

# Challenges of global research, some remarks and some solutions

## the authors

**Professor Dirk Frank**, graduated psychologist, is Managing Director and shareholder of ISM Global Dynamics and Managing Director of Global Dynamics. He started his career as a Research Assistant at the Institute for Psychology (statistical methods and evaluation research) at the University of Frankfurt where he is still a lecturer for research methods. Since March 2001 he is also Visiting Professor at the University for Applied Sciences Pforzheim (Marketing and Communication Research).  
*dfrank@globdyn.com*



**Wulf Schlund**, graduated psychologist, has been working in market research for 33 years, he worked for Research International, IfD Allensbach, Schwartauer Werke and Braun, before he started his own business: 1978 till 1992 ISM, 1993 till 1998 ISM The Research Alliance, since 1999 (after selling the name) ISM Global Dynamics. Today Wulf Schlund is major shareholder of ISM Global Dynamics and President of Global Dynamics.  
*wschlund@globdyn.com*



According to the importance of the occasion, BVM's 50th Anniversary Congress dedicated itself to the big topics of the business like future research and trend research, the consumer in the age of information and internet, the study of politics and societies and – needless to say – also the mega topic globalisation. The interested auditor might easily have received the impression that the main challenges of international research can be found in executing logistics as smoothly as possible, in remaining affordable and in extending the time frame of a multi-country project at least not substantially longer than the one of a national project.

Unfortunately, this observation corresponds with prevalent statements of responsible managers of internationally operating research institutes of the recent past. For example, the installation of a European Online-Access-Panel was recently celebrated to overcome national barriers and accelerate international research in a way yet unknown. Or crude automatisms are postulated – sadly enough without being scrutinised – in the line of: "high tech" = "better quality of data". Naturally, technical progress assists us a lot in coping better with the challenges of international research in terms of logistics, but is that really all we have accomplished to this day? Does a

panel – as big and swiftly activated as it may be – really solve the methodological challenges facing a researcher, when e.g. he is confronted with the substantial question how to find the target groups of the own brand within different markets? Or how he is supposed to deal with the ordinary everyday enterprises of international research like the question: are 25 % Japanese with purchase intention better or worse compared to 75 % Mexicans with purchase intention?

## Adding the international perspective

Let us first go one step backward to see that the main challenges caused by the globalisation of marketing are by no means just or even predominantly of technological nature. If we start by looking at the areas of activity for research from the perspective of a local market, two rough axes of orientation for research types can be identified. On the one hand, the axis describing the chronological scope of our findings (past/present vs. future, time-perspective). On the other hand, an axis characterising the level of detail ("depth") of the results – to a certain extent the "zoom-level" of our research-telescope. Thereby, concrete research findings as a rule feature an immediate action-orient-

ed character, while the more abstract prognoses and observations rather tend to develop a long-term impact (concrete vs. abstract, implementation perspective). Thus, not infrequently, classical market and marketing research reconstructs concrete market facts of the past or tries to understand current observations for tactical and strategical marketing. A clearly concrete research perspective, but oriented towards the future, is captured by innovation research, while future research as a rule refers to more abstract, comprehensive developments (e.g. to the manifold consequences of the aging of western industrial societies in regard to their future development). Last but not least, trend research focuses more on abstract developments, which overlap single market categories (e.g. "wellness-trend") having its perspective directed more towards the present or at best towards the near future (see figure 1).

As if these multifaceted tasks of local empirical research are not complex enough as it were, we are increasingly, inescapably and with accelerating speed confronted (Langhammer 2005) with a third, the spacial perspective, the scope of research findings beyond the own, local market. Schroiff and Borrell (2002) have labelled this new perspective of international research "width", describing the movement of research questions from local to multi-local and nowadays to a transnational management mode. Further research dimensions described by Schroiff and Borrell are "speed", "reach" and "depth". From a research perspective it is more adequate to talk about "cross-cultural" instead of "international" research. The latter term is misleading as one immediately starts to think in categories of states, nationalities and borders. But in fact *cross-cultural* research often is necessary within a single country (e.g. cultural sub-populations in Belgium, Switzerland or Canada or ethnic-mino-



rities in the USA), showing that the real borders are cultural, not national ones and that *cross-national* is not equivalent to *cross-cultural* (see figure 2).

