

International marketing research problems with equivalence

Foreign
Multi-country
Cross-cultural
Global

„Systematic gathering, recording, analysis and interpretation of data and information on problems relating to international marketing“

- 3 functions:

- scanning international environment to identify and analyse the opportunities and threats

- building MIS to monitor environmental trends

- carrying out primary research
→ (surveys)

input into the development of MKT strategies

and

The self-reference criterion (Lee, 1966)

- Most international marketing research is hindered by the unconscious tendency 'to fall back on one's own cultural norms and values to interpret a given business situation'
- Worse than ethnocentrism
- 4-step SRC correction mechanism:
 1. Define the problem/goal in terms of your own culture.
 2. Define the problem/goal in terms of the host culture.
 3. Isolate the SRC effect and see how it interferes with the business problem/goal.
 4. Re-define the business problem without the SRC interference and identify the solution.

Equivalence of research process

- defining the problem
- developing the plan
- designing the research
- field work
- analysis the data
- writing report

What problems can in international environment occur?

What neednot to be the same?

Research design

- **Construct equivalence**
- **Measurement equivalence**
- **Sampling equivalence**
- Research approaches (observation – photos, cameras...?, surveys, experiments)
- Contact methods (mail/internet, telephone, personal)
- Sampling plan (sampling unit, sampling procedure, sample size)
- Contact medium

Construct Equivalence

- deals with how both the researcher and the subjects see, understand, and code a particular phenomenon
- "Are we studying the same phenomenon in countries X and Y?"
- Functional equivalence
- Conceptual equivalence
- Definitional equivalence
- Temporal equivalence
- Market structure equivalence

- **Conceptual E - Concepts** (e.g. *quality, loyalty, breakfast or constructs, e.g. waiting in line etc.*) **may have different meanings and connotations in different countries.**

similar or same meaning? – basic concepts – wealth, sex-appeal, beauty, friendliness, family, household, perceived risk – social, physical, financial

- **Functional E – Similar products and activities may perform different functions in different societies. To establish functional equivalence, one should examine the social setting in which the product is consumed**

activities /products- functions – bicycle (transportation or leisure), tomato juice, childcare, housework, cooking, do it yourself - purpose, time for consumption

Conceptual/Functional Equivalence

- Is bicycle a transportation mode or a recreational product?
- Does outlet refer to a “retail establishment” or an “electric port”?
- Is ownership of a refrigerator a symbol of status or just a necessity?
- What is “privacy” or “innovativeness” or “customer service”?

- **Definitional - Translation E–** *Due to special characteristics of a language, culture and communication, a translated instrument may fail to generate comparable data.*

Lexical – dictionary: warm = chaud; **idiomatic –** linguistic usage that is natural to native speaker: it's warm = il fait chaud = it's warm (today) or c'est chaud (it's warm (object)); **grammatical-syntactical –** how the words are ordered, sentences are constructed and meaning is expressed: German long **multiwords;** **experiential –** what words and sentences mean for people in their everyday experience

<http://www.joke-archives.com/dictionaries/badads.html>

<http://www.i18nguy.com/translations.html#clairol>

Problems encountered when translating

- Some words represent several concepts in one language and only one in another language (for example « body » and « fullness » => « volume » in French; « hair » => « cheveux » and « poils »; To Comb ≠ Coiffer)
- Some expressions cannot be literally translated or lack proper equivalents (« hair with enough protein »)
- the way to ask questions as well as the ordering of questions depend on countries/cultures (more or less direct, scales)
- Poor knowledge of the local culture, some type of hair are unknown in particular countries
- The translation of certain words relate to the institutional and social context (« state » => canton in Switzerland, « high school » => lycée)
- In Chinese, it is not possible to have a sentence without a verb => the benefits are difficult to translate!
- Translation into Spanish: the expressions vary between Latin American countries and/or Spain (in Spain, hair = cabello and in Mexico, hair = pelo)
- The translation of “Hair that has body” in Russian, may look similar to “Рыбий жир” (fish oil) which is a common expression for hair care products.



