



**SILESIA  
UNIVERSITY**

SCHOOL OF BUSINESS  
ADMINISTRATION IN KARVINA

# International Marketing Research

Ing. Michal Stoklasa, Ph.D.  
International Marketing/subject code

## OUTLINE OF THE LECTURE

1. International market research.
2. Methods of international research.
3. Continuous vs. one-time research.
4. Special research methods.

## 1. DEFINITION OF MARKET RESEARCH

- **Market Research** (further as MR) is a systematic, objective collection and analysis of data about a particular target market, competition, and/or environment.
- The aim of the **international market research** is to prepare the groundwork for strategic and operational decisions that will facilitate international business development and reduce the risk of erroneous decisions.
- The purpose of any market research project is to achieve an increased understanding of the subject matter. With markets throughout the world becoming increasingly more competitive, market research is now on the agenda of every organisation, whether they are large or small.
- In the domestic market we have experience - the foreign market is a leap into the unknown - you need to know everything in advance to not waste resources.

# MR DIFFERENCES IN INTERNATIONAL MARKETING

- For international use of MR, substantial differences are:
  - a) New conditions - crossing borders poses new challenges, especially customs, currency, transport, international, documentation, etc.
  - b) New environment - many domestic facts to which the company was used no longer apply, we must cope with new cultural, political, social and linguistic diversity.
  - c) New factors - entering the international market typically means entering more than one country, so many new factors and their interaction greatly increase.
  - d) New competition - on the foreign market, there is also increased competition since dozens of companies from all over the world have the same idea of business opportunity.
- 4 Common MR areas: international research of marketing environment (A), research of competition (B), potential of target markets (C), effectiveness of marketing strategies (D).

### **A. INTERNATIONAL RESEARCH OF MARKETING ENVIRONMENT**

- Research on the economic, political, legislative, socio-cultural, demographic and technological factors.
- Affects the strategy of the company - whether it will ever be possible to enter the market and in what form (e.g. a big risk - not choosing a form requiring high capital, but licensing is suitable; high tariffs – manufacturing in the target country).
- With high risks and additional costs resulting from the environment - do not enter the market.

### **B. RESEARCH OF COMPETITION**

- The aim is to obtain information on the status of critical domestic and foreign competition in the target market, the position of individual brands, strategies for competing firms - their positioning, segmentation strategy, their product, pricing and distribution policy, the communication mix, etc.
- Analysis serves as a basis for benchmarking - the aim is to take the best practices, avoid threats and weaknesses - in short, to increase the competitiveness of the company.

### C. POTENTIAL OF TARGET MARKETS

- Target market potential is a very common research project!
- Finding potential target markets and subsequently estimate the size of the sales.
- It is intended to determine marketing objectives, turnover estimates, market share, shares in various segments etc.

### **D. EFFECTIVENESS OF MARKETING STRATEGIES**

- Aimed to test the efficiency of the chosen marketing strategy. Analyzes the appropriateness of the chosen marketing mix and evaluates cost-effectiveness.
- E.g. research on consumer habits and consumer attitudes, brand image research, product research, comparative pricing analysis, analysis of distribution channels, evaluation of advertising campaigns and events to support sales, etc.

## BASIC TERMS

- Questioner x Questionnaire.
- Basic research file x Sampling research file (representative!).
- Spontaneous knowledge x Supported knowledge.
- Research x Survey.
- Method x Technique x Methodology.

### 2. METHODS OF INTERNATIONAL RESEARCH.

- Desk research - collection and analysis of secondary information.
- Google is our friend.
- Public databases, statistics, technical literature, case studies.
- Specialized agencies promoting export - CzechTrade, industrial and trade chambers, etc.
- Specialized marketing research agencies - data must be purchased.
- EU – Euro Info Centre, Eurostat, General Directory etc.
- Internal sources of marketing information system (accounting, annual reports, reports from retailers etc.).
  
- Only after that we start with primary research!