To do this new dimension justice at all, market research must come up with answers to a series of mostly methodological challenges:

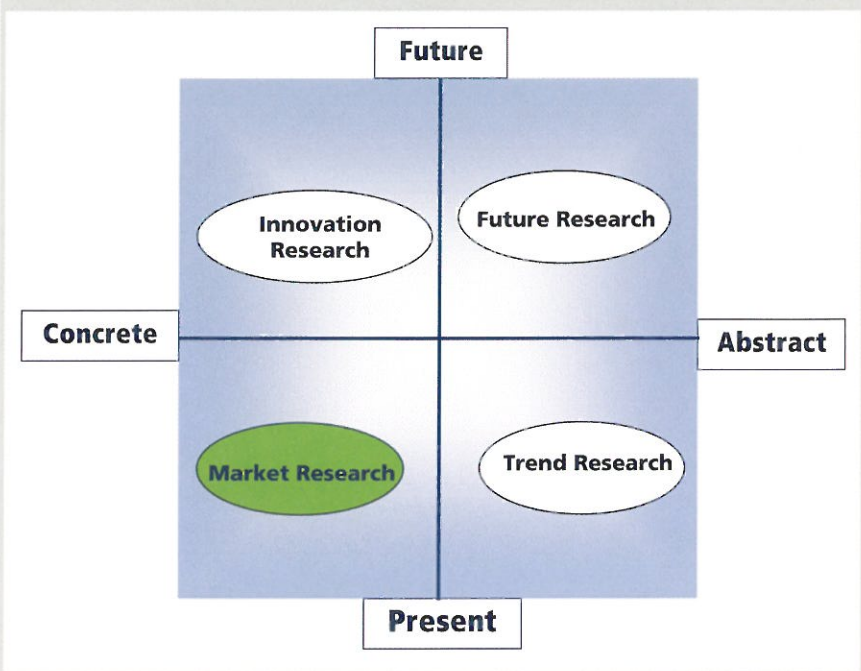
- Develop and validate a core set of methodologies which can be used across countries.
- Re-think basic processes like measurement and scaling to make international findings comparable ("common currency").
- Develop and install standardised procedures and quality management processes for the "small" – but decisive – aspects of international research like translations, local interviewer briefings, embedment of local expertise into international reporting etc.

### Globalisation and local research – do both ends still meet?

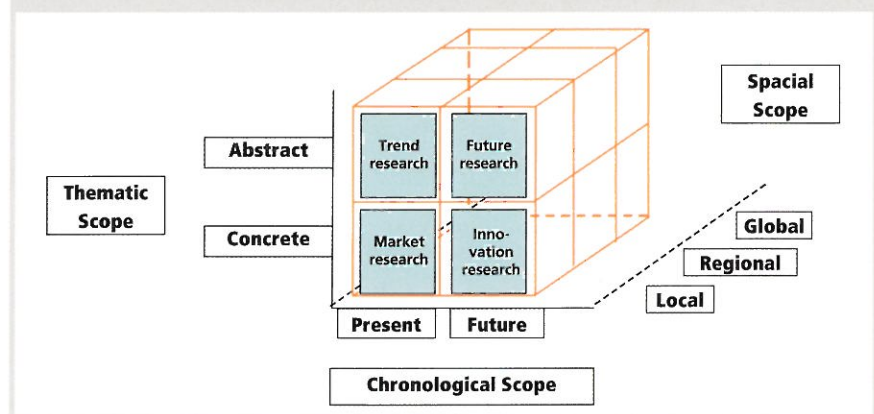
Even the strongest supporters of global marketing strategies and standardised market research approaches will not disagree that cultural differences will still continue to outweigh notions which transcend national and cultural boundaries – in spite of all attempts to harmonise and homogenise brand management across national borders. Currently less than 50 (!) consumer brands reach an annual international turnover of more than 1 billion Dollars and can thus be regarded as truly global players. And only a few of those *mega brands* like Coca Cola, Nike or Marlboro have reached a status where they can credibly promise satisfying needs equally valid in different cultures and justifying an almost unified, globally consistent brand-communication – from the package design to the advertising copy and execution.

