

# The centralized verses decentralized market research



**ASSIGN  
BUSTER**

This report is to discuss about the factors involved in the decision if the market research for an international business should be centralized or decentralized. For a well structured marketing strategy, marketing research stands as back bone to it in analyzing the strength, threats, opportunities and weakness of the company in the market. This globe as market is diversified and people are dividing on the bases of many critics to reach the customer in a prospective manner each market has to be considered as separate and required strategy is to be developed.

Developing a marketing strategy is the building block of any business, to build a successful business its strategy decides many of its activate . marketing research is the base of the marketing strategy. Understanding about the market where the company is intending to carry on business has to be analyzed and understood in order to do the required steps in attracting the target customers. Marketing research is one of the many other components of marketing, it can be simple or complex by conducting market research unnecessary loses can be avoided. By doing market research it's intended to explain many reasons of the companies strategic who are not involved in the research process. Marketing research findings should be presented in the needs of different customers with in company. Because there are many different customers of research findings with different degrees of technical and cultural experts and it is always necessary to prepare both written, oral briefings.

The purpose of the marketing research report is to explain to those who did not participate in the research exactly what problem was studied. Research world stimulates challenging debate on the role of marketing. Its brings you <https://assignbuster.com/the-centralized-verses-decentralized-market-research/>

the latest development's, research tools, technology and applications to support effective decision making and provokes discussion and debate on controversial issues. The research should make a case for using the results of the report. The report should also be easy to understand an extremely detailed and precise report is not best under all circumstances . its need different degrees of detail in information, high-level managers shy away from long reports . they prefer short summaries of the most important facts backed by verbal and visual presentations.

Data collected in general for market research are called as primary data and secondary data. Secondary data is the data which is already available; ready to use i. e. data is collected and is up-to-date which can be used in this instant to make use in building the market strategy. This kind of data is not much available in non developed countries. Secondary data can only be used for countries where in people conduct research constantly and keep updated with the updated result which is impossible in non developed countries as they are not economical and technological strong . And if they have a data also its reliability is also a question. Time constant is also an effecting factor.

When this Secondary data is not available then there primary data is collected. Primary data is the data which is collect sole for this purpose. There is a step by step process involved in collection of primary data which is explained below:

Defining problems related to marketing and opportunities: in this stage the problem on which the research is to be conducted is figured out. A question

is formed basing on which the whole process of market research is continued.

Setting objective, budget, and timetable: next stage is to decide the objectives of the research, extending the research question a bit further and deciding on how the research is to be conducted. Decisions regarding the expenditure and time constants are deceived to maximize the feasibility of research. The format of the research is decided in this stage if the research would be qualitative or quantitative. Qualitative research is where data is collected from specimens of the market segment. Data collected is only from limited number of sources. Quantitative data is collected from the market on the whole. The research depends on the quantity. Both kinds of data have their own advantage and disadvantage impacting on the market research. Professional research market firm to conduct market research.

Market research conducted can be either centralized or decentralized research as the name subjects about them they are about market research which can be worldwide or depending up on the region.

Centralized market research: Companies which are highly centralized they tend to adopt centralized market research. In a centralized market research research tend to think whole world as a single undivided market. This idea about market is not always possible for all the product or market. Highly centralized research services are managed and operated by a team of professionals with backgrounds and experience in the medical device development industry for example are integral part of business units based on categories, fabric, hospital, its provides each business unit with specific

consumer and market knowledge. The team members have significant experience in the design, management and operation of clinical trials and projects with industry leading developers and contract service providers as every development. Centralized research dedicated project staff to ensure attention detail as well as the flexibility to accommodate rapid, complex project developments.

Decentralized market research:

The kind of market research where in the research is conducted not on the global bases i. e. the research is not worldwide but the world is divided as different market basing on culture, political , economical, etc. factors which influences the peoples think and consuming behavior. For a small forms which are budding in the international market should always think about globalizing the business by expanding to different regions or nations o a step by step process this will help in understanding the market and improving the strategies as it is said “ slow and study wins the raise”.

Decentralization has three benefits

(a)its encourages motivation and creativity : As a particular market is consider at a time management is motivated and their creativity as play will to improve the outcome and supports the products success

(b) it allows many minds to work simultaneously on the same problem: To entry in a foreign market is not an easy job there are lot of hard to come in the way by doing decentralized market research many minds can thing about solving them one at a time where as when considered about

centralized research the target market is really big and the problem raised are also different so which will become a drawback

(c) Potential for greater control over the implementation of research: the implementation of research which is very important for the outcome will be very much possible by decentralized market research.

(d) It accommodates flexibility and individualization: Market research as discussed is conducted to understand the market so by decentralized market research the process is flexible and it's individually is also consistent. The importance of these benefits varies greatly, but they are often especially important in certain industries and business functions. Decentralized market research has many positive aspects over centralized market research.

Decision between centralized and decentralized market research depends on the number of countries in which the company is doing business. There are various issues which are in part of the marketing strategy which are to be considered when the company enters in more than one country. The issues which affect are culture, political etc. When the company is in to different countries where the people is from different cultural background their buying behaviors also are very different. When centralized market research is conducted the world is considered to be one and the approach is also similar which will not yield profit for the company. So centralized market approach will not be a positive tactic for multicultural country business. Whereas by decentralized market approach each market is considered separately which means the strategy is different required different country. Standardization can be obtained by centralized approach which is not always a good idea as product may lose interest by consumers for example in McDonald had to <https://assignbuster.com/the-centralized-verses-decentralized-market-research/>

face protest due to bacon and beef usage in their product which is not eat by different categories of people there later on they change their menu as per the people interest.

In market research data collect is one of the main step in which on a centralized approach has to be done only in a single language in general English is consider to be globally accepted language but which is not 100% true to accept. It's sure that it's widely used language but in many countries it's not understood by many people. If questionnaires are in the langue which people cannot understand the possibility of the research is at risk. To avoid this confession the respect languages of the region should use as a media to conduct the research which means decentralized market research.

Centralized verses Decentralized market research:

In general market research is conducted depending up on the above factors, efficiency of the market research depend on the approach. Centralized market research can only be conducted when the research is conducted in more the two countries, it has many advantage added to it they are as follows:

Reduces the time to communicate with the domestic market and avoided the duplication of the research process for each individual market. It has a standardized approach which is easy to review and to update. Easy to supervise the work so quality of work is guaranteed. Brand building and brand equity can be achieved. Standardization as whole will affect the marketing mix of the product which mean that it is going to effect the

consumer as will because for example prices of coffee in UK is same as in Sri Lanka there are very best chance of people buying the product.

Decentralized approached also added on many advantage to the market research of the company as the target market is small then more concentration can be given to them and quick response to the change in the market can be done. One of the many other important advantage of decentralized market approach is that it understand and considers the cultural and local customer of the target market which is very sensitive and critical . to conduct decentralized market research the company should based itself in to the host country that means it gets chance to communicate with the people directly which is very important for the success of the business which is advantage over centralized market research.

From the above discussion about market research, centralized and decentralized market research its very much clear that the marketing strategy of an international company depends on many criteria's like number of countries in operation, cultural differences, language differences, economical and political differences etc. Its evident from the above discussion for a clear understand about the market and consume behavior decentralized market research is to be followed for countries with cultural similarity else go for centralized market research.