Example

hair and shampoo



Conceptual equivalence issues (1)

- The concept of **hair** (*hair of the body*) beauty differs across culture:
 - Europe : volume, controlled, shiny (**but not too much**)
 - China : shiny, flat, long and “free” for a woman. A man with long hair will be perceived as neglected.
 - France and Switzerland : shiny hair (shiny because of grease) are considered as **oily** and dirty
 - Burkina Faso: the « hairstyle » (hair extension and hair braiding) is more important than the hair itself
 - Nigeria: grey hair is positive for old people as it means wisdom
- The **cleanliness concept** is different in Germany and in the USA (for example *sauber* versus *clean*) – beauty ≠ cleanliness
- Monks shave hair (Hair in Buddhism) => hair & (moral) purity?
- In Iran, shampoo is a medical concept (to avoid hair loss): for women, to wear the veil radically modifies the relation of the self to hair

Hair /No hair, curly, straight, with different colors, oscillating between genetics and style



Conceptual equivalence issues (2)

- **Shampoo:** everyday product vs luxury product (in Slavic country, people produce it at home, they do not buy. In Burkina Faso, shampoo is a luxury product and is not considered as an everyday product because of the hairstyle that makes hair difficult to wash.
- **Meaning :** in English, hair = « cheveux et poils », in French, Spanish, and Italian there are two words
- **Hair and smell:** is hair like money? Has it a smell?
- In some countries, consumers use a **single product** for « body and hair » (2 in 1).
 - Africa: soap or detergent for body and hair.
 - conceptual equivalence is here very close to functional equivalence

Functional equivalence issues (1)

Shampoo's various functions:

- to wash, to comb (démêler), to fortify, to perfume
- depending of hair type: normal, greasy/oily, dry, fine, colored, highlighted, damaged, curly/wavy, frizzy
- and/or benefit: anti-dandruff, boost volume, shine (brillance), anti hair loss, anti breakage, anti « split ends », protection-vitamins (i.e Islamic veil) => care/hygiene product vs beauty product (very close to concept)
- Exotic functions of shampoo
 - China: used as a detergent to wash delicate dogs as well
 - Uzbekistan: used for cars and windows as well.



Functional equivalence issues (2)

- **single product** « body and hair » in various countries (2 in 1), => modifies the functions
- **Place of use** : at home, hairdresser, outside (Africa, India), locker room
- Packaging ? Ease of use (liquid)?
- Be careful: some countries lack of water resources!!
- **Conclusion: using the benefits list in questionnaires is highly *Euro-American* ethnocentric approach => the questionnaire is either incomplete or inadapted**

Sampling Equivalence

- **Sample E** – *Involves choice of respondents, representativeness and comparability of samples.*

sampling unit – choice of respondents – are they really same? E.g. buying role, purchasing power, belonging to age or profession groups

representativeness of sample – 50% men and 50% women + problem of sampling frames – sources (telephone directories, voter registration records...)

- Do subjects respond similarly?
 - Socially desirable answers
 - Socially sensitive topics
 - Pleasing the interviewer
 - Apathy toward interviewer/process

Measure Equivalence

Measure E- Refers to variation in the reliability of research instruments.

or

- deals with the methods and procedures used by the researcher to collect and categorize essential data and information
- Are the phenomenon in countries X and Y measured the same way?"
- **Perceptual** – sensitivity of colours and/or symbolic interpretation of colours: I feel blue + smell;
- **Metric** – validity of rating scale: different gradation and discrepancies in value of adjectives in scale: muy malo (Spanish) – 58% higher than very bad as equivalent; 2, 8 and 9 are considered lucky in China – may be chosen more frequently;
- **Calibration** – units for measuring - monetary, weight, volume, distance;
- **Temporal** (calibrating dates and time periods) – age, inflation, technological development

Are measures developed in one country valid in other countries?