Most of the international brands, however, have to make concessions in many markets, be it in their price or, like in most cases, regarding several issues ranging from the product itself – e.g. its actual recipe – to the development of different local brand images. This local colouring accompanies brands as strong and operating world-wide like Nivea: Thomas-Bernd Quaas, chairman of the

#### Classical definition of market research - referring to the national market



#### Expanded definition of market research - the global perspective



board at Beiersdorf, describes the brand core of Nivea in Germany as follows: "Nivea is like an old friend, who accompanies you your whole life and somehow manages to stay young". For German consumers Nivea primarily personifies loyalty, quality, trust, well-being and security. In Asia on the other hand, a region where this brand currently gains two-digit figures, Nivea lives on quite different brand assets, e.g. in Japan, where the brand is considered to be an innovation leader and known by almost every person, but is nevertheless hardly associated by any consumer with the rather dozy seeming Germany in regard to innovation.

This means that market research can only provide the famous "actionable results" if, for all international focus, it remains culturally sensitive and points out the opportunities and limits of any brand unification strategy to the respective marketing department. The challenge for marketing is to find the right balance between necessary local adaptations of brand equity and the global vision of consistent brand architecture (Engels 2004). The new challenge marketing researchers are faced with is how to combine productively their great local expertise with the increasingly international perspective of marketing: Developing standardised tools allowing to



## Abstract

From a research perspective it is more adequate to talk about "cross-cultural" instead of "international" research. The latter term is misleading as one immediately starts to think in categories of states, nationalities and borders. But in fact cross-cultural research often is necessary within a single country (e.g. cultural sub-populations in Belgium, Switzerland or Canada or ethnic-minorities in the USA), showing that the real borders are cultural, not national ones and that cross-national is not equivalent to cross-cultural.

benchmark results across markets on the one hand and providing local expertise and consultancy on the other. The consequences for market research as an industry are twofold:

- Firstly, the quite relevant technical problems of international market research, from translating questionnaires to data collection and interpretation, have to be overcome.
- Secondly, methodological tools have to be developed (or at least their application has to be learned), which are able to provide the respective marketing department with reliable, valid fast and affordable information on one particular brand in different markets.

## Changing supplier scene for international research

The near monopoly position which was held by large market research groups for international market research has been overcome in the past years. These companies operate on a world-wide basis, under one name and with one centralised management. Nowadays they are usually branches of even larger information conglomerates. Their great international experience, their smooth routines, and the usually high technical standard are the benefits for the clients. However, not least the clients of international research expressed their need for alternatives. These businesses often had their superior position in international research reimbursed dearly, quality was often defined as "logistical effectiveness", and the relevance of their findings to marketing strategies has often remained underrated, not to mention a lack of a culturally sensitive approach. Consequently, regional co-operations developed, offering their expert knowledge on particular regions (such as Asia and Eastern Europe) as an added value to simple data collecting. Furthermore, sector co-operations have developed,

i.e. international mergers of institutes that limit their services to certain sectors (e.g. healthcare or automotive). Another supplier cluster, the fashionable casual partnerships, the "smart shoppers" in international market research, are least convincing and considered most risky by the clients. They often claim to select the best and most appropriate local partners, varying from project to project, and most often, however, they choose none but the cheapest. Frequently, neither methods nor quality standards are uniform, nor is process control fully guaranteed.

In the last ten years the landscape for global research was expanded by another type of suppliers. Susanne Wiggert-Spintig has extensively described this dramatic structural change of institutional market research in her dissertation, that is the development of international cooperation-networks composed of legally independent individual enterprises. With a return rate of 40 %, addressing all German market research companies, Wiggert-Spintig gave the following classification of the institute scenery in Germany: Market research networks (30 %), semi market research networks (29 %), cooperative partnerships without network character (37 %), non-cooperative (4 %). The allocation of groups occurred according to defined classification criteria (number of cooperation partners, no restriction of legal independence, intensity of international cooperation, long-term perspective concerning the cooperation as well as mutuality in terms of objectives). Both authors of this paper have pioneered this development as managing directors of their own international research group since 1993. The initial project experiences led to the clear decision to put this networking principle as described above by Wiggert-Spintig one decisive step further by forming a company that is owned by its member institutes and which performs in a uniform