### PRIMARY VS. SECONDARY MR

- A company conducts **primary marketing** research by gathering original data.
- **Secondary marketing research** is conducted on data published previously and usually by someone else. Secondary data may be internal to the firm, such as sales invoices and warranty cards, or may be external to the firm such as published data or commercially available data. The government census is a valuable source of secondary data.
- Secondary data has the advantage of saving time and reducing data gathering costs. The disadvantages are that the data may not fit the problem perfectly and that the accuracy may be more difficult to verify for secondary data than for primary data.

# QUALITATIVE VS. QUANTITATIVE MR

- **Qualitative marketing research** - generally used for exploratory purposes - small number of respondents - not generalizable to the whole population - statistical significance and confidence not calculated - examples include focus groups and projective techniques.
- **Quantitative marketing research** - generally used to draw conclusions - tests a specific hypothesis - uses random sampling techniques so as to infer from the sample to the population - involves a large number of respondents - examples include surveys and questionnaires.

# MARKETING RESEARCH METHODS

- **Questioning** – based on the statements of recipients through communication, question-form (written – mail, e-mail, website, face-to-face, telephone).
- **Observation** (hidden x noticeable) is focusing primarily on human behavior in the process of receiving marketing communications and subsequent behavior.
- **Experiment** (nowadays called Test Marketing) actively manipulates examined factors, it influences the situation and explores the reactions of people in natural or laboratory situation.

# MARKETING RESEARCH PROCESS (KOZEL, 2011, P. 73)

- PREPARATORY STAGE
  - Phase 1 - problem definition, objectives and research hypotheses.
  - Phase 2 – orientation analysis.
  - Phase 3 - marketing research plan - the type of data, methods and techniques for their collection, sample, time schedule, control.
  - Phase 4 - pilot study.
- IMPLEMENTATION STAGE
  - Phase 5 - data collection.
  - Phase 6 - data processing.
  - Phase 7 - analysis of collected data - processing using MS Excel and SPSS.
  - Phase 8 - the interpretation of the information obtained.
  - Phase 9 - presentation of results.

### 3. CONTINUOUS VS. ONE-TIME RESEARCH 1

- According to time of the MR we can distinguish:
  - Pre-test (before the start of the campaign).
  - Tests (enable continuous correction).
  - Post-test (after the campaign).
  - Tracking studies (long-term repeated studies).
- Continuous research is carried out continuously.
- Syndicated research = research focused on the general topic of interest for several entities.
- Better distribution of costs - better accessibility. Cheaper than tracking studies for one subject.
- Monitoring market trends of individual brands, commodity price developments, etc. – observing competition.
- Only continuous research can track the effectiveness of marketing communication!

# CONTINUOUS VS. ONE-TIME RESEARCH 2

- We follow the evolution of market shares of individual products / brands, the success of bringing new products to market, the impact of pricing policies, effectiveness of distribution channels, etc.
- 3 types of continuous research - stores panels (A), consumer panels (B) and omnibus surveys (C).
- The panels are used to monitor variables in time - polling is done repeatedly at regular intervals with the same respondents forming panel.
- Omnibus - polling more themes from several advertisers.

### A. STORES PANELS

- A representative sample of retail network of the country (retailer panels).
- Information is regularly obtained from existing sales network, i.e. from hypermarkets, supermarkets, specialized shops, rack stores, discount stores and cash & carry.
- The principle is simple – through barcodes make "audit,, of the goods moved through that store.
- We see the market size, trends in the goods sold, the effectiveness of sales promotions and communications in general, price changes (intermediaries).
- Problem – it doesn't explain behavior, only provides statistical data - helps logistics.

### **B. CONSUMER PANELS**

- A representative sample of the country's consumers (consumer panels, consumer scan).
- Selected households record all purchases into a shopping diary at weekly intervals (portable scanner for barcodes).
- Regular training and renewal of the panel.
- What is important is the size of the sample and its representativeness.
- We are looking for the trends in purchases and reactions to our actions - but this time we also added information about consumers - we can look for patterns of behavior and adapt our marketing activities.

