Global Marketing Studies

Laurent Dorey

Global Marketing Studies

✓ Programme :

▪ Specificities of International Studies

▪ Cross-Cultural Equivalence Categories

▪ Workshop - Practical Case

Specificities of International Studies

✓ Spécificités des Études Marketing Internationales:

1) Environment	**Product-market / country situations**		
	Emerging Countries	**Newly Indus-trialized Countries**	**Industrialized Countries**
➢ life cycle	• Introduction • Growth	• Growth • Maturity	• Maturity • Innovation
➢ tariff barriers	• Strong	• Medium	• Low
➢ non-tariff barriers	• Strong	• Medium	• Medium
➢ political risk	• Med./Strong	• Medium	• Low
➢ legal risk	• Strong	• Med./Strong	• Medium
➢ cultural risk	• Very Strong	• Strong	• Medium
➢ marketing infrastructures (distribution, transport, consumption, media, studies …)	• Low	• Medium	• Saturation

Specificities of International Studies

✓ Spécificités des Études Marketing Internationales:

	Product-market / country situations		
2) Demand	**Emerging Countries**	**Newly Indus-trialized Countries**	**Industrialized Countries**
➤ B to C markets	• Embryonic	• Growth	• Saturation
➤ B to B markets	• Introduction • Growth	• Growth	• Maturity • Innovation

Specificities of International Studies

✓ Spécificités des Études Marketing Internationales:

3) Competition	Product-market / country situations		
	Emerging Countries	**Newly Indus-trialized Countries**	**Industrialized Countries**
➤ local competition	• Low	• Increasing	• Exacerbated
➤ international competition	• Increasing	• Strong	• Strong

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Specificities of International Studies

✓ Spécificités des Études Marketing Internationales:

4) Marketing studies	Product-market / country situations		
	Emerging Countries	**Newly Industrialized Countries**	**Industrialized Countries**
• study infrastructures (sources, data, local institutes, etc.)	• Embryonic	• Medium/ Strong	• Saturation
• main purpose of studies	• Feasibility	• Profitability	• Segmenta-tion
• sources of secondary information	• Relative shortage	• Strong growth	• Overabun-dance
• need for primary information	• Very strong	• Very strong	• Strong
• reliability of information	• Difficult	• Medium	• Strong
• need for methodological adaptations	• Very strong	• Medium	• Low

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Specificities of International Studies

✓ Classical International Marketing Studies:

▪ **Criteria** to be taken **into account** when **choosing** a **host country**

1. General **economic** criteria

   ➢ **Gross National Product**/Gross Domestic Production/National Income/Infla-tion
   ➢ **Unemployment** level: declared/real
   ➢ **Income**/inhabitant, private consumption/inhabitant
   ➢ **Growth rate** and evolution of large aggregates

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2. **Balance** of **payments** criteria

➢ **Evolution** of the **main items** and **balances** of the balance of **payments** during the **last years** and the **recent period**
➢ **Dependence** of the country on certain **export earnings**
➢ **Exchange rate**: perspectives
➢ Existence of **exchange control**/convertible currency
➢ Level of **official resources**

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3. **Political risk** criteria

➢ **Ethnic** divisions
➢ Presence of large **foreign population**
➢ **Linguistic**, religious divisions
➢ Differences in **standard** of **living** within the population
➢ Type of **political regime** (dictatorship, democracy, elections, etc.)
➢ Number of **coups** and **revolutions** in the **past**

Specificities of International Studies

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4. **Standard** of **living** criteria

➢ **Income**/inhabitant, Gross National Product/inhabitant
➢ **Number** of cars, telephones, television sets, radios, household appliance appliances/1,000 inhabitants
➢ **Automotive** network
➢ Private **consumption**/inhabitant
➢ Existence of a **Social Security** system

Specificities of International Studies

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5. **Cost** criteria

➢ Cost and availability of **energy sources** (e.g. industrial fuel, gas, electricity, other available energies)
➢ Cost of **major supplies**
➢ Cost of **land**, construction
➢ Level of **tariffs**, **non-tariff** barriers (NTBs)
➢ Cost and **availability** of essential **industrial products** (e.g. cement, steel)
➢ Cost of an **expatriate** in the country

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6. **Social** criteria

   ➢ Cost of **labor** (hours/certain level of qualification)
   ➢ Level of **social charges** and social **protection**
   ➢ **Unionization**, existence of "Union Shop" or "Closed Shop" clauses
   ➢ Attitude to **work** (stability in employment, behavior in front of hierarchy ...)
   ➢ **Productivity**/General level of qualification