way world-wide – from its quality philosophy to its service range. This proved to be the only reliable way to combine the level of quality and the reliability of a firm chain with the local expertise of member institutes, in order to guarantee the full consideration of local cultural peculiarities. All member institutes are lead by their working directors, ensuring the necessary entrepreneurial motivation for the joint case. This "joint enthusiasm" includes the development of standard methods for international use and the permanent openness for tailor-made approaches, in case standardisation does not suit a certain problem. All this requires investments, constant training, and international exchange – all of which would not be possible with casual, changing partnerships.

## Challenges and pitfalls of international research

If one had to list all the issues that can go wrong in international research, he or she would easily give the impression of being a pessimist. Roughly, one can differentiate between two categories: technical difficulties and difficulties in terms of content. Technical mistakes cause the well-known GIGO phenomenon: garbage in – garbage out. Inaccurate translations, lax coordination, but also insufficient standardisation of software and hardware between the participating institutes lead to unnecessary difficulties. There are these kinds of problems with national studies as well, the possible errors, however, multiply in any international cooperation. Standardisation of procedures, adherence to binding quality standards, clear assignments of competence between the lead agency and its sub-companies, and regular training programmes for the use of the methods applied are all proven remedies for these problems. Personal briefings on the spot should be obligatory for international projects, even if the cooperating partners already operate well together.

However, errors with regards to the contents of the work cannot be reliably avoided by any ISO-norm or formal Esomar standards. They are often created during the briefing of the institute by the client and consist of real information deficits (e.g. unclear notions of the tar-



get groups or competitors in the local market), too general a wording of the problems, up to the attempt of obtaining, through misused marketing research, a justification for marketing strategies that have been already decided on. In this case, an experienced institute has to bring in its consulting competence already at the beginning of the study. Together with the client it has to work out a clear briefing which leads to operable questions. An adequate, actionable interpretation of the findings is part of the challenge as far as content is concerned. Here at the latest, pure data collectors separate from those marketing researchers who do not leave their clients short of advice on how to put their findings into practice.

### Consequences of internationalisation for the development of market research tools

The demand for research tools which can be used internationally has been growing rapidly. This has led to more and more institutes being offered licenses on supposedly international methods. The benefits to both parties are straightforward: the licensor makes additional profit; the licensee obtains access to a more or less well documented system without own expenditure on development. However, it has been rarely tested so far, whether and under which conditions this method can be reasonably applied to a local market. Quite often local adjustments of a method have up to now been carried out in a "trial and error" procedure; systematic validations – at least published studies – have so far been the exception. Let's look at a core problem of international research: Comparability of results. It is widely acknowledged that cultural differences in the usage of traditional rating scales and in the understanding and interpretation of scale points lead to a) different means and standard deviations and b) different shapes of data distributions from country to country for the very same measure (e.g. purchase intention ratings, brand equity/loyalty scores). Psychologists have reported a number of reasons for cultural influences on survey responses among them cognitive differences (e.g. context dependence, thinking styles) and social differences (e.g. social desirability, acquiescence response style). Interestingly enough, significant cultural differences in online behavior have also been reported recently, affecting a methodology which is often praised as the only truly global research methodology.

There have been many suggestions how to tackle this issue – but almost no systematic (comparative) research. The range of suggested solutions consists of:

- Avoiding scaled answers at all and shift to choice based methods (e.g. paired comparisons) in international research,
- Calibration of local findings to make them comparable using more or less cryptic calibration factors like "culture free" benchmark questions (often based on "experience"),
- Using normalised indices by transforming the distributions of single measures to make them directly comparable,
- Use anchored scales – especially in research contexts where samples are too small to allow for a reliable normalisation. Here one has to determine the individual scale usage (e.g. asking the respondent to rate the "best brand") and then to calibrate the scores on the individual level,
- Calculate summary scores across different single measures (e.g. a brand equity score consisting of brand presence, loyalty, market share and so on),
- Use the few existing internationally validated instruments in specific areas of research (e.g. brand personality measurement utilising the "Big Five" approach of personality assessment or measuring the emotional



