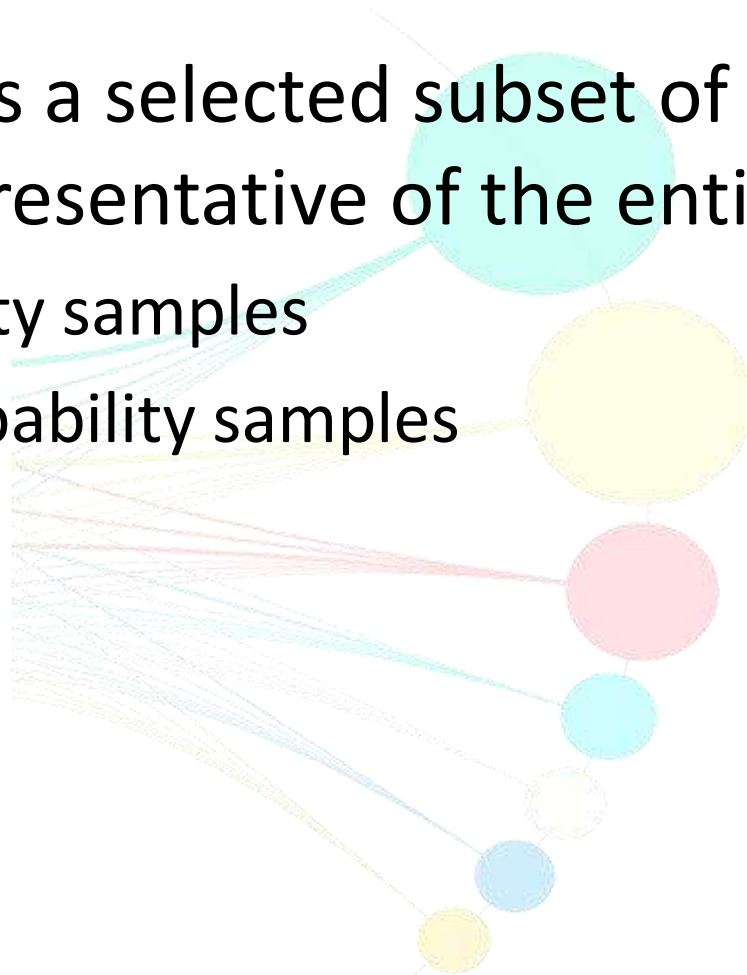
- Benefits
 - Data collection from a large sample
 - Both quantitative and qualitative data possible
 - Can be self-administered
- Issues
 - Subjects may not want to answer or intentionally give inaccurate response
 - Translation may be difficult
 - Use **back** and **parallel translations** to ensure accuracy and validity

Research Methodologies

- Personal interviews
- Consumer panels
 - Nielsen—TV viewing
- Observation
 - Using people or cameras
- Focus groups