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7. **Tax** and **legal** criteria

➢ Corporate **income tax**
➢ **Indirect** taxes
➢ **Regulations** on Repatriation Dividends, Interest, License Fees
➢ **Non-tariff** barriers
➢ Foreign **Investment Regulation**
➢ Obligation of a **local partner** and/or a minimum percentage of local participation or maximum participation of foreign capital
➢ Local **Law Orientations** (Common Law, Code Law, Islamic Law ...) and **attitude jurisdictions** facing disputes foreign legal persons involved

Specificities of International Studies

✓ Limitations:

▪ Market research **techniques** do **not always apply** directly **because** of a **lack** of local **market research infrastructure**, and because of **local respondents** and their **response style**

   ➢ How then **compare** between **national markets**?

Cross-Cultural Equivalence Categories

✓ Cross-Cultural Equivalence Categories:

▪ **Conceptual** Equivalence

▪ **Functional** Equivalence

▪ **Translation** Equivalence

▪ Equivalence of **Measure**

▪ **Sample** Equivalence

▪ Equivalence of **Data Collection**

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Cross-Cultural Equivalence Categories

✓ Cross-Cultural Equivalence Categories:

■ e.g. **Beauty**, cleanliness, hair, household...

  ➤ One part is **universal** (ETIC), the other is linked to a **context** (EMIC)
  ➤ Problems of **conceptual equivalence** can appear during **translations**
  ➤ "**Decentering**" may be **necessary** (= modify the source instrument)

■ Product **functions**

  ➤ **Some** functions only become **useful** in the product/**final concept**

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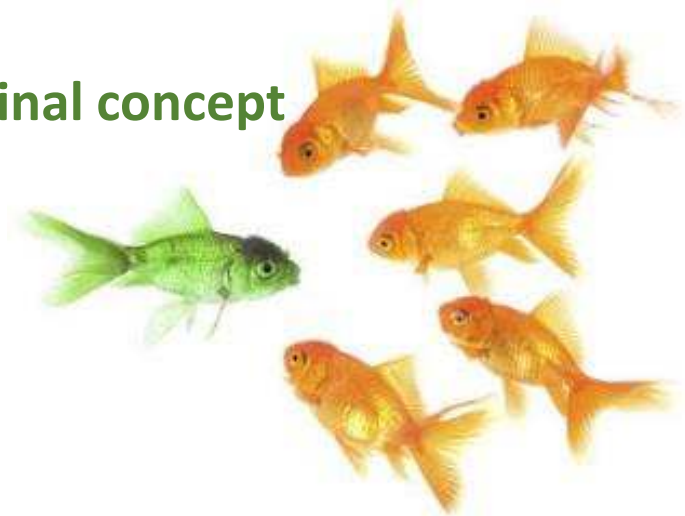
Cross-Cultural Equivalence Categories

✓ Translation Equivalence:

- **Back-translation**: technique for discovering meaning as well as verifying translation

- **Parallel** translation blind

- **Lexical equivalence** is most often sought exclusively

- **Experiential equivalence** is important because related key aspects market research

- **Semantic** fields overlap for key concepts
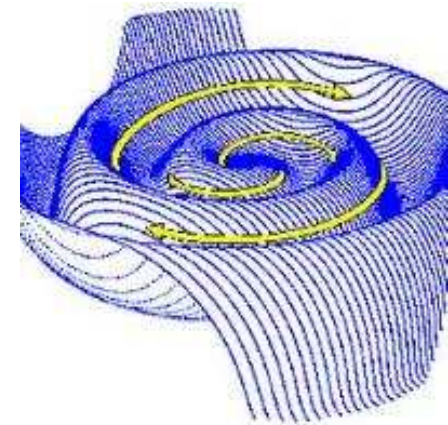
Cross-Cultural Equivalence Categories

✓ Translation Equivalence:

Technique	Direct Translation	Back-translation	Parallel Translation	Mixed Techniques
Process	S →T	S → T ; T → S' comparison S and S ' final version Tf	S → T; S → T' comparison T and T ' final version Tf	S → T; S → T' T → S'; T' → S" comparison S 'and S "; possibly decentering of S; final version Tf
Advantages	Easy to implement	Ensures the discovery of most problems of meaning	Easy to implement in country S with T translators	Ensures the best equivalence between Source S and Target T versions
Disadvan-tages/Cons-traints	Leads to translation errors and offsets between S and T	Require the presence of two translators, one "native" in S language, the other "native" in T language	Leads to good wording in T, but do not know that a given meaning in S is really T	Costly to implement; Difficult to find competent translators. Implies that we are ready to change the source version (original) of the questionnaire