## About Scales and International Research

1. For quite long market research has been using a number of scales differing in
  - Number of scale points, odd or even
  - Marking: verbal, numerical or spatial
  - Polarity: uni-, bipolar or mean-centred.
2. Each type of scale has its own drawbacks, and none of them provides comparable results in international research. Should we therefore continue calibrating international results? Or better use a measurement instrument free of scale points and marks?
3. GLOBAL DYNAMICS has developed the SCS Stimulus Comparison Scale to significantly improve the comparability of international results. Curious?

# SCS

For comparable results  
Anytime. Anywhere.

Contact:

Prof. Dirk Frank,

Eva Ringel

Phone: + 49 6173 92480

Email: [info@globdyn.com](mailto:info@globdyn.com)



meaning of brands using the well-known Semantic Differential Technique based on cross-culturally validated "EPA"-dimensions).

It is common to all these suggestions – except the first one – that they deal with the problem in a quite late, analytical stage of research. Astonishing enough, there had been rarely any attempt to re-think the process of scaling itself. After several years of basic methodological research the Global Dynamics Group has introduced a new scaling instrument, the Stimulus Comparison Scale (SCS), with the clear aim to improve data quality in international research starting at the "moment of truth", the measurement of consumer reactions to our stimuli and questions.

The SCS in total is a totally new approach to scaling, because it offers a (metal) standard distance for grade-free ratings. Thus the SCS allows a scale-free placing of objects with the minimum restriction that the total span which can be used by respondents to compare objects is pre-defined. The total span and a minus-symbol defining the one and a plus-symbol defining the other end of the scale are the only anchors given to the respondent. While the respondent is exposed to a plain metal surface, the interviewer can easily transfer the free ratings into numbers as the scales back is divided into 21 scale-points ranging from 0 to 10 with 0.5 point distances. Special plastic markers ensure a precise and objective readability of ratings minimising interviewer errors to almost zero. Respondents can freely and directly mark their opinions or rate objects comparatively without being forced to think in words ("agree more or less", "probably would by"), in numbers (e.g. school grades or arbitrary definitions like -3 = minimum, +3 = maximum) or in spatial grades (e.g. rulers or tape-measures). Thus the process of measurement is much less restrictive and more continuous than with any other conventional "x-point" scale.

The psychometric advantages of the SCS compared to classical rating scales are significant and important for quantitative market research as a whole:

1. SCS minimises the well-known measurement errors induced by a verbal, numeric or spatial scale grading like "halo" effects, leniency/severity ef-

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fects, restrictions of range, tendency to the scale mid-point or to scale extremes.

2. The complete removal of any verbal, numeric or spatial anchor during the process of measurement avoids culturally induced differences in understanding and handling of scales. This is a necessary prerequisite to make international findings comparable.

The psychometric superiority of the SCS was in the meantime validated in several national and international methodological studies, regarding the basic quality of the data, but also for its enhanced suitability for market modelling (e.g. higher VAF (variance accounted for) in key trigger analysis compared to 5/7 point scales).

## International standard methods vs. culturally sensitive instruments – a contradiction?

The development of the Stimulus Comparison Scale (SCS) shows that there are ways to develop methods of data collection and measurement that are less exposed to culturally distorting influences than the methods and instruments pre-

viously employed. First of all, this leads to more valid information at the very basic stage of data collection. If this type of measurement is further embedded in standardised methods such as an international pack test methodology or within an international advertising pre-test methodology, this sensitive measurement device is combined with sophisticated research tools suited for world-wide application. Wherever it seems necessary, one has to customise research products according to local markets. It is definitely better to use a locally adapted, but functioning tool in an "exotic" market than to present clients with meaningless comparative figures, which are totally void of content but have the "benefit" of a supposed international standardisation. However, in the future, there will be no way of avoiding a systematic development of functioning tools for international use. But in contrast to our current status of research this process will have to be accompanied by a higher transparency regarding the validation and evaluation of international research tools – for the benefit of both clients and suppliers.