Is something lost in translation? (Back Translation)

Are response scales inferred similarly?

Even simple things as “marital status”, “income”, “education” and “occupation” may not be easily comparable.

Metric E - Scalar equivalence

- Typical rating scale question?

“On a scale of 1 to 5 how would you rate this lecture”?

- Need to ensure *scalar* equivalence:
 - In US/UK :5 or 7 pt scales
 - In France :20 pt scales
 - South Americans use the top end
 - Asians use the middle
 - Need to standardise the results

Equivalence of data collection?

- Equivalence of research methods

- ✓ Collection techniques
- ✓ Stimuli (verbal, visual)

- Equivalence of research units

- ✓ Administrative units (urban, rural)
- ✓ Consumption unit
- ✓ Buying decision roles

- Equivalence of administration

- ✓ Comparable timing
- ✓ Interaction with respondents

Data collection equivalence

- **Data collection E– *Involves issues such as secrecy or unwillingness to answer, response biases and response style.***

respondents' cooperation + willingness to answer (e.g. business surveys: in Denmark 40%, USA 11%, Hong Kong 7%);

data collection context – e.g. taboo topics (overdrinking, sex...);

relationship with the interviewer – nationality, sex, age, approach (e.g. to please the interviewer)...;

response style – yes/nay-saying pattern (more positive/negative than reality, cannot say „no/yes“?)

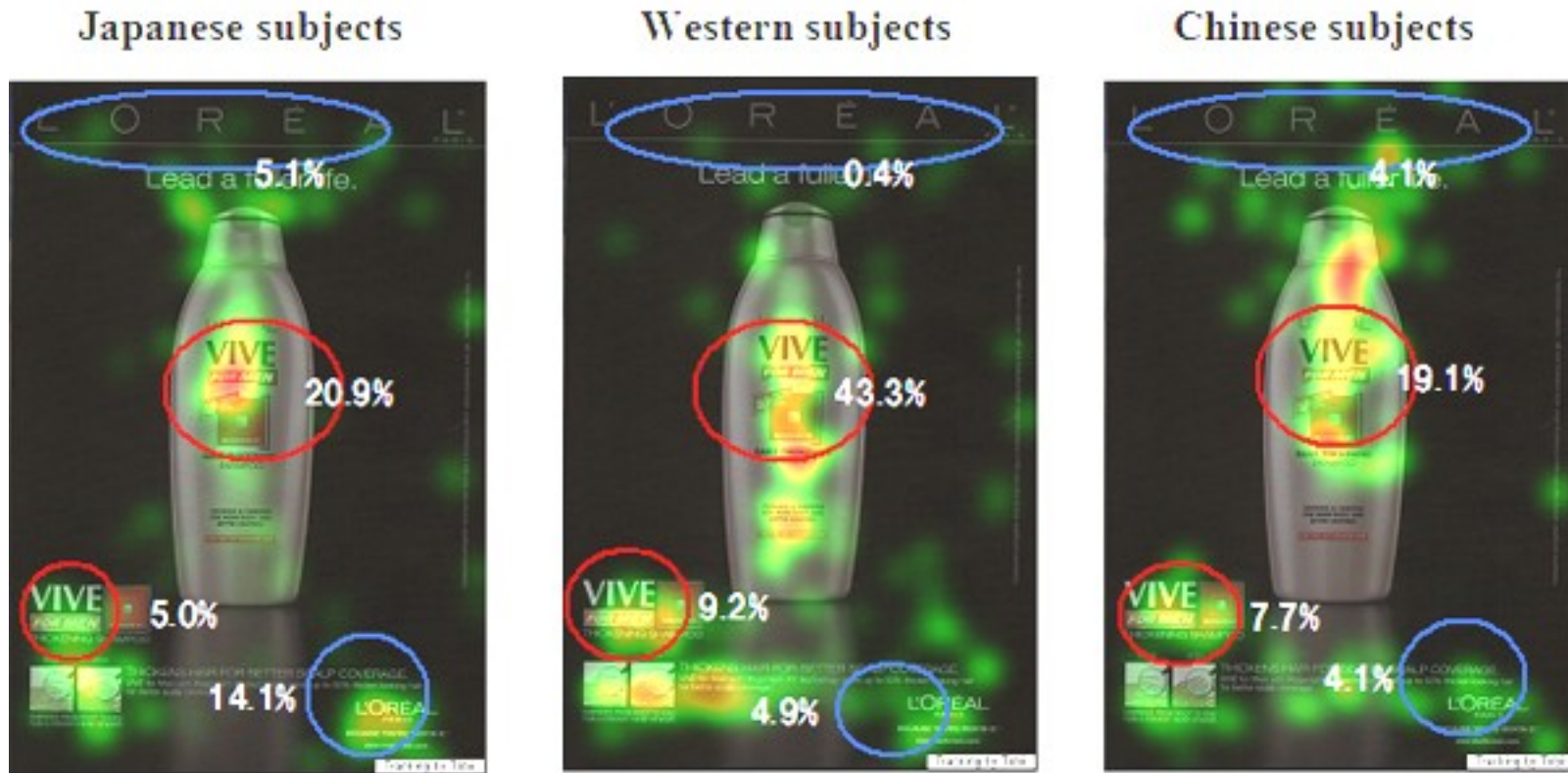
Administration and data collection equivalence issue

