



Global Information Systems and Market Research

Chapter 6

Dr Inda Sukati
Faculty of Management
Universiti Teknologi Malaysia

Introduction

- 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

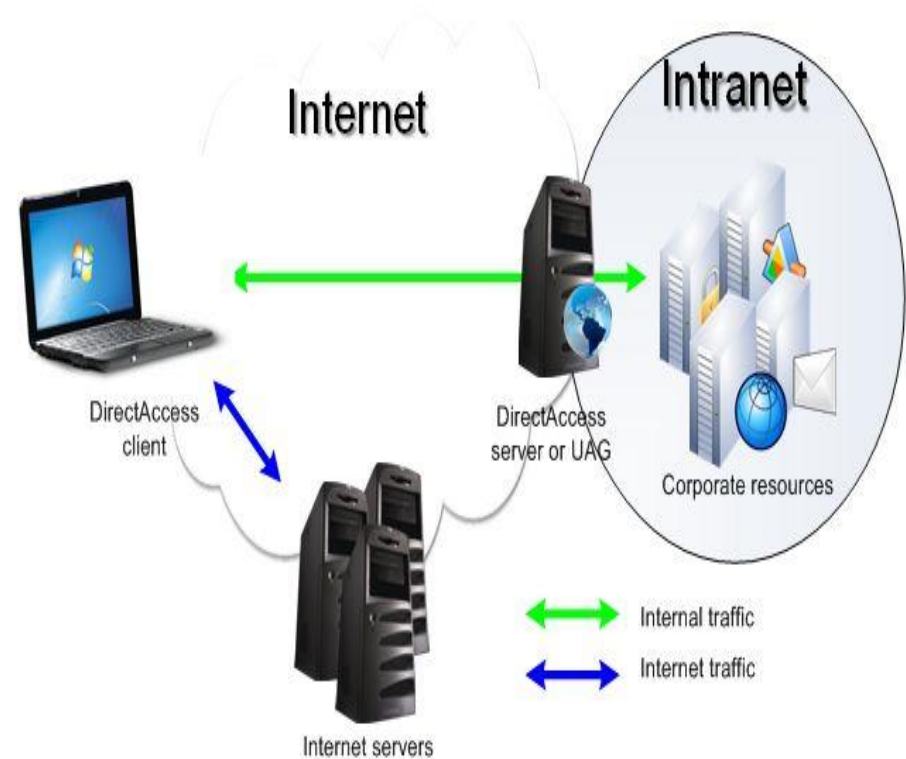
Tools of MIS

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



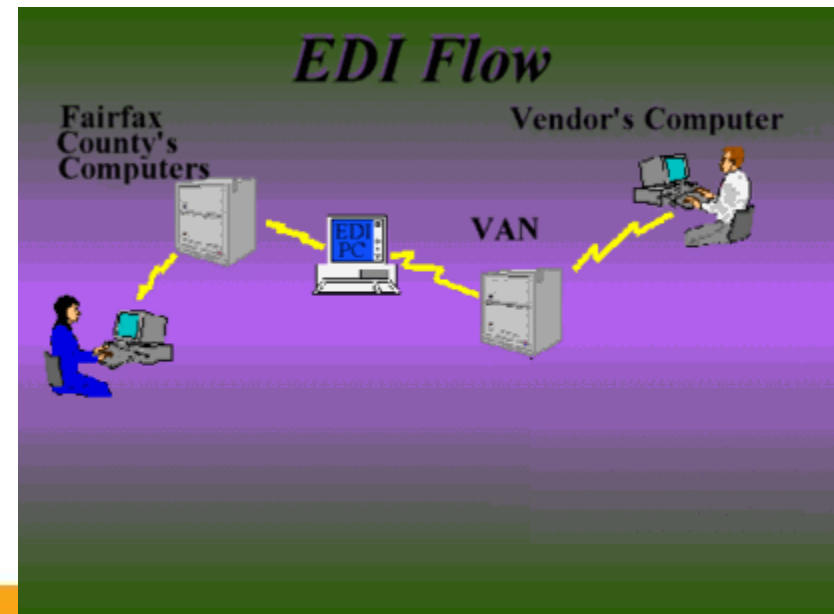
Intranet

- 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

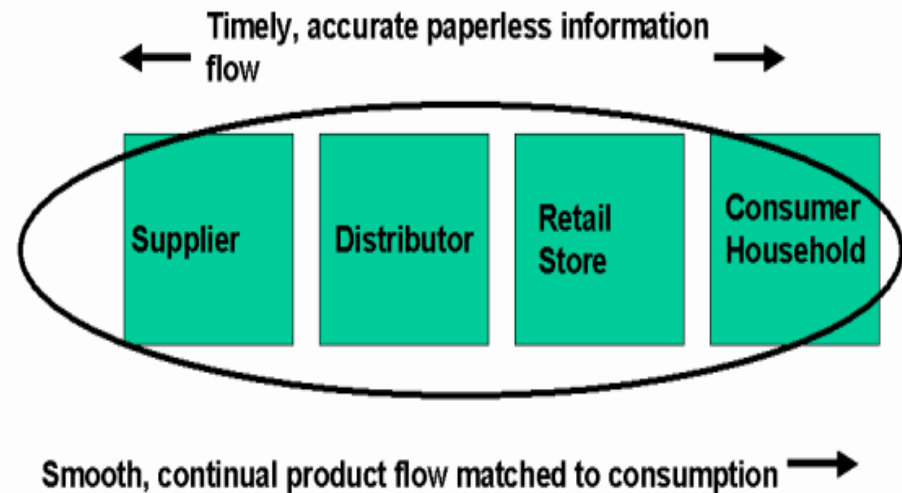
- Allows business units to:
 - Submit orders
 - Issue invoices
 - Conduct business electronically
- Transaction formats are universal
- Allows computers from different companies to speak the same language



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