### C. OMNIBUS

- Cross-thematic ongoing investigations most often in the form of questioning.
- It includes a wide range of topics, and each company can enter some of their own questions.
- The biggest advantage - lower price.
- Research is operational - can quickly change the mix of questions.
- Research can be precisely targeted to one segment.
- The problem is, while maintaining low prices - representativeness of the sample and the quality of the information obtained.

### **4. SPECIAL RESEARCH METHODS – MYSTERY SHOPPING**

- Specially trained staff (Mystery Shopper) plays an existing or potential customer and reports the targets behavior.
- Internal (controlling our own employees) vs. external (competition).
- New form - Real Customer Mystery Shopping.
- Contact: personal, e-mail, telephone.
- Enables us to evaluate - service, sales offices, complaints.
- Obtaining objective information, basis for effective staff development, improve customer satisfaction, increase business performance, increase the company's image.

## TIME SNAPSHOT

- Creating a certain snapshot of the examined phenomenon during certain time period in the form of a written record.
- There are two procedures:
  - Researcher observes the behavior of a subject in an activity and records it. (e.g. time snapshot of the employees at the factory).
  - Respondent themselves report about their activities.
- Time snapshot - the only way to gather information on the actual behavior of people within a certain time period.
- Analysis of time snapshots:
  - The calculation of the average duration of individual activities (in hours, minutes per day or week).
  - The average time distribution of activities in different times of day or days of the week. (audit)
  - Determining the percentage of respondents out of the total sample, which carried out certain activities in the period.

### CASE STUDY

- Case studies are describing actual past cases of companies doing activities on the market. It may also be generally describing the behavior of the overall market (e.g. the entry of the company XY on the Czech market, the introduction of new product innovation XY, celebrity use in an advertising campaign for a product XY etc.).
- Definition in natural sciences - "intensive study of one case - one situation, one man, one problem."
- It's a classic technique of qualitative research.
- Case studies are used to capture a particular process (problem and its solution). This makes it possible for others to replicate and learn from it.

# FOCUS GROUP

- A focus group is a form of qualitative research in which a group of people are asked about their attitude towards a product, service, concept, advertisement, idea, or packaging.
- Questions are asked in an interactive group setting where participants are free to talk with other group members.
- There are usually 6 to 10 members in the group, and the session usually lasts for 1 to 2 hours.
- A moderator guides the group through a discussion that probes attitudes about a client's proposed products or services.

# PROJECTIVE TECHNIQUES

- A projective test, in psychology, is a personality test designed to let a person respond to ambiguous stimuli, presumably revealing hidden emotions and internal conflicts.
- Bubble test.
- Association tests – (finish the sentences).
- Physiognomical test – people s photos – products.
- Creative techniques – collage.
- Drawing techniques.
- Test of colours, shapes.
- The technique „Safe“.

# SEMANTIC DIFFERENTIAL

- Osgood's semantic differential - the respondent is asked to choose where his or her position lies, on a scale between two bipolar words, or a range of words or numbers ranging across a bipolar position (for example from 5 (powerful) down to 1 (weak)).
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- Osgood found three attitudes that people use to evaluate words and phrases: evaluation, potency and activity.
- Evaluation loads highest on the adjective pair 'good-bad'. The 'strong-weak' adjective pair defines the potency factor. Adjective pair 'active-passive' defines the activity factor.

# NEW ELECTRONIC DATA COLLECTION TECHNIQUES OF MR

- Audiometr.
- Eye-camera.
- TV-metr (Peoplemeter).
- Tachystoscope.
- CATI (Computer Assisted Telephone Interview).
- CAWI (Computer Assisted Web Interviewing).
- CAPI (Computer Assisted Personal Interview).
- PAPI (Pen and Paper Interviewing).
- TAPI (Tablet Assisted Personal Interview).

**THE END**

Thank you for your attention.