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Cross-Cultural Equivalence Categories

✓ Equivalence of Answer Styles:

- **Mean scores** and gaps are skewed

- **Median response style**: In response scales, people tend to res-

  pond by averaging (reducing the variance)

- **Extreme response style**: People tend to exaggerate responses
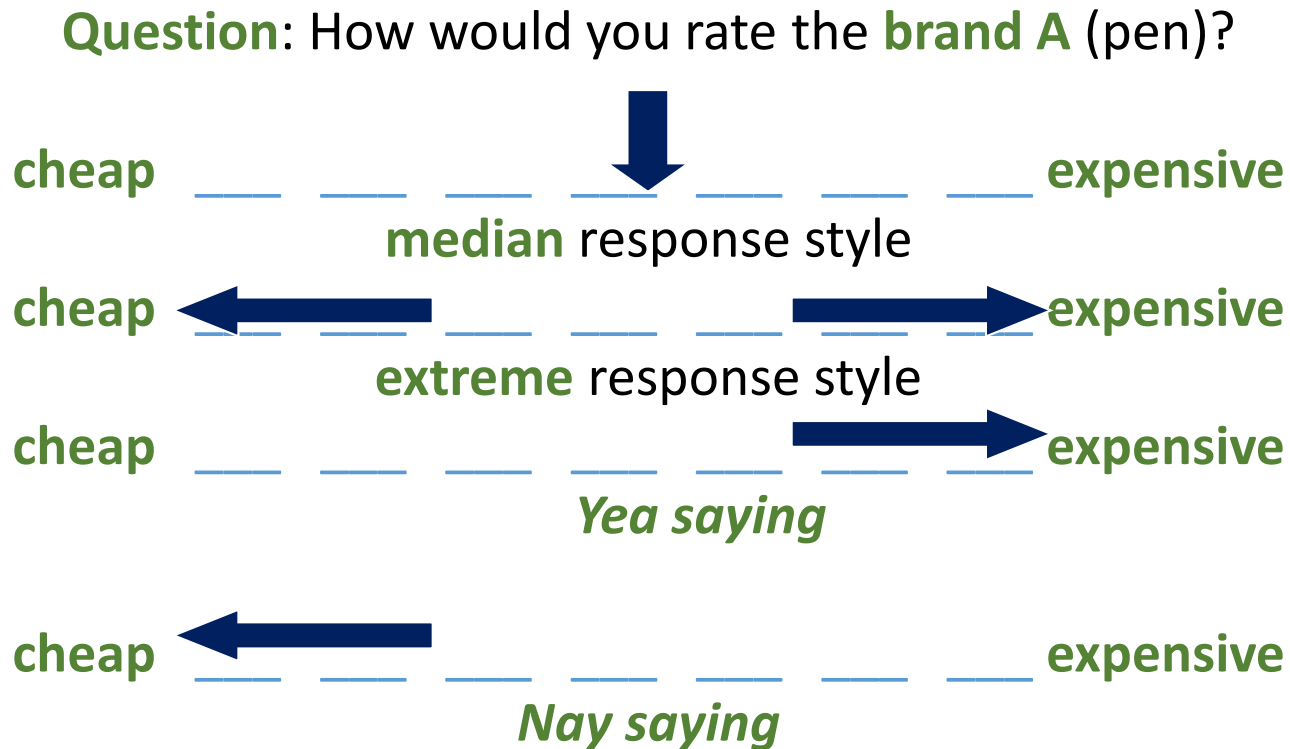
  (the variance is artificially increased)

Cross-Cultural Equivalence Categories

✓ Equivalence of Answer Styles:

- **Yea-saying model**: people always respond with a positive res-

  ponse (mean score biased positively)

- **Nay-saying model**: people tend to respond negatively (mean

  score biased negatively)

Cross-Cultural Equivalence Categories

✓ Example of a Response Scale to a Market Research Questionnaire:

Question: How would you rate the **brand A** (pen)?