- ECR Utilizes electronic point of sale

Efficient Consumer Response



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



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

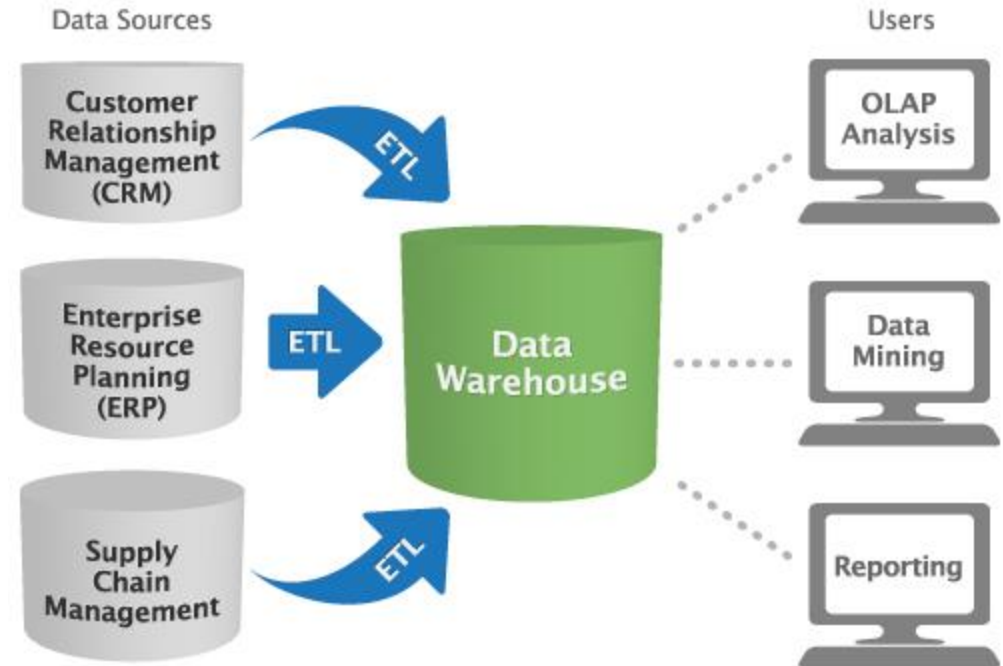


Privacy

- 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

Leading Global Market Research Companies

TABLE 6-1 Leading Global Market Research Companies

Company (Home Country)	2007 Research-only Revenues (\$ millions)
1. The Nielsen Company (United States; Netherlands)	\$4,220.0
2. IMS Health Inc. (United States)	\$2,192.6
3. Taylor Nelson Sofres PLC (UK)	\$2,137.1
4. GfK AG (Germany)	\$1,593.2
5. The Kantar Group (United States; unit of WPP Group)	\$1,551.4

