

Discussion questions



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Discussion Questions The competitive environment is often overlooked as a component of marketing research. In what way does knowledge of the competitive environment contribute to a more complete understanding of multinational and global market research?

The competitive environment is a very important component of marketing research because it is concerned with “ all factors that impact a company’s livelihood” (Competitive Intelligence, 2006). Gaining this information in which the company is operating or proposes to operate is known as competitive intelligence. This includes, but is not limited to, knowledge of the activities of competitors such as their sales and marketing strategies, price points, research and development, patents, mergers and acquisitions, hirings and firings, and so on. Besides this knowledge of what other competing companies are doing, it also includes knowing for example, relevant regulatory legislation such as deregulation and pollution standards, and awareness of new markets, emerging technologies, new competitors and public opinion etc.

Knowledge of all the above-mentioned factors that impinge on the competitive environment contributes to a more complete understanding of multinational and global market research by providing the company already present or wishing to engage in this environment a profound insight into everything that can directly affect it. For example, legislation on safety standards would make it necessary for the company to conform to them; taking advantage of new technologies could help to improve the manufacture and assembly processes, communication systems, marketing and distribution networks etc. And, scarcity in the availability of raw materials could mean that the company would have to make alternative

arrangements or seek new supply channels.

2. Discuss how the inclusion of customer differentiation and measuring customer satisfaction contribute to a comprehensive knowledge of multinational and global marketing fundamentals.

Marketing fundamentals dictate that market knowledge should be used to increase sales but existing or returning customers help to perpetuate sales. So, in a highly competitive and especially shrinking market, customer satisfaction becomes all the more important. It is usually easier to try and keep current customers by keeping them satisfied than it is to seek out potential new customers. "Competitors that are prospering in the new global economy recognize that measuring customer satisfaction is key." (Cacioppo, 2000) This way they can not only hold on to existing customers but also learn better to attract new ones. In the mobile phone industry for example, customers are normally subscribed to one cellular network. However, it is a very competitive market and therefore very easy for a customer to change to another network. Therefore, strategies to keep existing customers satisfied are very important if not critical. This requires a way to quantify, measure and track customer satisfaction", which is the fundamental purpose of market research.

Central to keeping customers satisfied is knowing how to differentiate between them. That is, being able to identify some shared characteristics in groups of customers so that they can be better targeted. Thus, categorizing helps to improve the marketing focus. "Customer differentiation is one of the core components of one-to-one marketing, it is a systemized approach of analyzing your customers, so you [know their needs and preferences better and] can determine which customers represent opportunities for increased

sales” (Cowman, 2000) and how best to approach them. Differentiation could be on the basis of age, gender, culture, tastes, education etc. In Pakistan for example, Pathans are known to be more conservative so require a more persuasive promotional approach, whereas many Punjabis are receptive to the typical western marketing approach that emphasizes quality and status (Khan, 2004).

3. The notion of “ risk” versus “ RISC” (research, involvement and investigation, strategy, and control) is an essential part of multinational and global marketing research. How might components of global marketing research be applied to risk and RISC characteristics?

There is an inherent risk in market research in that the information acquired must be relevant for it to be useful. “ A good rule of thumb for all marketers is never to rely on one source for making definitive statements about a market.” (KnowThis. com) RISC is a thorough process that links research to more effective control of the market through involvement and investigation, and devising an appropriate strategy. Components of global marketing research can be applied to manage or reduce risks facing the company and by implementing the RISC process. One of the ways of reducing risk and enhancing RISC is through greater cooperation with other players in the competitive environment, for example by forming a consortium to engage in R&D for mutual benefit. This is known as ‘ strategic partnering’, which is making market research nowadays become more of a team effort.

References

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