cheap ___ ___ ___ ___ ___ ___ ___ expensive

median response style

cheap ←___ ___ ___ ___ ___ ___ ___→ expensive

extreme response style

cheap ___ ___ ___ ___ ___ ___ ___→ expensive

Yea saying

cheap ←___ ___ ___ ___ ___ ___ ___ expensive

Nay saying

Workshop - Practical Case

✓ Find out what are the « best intercultural failures » of the following companies:

Umbro

UPS

Nike

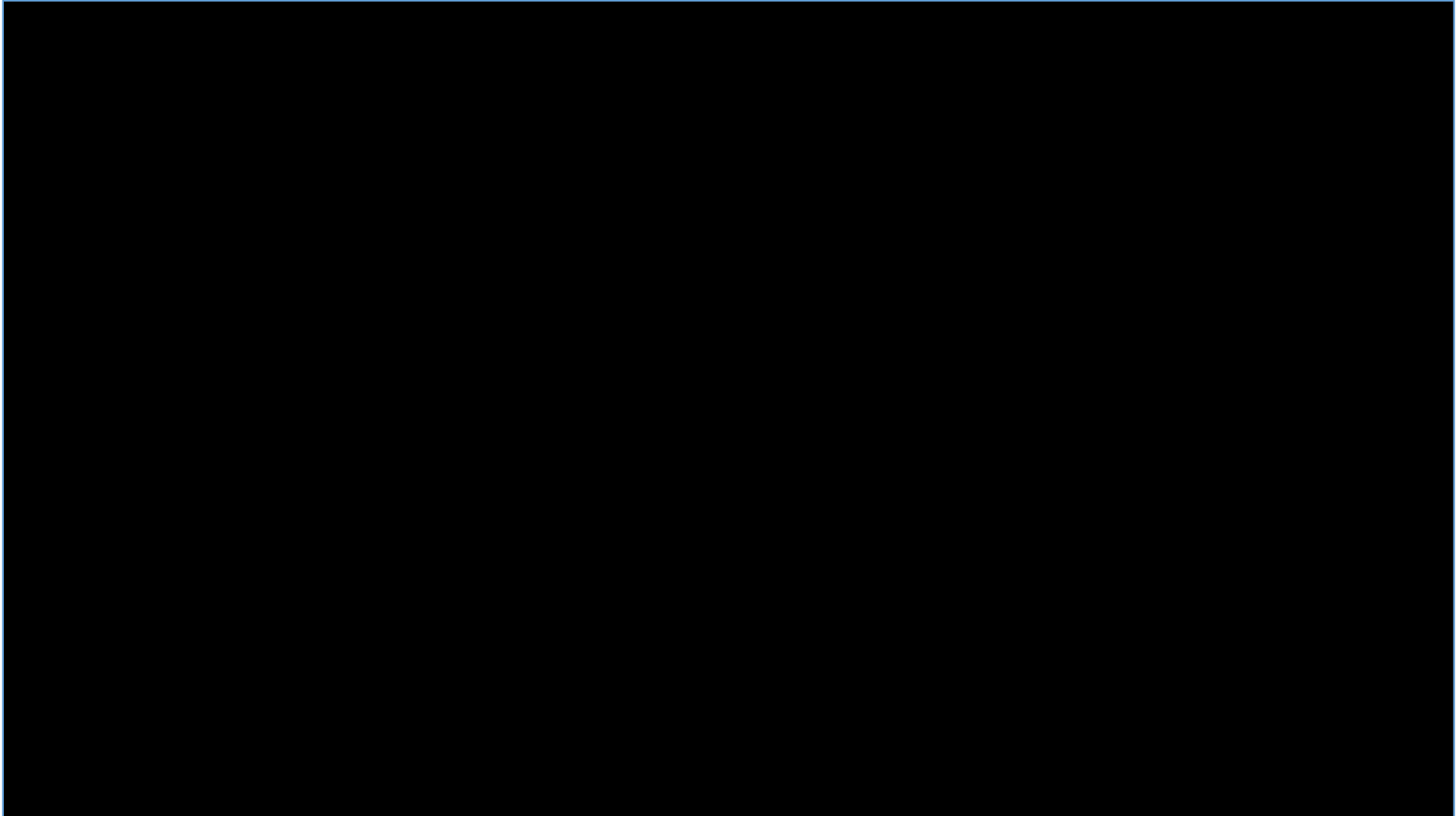Starbucks

Unilever