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

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



Lisbon

Step 4: Examine Data Availability

- Sources may be:
 - Company's records
 - Secondary sources
 - Trade journals
 - Government sources like CIA World Factbook, Statistical Yearbook of the UN, World Bank
 - 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



CUSTOMER SATISFACTION SURVEY...

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
The service was relevant	✓				
The service met the stated objective	✓				
The services met my expectation	✓				
The services met my objectives	✓				
I was able to interact	✓				
The services was credible	✓				
The services was well organized	✓				
There was adequate time	✓				

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



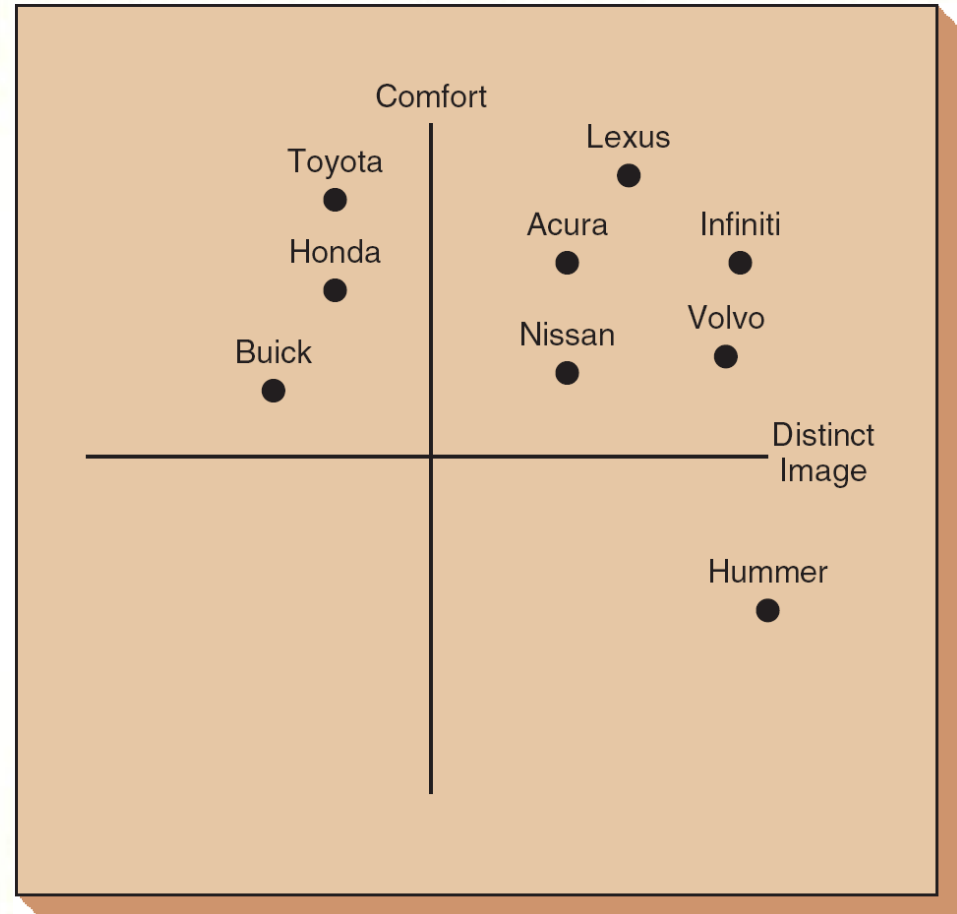
- Personal interviews
- Consumer panels
 - Nielsen—TV viewing
- Observation
 - Using people or cameras
- Focus groups

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