- **Data confidentiality**, some questions are very personal (age, income), therefore it is necessary to have ranges/brackets and to be aware that the answers might be biased (- for age; + for income). A woman's age = sensitive question. **Anonymity:** address??
- In some countries, people are not used to answer questionnaires; in certain cultures, a man is not allowed to interview a women (for example in the Arabic world)
- It is required to adapt various **scales** to the various countries, i.e. income, education and use frequency
- It is necessary to adapt the way in which questions are asked: style (open/close end), ordering of

Administration and data collection equivalence

- Data collection **Place** : beauty salon and doctor in Iran and street in Germany
- In poorer countries, there are purchasing power constraints and therefore lower **interest** for shampoo (it is not a priority)
- Literacy rate issues (especially if self-administered questionnaire)
- **Response styles depend on** country/culture (extreme, median response style, nay/yea-saying, etc.)
- **Social Desirability Bias** regarding use frequency (related to care/hygiene). In some countries respondents are reluctant to talk about hygiene/care, personal matters

Brand Recognition and Cultural Differences -- Heatmap Data real-time eye-tracking system



(Source: JCMR, "Brand recognition and cultural impact, 2005.10")

http://www.jmrlsi.co.jp/english/case/jmarket/2006/02_study_examples.html

Survey methods - differences

- In the United States and Canada, telephone interviewing is the dominant mode of questionnaire administration. The same situation exists in some of the European countries such as Sweden and the Netherlands.
- In many of the other European countries, such as Great Britain, Finland and Portugal, telephone interviewing is not the most popular method.
- In Hong Kong, 96% of households can be contacted by telephone. Yet, given the culture, this is not the most important mode of data collection.
- In developing countries, only a few households have telephones. Telephone directories tend to be incomplete and outdated. In many cultures, face-to-face relationships are predominant. These factors severely limit the use of telephone interviewing.
- Telephone interviews are most useful with relatively upscale consumers who are accustomed to business transactions by phone or consumers who can be reached by phone and can express themselves easily.

Survey methods - differences

- Because of low cost, mail interviews continue to be used in most developed countries where literacy is high and the postal system is well developed.
- Mail interviews constitute 6.2% of the interviews in Canada and 7% in the United States. In countries where the educational level of the population is extremely high (Denmark, Finland, Iceland, Norway, Sweden, and the Netherlands), mail interviews are common.
- In Africa, Asia, and South America, however, the use of mail surveys and mail panels is low because of illiteracy and the large proportion of population living in rural areas.
- Mail surveys are, typically, more effective in industrial international marketing research, although it is difficult to identify the appropriate respondent within each firm and to personalize the address.