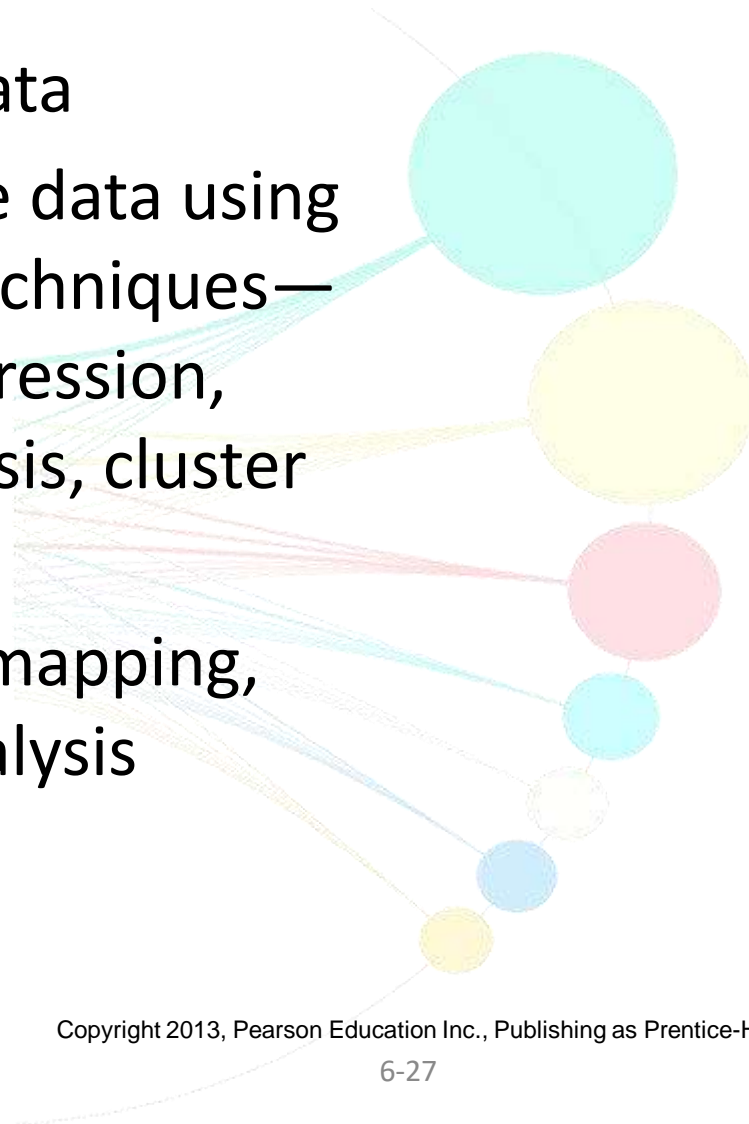
Sampling

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



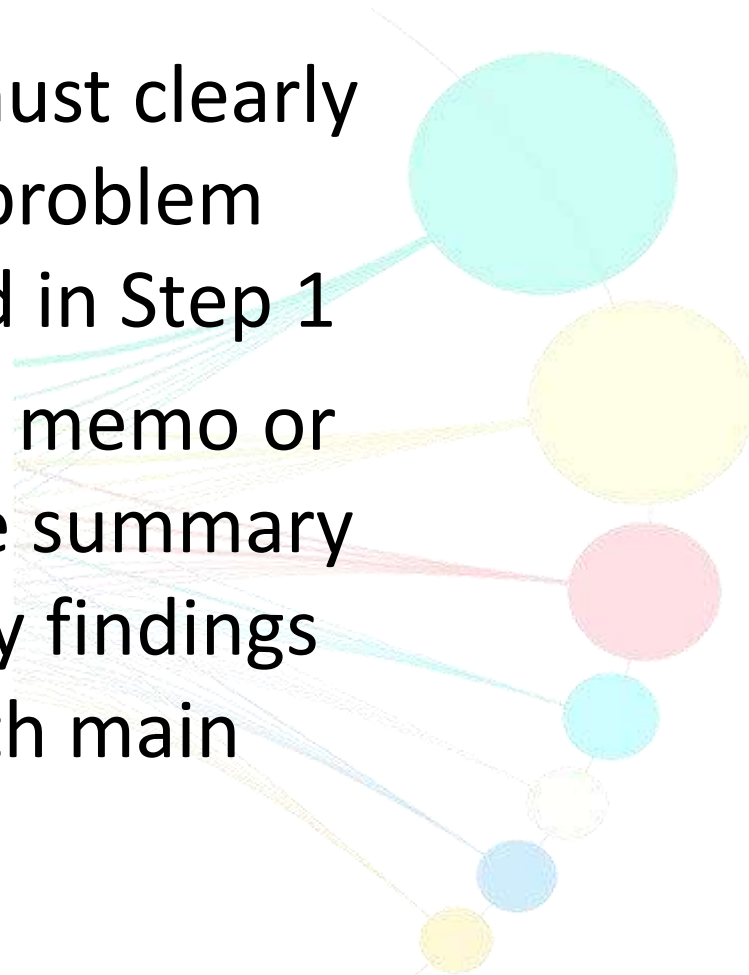
Step 7: Analyzing Data

- Clean the data
- Tabulate the data using statistical techniques—ANOVA, regression, factor analysis, cluster analysis
- Perceptual mapping, conjoint analysis

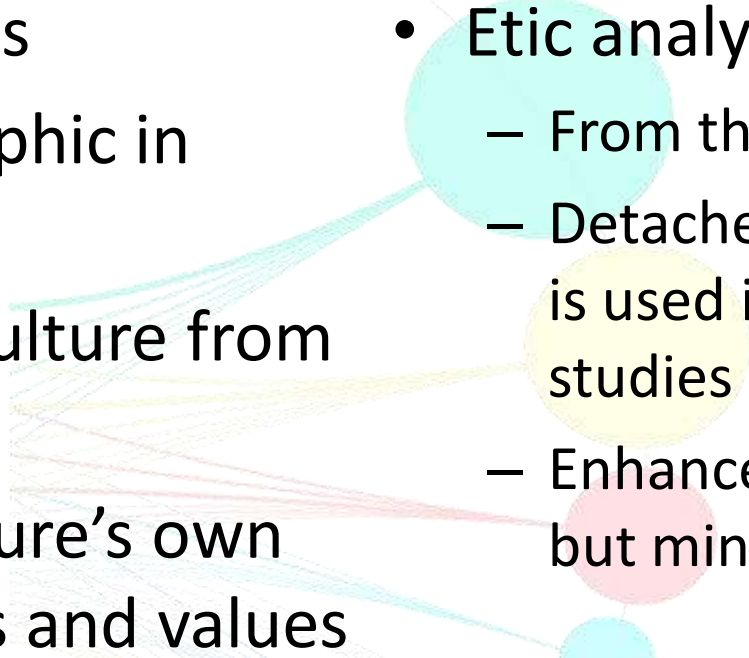


Presenting the Findings

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



Enhancing Comparability of Data

- Emic analysis
 - Ethnographic in nature
 - Studies culture from within
 - Uses culture's own meanings and values
 - Etic analysis
 - From the outside
 - Detached perspective that is used in multi-country studies
 - Enhances comparability but minimizes precision
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Looking Ahead to Chapter 7

- Segmentation, Targeting, and Positioning

