

**Q:** *Is it, in times of globalization, still possible to conduct marketing research on a local basis?*

**Dirk Frank:** If there was a vote for the “marketing word of the year”, the term globalization would surely have made the first place for the past few years. But even the strongest supporters of global marketing strategies 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. Only a few brands credibly promise a satisfaction of needs which is equally valid in different cultures and justifies an almost unified brand-communication, from the package design to the advertising presentation.



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 unification strategy to the respective marketing department. The new challenge marketing researchers are faced with is how to productively combine their great local expertise with the increasingly international perspective of marketing. The consequences for market research as an industry are twofold. On the one hand, the quite relevant *technical* problems of international market research, from translating questionnaires to data collection and interpretation, have to be overcome. On the other hand, *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 fast and affordable information on one particular brand in different markets.



Most of the international brands, however, have to make concessions in many markets, be it in their price or, like in most cases, in several issues ranging from the product itself (e. g. its actual recipe) to the development of different local brand images.

**Q:** *How would you personally describe the supplier market in international marketing research?*

**Dirk Frank:** The near monopoly position which was held by large market research groups for international market research has been overcome in the past ten years. These companies operate on a world-wide basis, under one name and with one centralized management. 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 to the clients. However, not least the clients expressed their need for alternatives.



These businesses often had their superior position in international research reimbursed dearly, quality was for the most part defined as “logistical effectiveness”, and the relevance of their findings to marketing strategies has often remained underrated, not to mention the 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). Fashionable casual partnerships, the “smart shoppers” in international market research, are least convincing and considered most risky by the clients.



They claim, not very credibly, to select the best and most appropriate local partners, varying from project to project, most often, however, they choose none but the cheapest. Frequently, neither methods nor quality standards are uniform, nor is process control fully guaranteed. With our GLOBAL DYNAMICS group, we have expanded the supplier landscape by another variant: a company that is owned by its member institutes and performs in a uniform way world-wide - from its quality philosophy to its service range. We combine the level of quality and the reliability of a firm chain with the local expertise of our members, in order to guarantee the consideration of local peculiarities. All member institutes are lead by their working directors, which ensures the necessary entrepreneurial motivation for the joint case.



This includes the development of standard methods for international use and the permanent willingness to “tailor-made approaches”, in case standardization does not suit a certain problem. All this requires investments, constant training, and international exchange - all of which would not be possible with casual partners.

**Q:** *What are, according to your experience, the particular difficulties in coordinating and processing international projects and how can they be overcome?*

**Dirk Frank:** If I were to list all the issues that can go wrong in international research, I would easily give the impression that I was a pessimist. Roughly, I would differentiate between two categories: *technical* difficulties and difficulties in terms of *content*. Technical mistakes cause the well-known GIGO phenomenon: garbage in - garbage out.



Inexact translations, lax coordination, but also insufficient standardization 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. Standardization 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.



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 target 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 prematurely decided on. In this case, an experienced institute has to bring in its consulting competence at the beginning of the study already. 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 challenges as far as content is concerned. Here at the latest, pure data collectors separate from these marketing researchers who do not leave their clients short of advice on how to put their findings into practice.





**Q:** *What are the consequences of the internationalization of marketing research for the development and the use of investigation methods?*

**Dirk Frank:** The demand for tools which can be used internationally has been growing rapidly. This has lead 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 documented system without expenditure on development. So far, it has however been very rarely tested, whether and under which conditions this method can be reasonably applied in a local market. Not rarely, local adjustments of a method have up to now been carried out in a “trial and error” procedure, systematic validations have so far been the exception. Our most recent development is a scaling tool called “Stimulus Comparison Scale” (SCS), which has been optimized for international use.



**Q:** *How does the application of international standard methods correspond with your demand for culturally sensitive instruments?*

**Dirk Frank:** Not least our new scale shows that there is a way to develop a method of data collection that is less exposed to culturally distorting influences than the methods previously employed. First of all, this leads to more valid data. If this type of data collection is embedded in a standardized method such as our pack test, this sensitive measurement is combined with an instrument that can be applied world-wide. Wherever it seems necessary, we customize our products according to local markets. It is eventually better to use a locally adapted, but functioning tool in an “exotic” market than to present clients with senseless comparative figures, which are totally void of content but have the benefit of supposed international standardization.



## E-interview: Globalization as a challenge for marketing research



*GLOBAL DYNAMICS*

However, in the future, there will be no way of avoiding a systematic development of functioning tools for international use. We develop this kind of tools - e. g. for packaging or price research - to be exclusively used by GLOBAL DYNAMICS members. The renunciation of external licensing decreases our profit of course, but it makes the user more committed to both care and further development of our methods than any licensee.