Honda

Mc Donald's

Puma

Pringles

Dolce Gabbana

Groupon

Coca-Cola

Pepsi

Procter & Gamble

Heineken

- **3x3** then Short **Verbal** presentation

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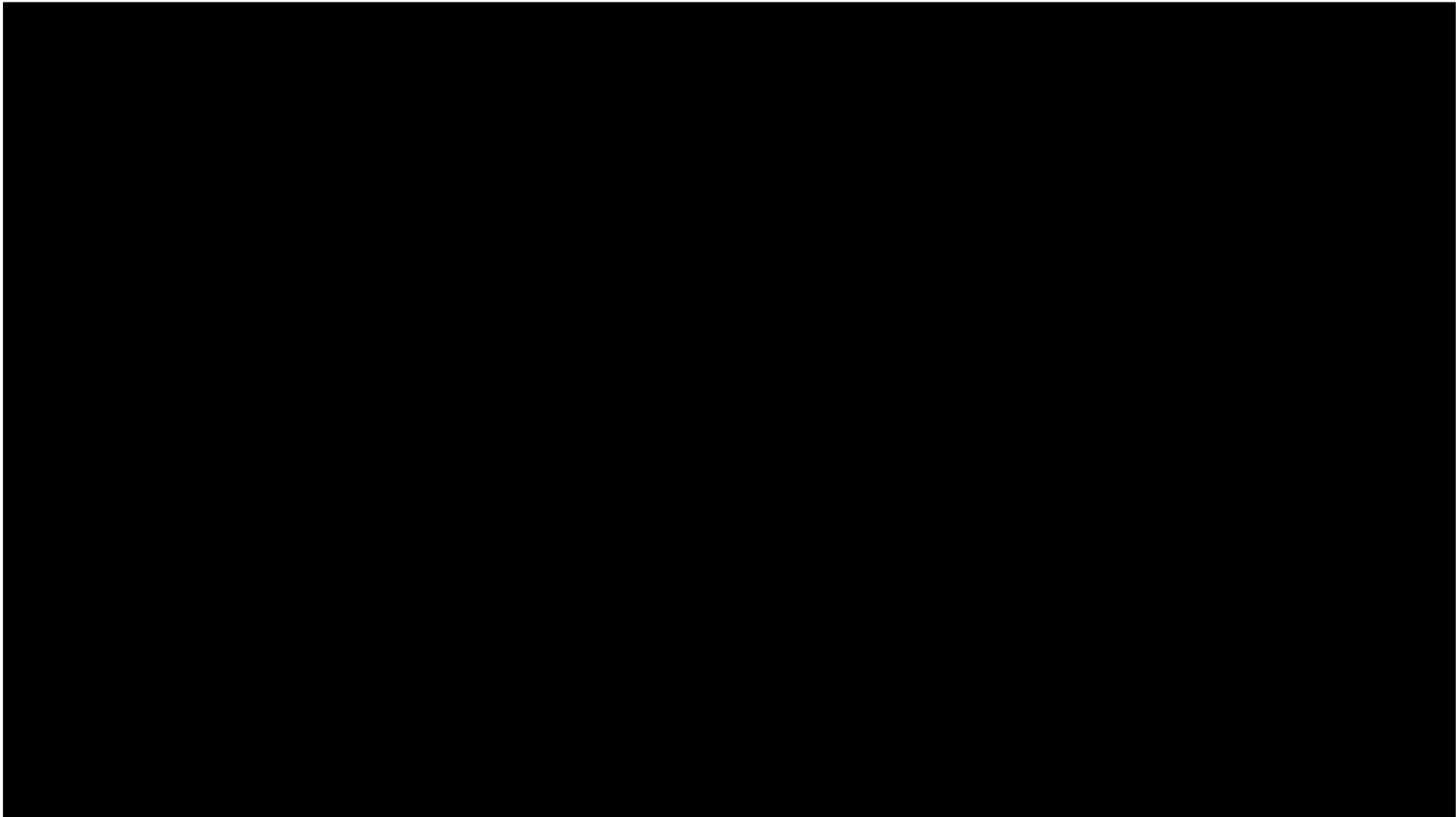ÉCOLE DE COMMERCE EUROPÉENNE

Cross-Cultural Equivalence Categories

✓ Les 7 plus gros ÉCHECS commerciaux d'APPLE :

Cross-Cultural Equivalence Categories

✓ Top 10 des PRODUITS RATÉS de McDonald's !

The end