Using the internet for online research

- Internet penetration
- Internet penetration and sampling – are samples (using internet) comparable across the Universe (age, social class, income.....)
- Online research and language –special softwares for the appropriate alphabet (Scandinavia, Turkey, Greece,Japan, Russia, Bulgaria, Arabic countries...)
- Online research and respondent cooperation – response behaviour (web site – the source of surveys; e-mail vs pure online

- Door-to-door interviewing in Saudi Arabia is illegal,
- No accurate maps (or no maps at all) of some South American and Asian cities

Difficulties with global marketing research

- More diverse research projects: language, religion, race...
- More unknowns: market conditions
- Data collection methods
- Longer completion time
- Higher costs
- Restrictive laws

How do these difficulties influence research?

Problems with secondary data:

- **Availability** - detailed data, no central (governmental) agencies – collecting data on regular basis (U.S.A., Germany, Scandinavia)
- **Reliability** – official data vs. reality – „adjusted reporting“ (who collected the data? – purposely misrepresenting?, for what purpose were the data collected, how – methodology, internally consistent and logical?)
- **Comparability** – out of date, different categories –e.g. „supermarket in Japan (2 or 3 storeys, selling clothing, furniture..., having restaurants vs Europe),

Problems, problems, problems...

- Problems with Secondary Data Research:
 - Accuracy of Data
 - Age of data
 - Reliability over Time
 - Comparability of Data
 - Triangulate
 - Functional or Conceptual Equivalence
 - Lumping of Data

Problems with gathering primary data:

- **Sampling** – lack of adequate demographic data and available lists
- **Ability to communicate opinions** and attitudes – ability to recognise the value and usefulness of product and concept
- **Willingness to respond** – (gender, topics...)
- **Multicultural research**- comparability and equivalence
- **Language and comprehension** – equivalent concepts? , literacy rate, PLC...

12 C framework for analysing international markets:

- **Country** (general c. information, basic SLEPT data, impact of env. dimensions)
- **Concentration** (structure of the market segments, geographical spread)
- **Culture/consumer behaviour** (cultural characteristics of the country, diversity of cultural grouping, nature of decision-making, major influences of purchasing behavior)
- **Choices** (analysis of supply, international and external competition, characteristics of competitors, import analysis, competitive strength and weaknesses)
- **Consumption** (demand and end use analysis of economic sectors that use the product, market share by demand sector, growth patterns of sectors, evaluation of the threat of substitute products)
- **Contractual obligations** (business practices, insurance, legal obligations)

- **Commitment** (access to market, trade incentives and barriers, custom tariffs)
- **Channels** (purchasing behavior, capabilities of intermediaries, coverage of distribution costs, physical distribution, infrastructure, size and grade of products purchased)
- **Communication** (promotion, media infrastructure and availability, which marketing approaches are effective, cost of promotion, common selling practices, media information)
- **Capacity to pay** (pricing, extrapolation of pricing to examine trends, culture of pricing, conditions of payment, insurance terms)
- **Currency** (stability, restrictions, exchange controls)
- **Caveats** (factors to beware of)

Other problems...

- **Lack of qualified researchers and interviewers**
 - **Postal system and telephone system are unreliable and rate of literacy is rather low. These make mail survey and telephone survey, respectively, difficult.**
 - **There is high crime rates. Respondents are often reluctant to allow interviewers to conduct in-home interview.**
- **Secondary data**
 - **is nonexistent, unreliable or too expensive to obtain.**
 - **Rate of change is high and fast; data quickly becomes outdated**
 - **Survey research suffers from sampling problems including non-availability of reliable sampling frames; respondents' unfamiliarity with research and lack of trust in the interviewers resulting in refusals or less than truthful responses.**