

### What is Electronic data exchange(EDI)?

Allows a company's business units to submit orders, issue invoices, and conduct business electronically with other company units as well as outside companies.

### What is Efficient consumer response (ECR)?

Joint initiative by members of a supply chain to work toward improving and optimizing aspects of the supply chain to benefit customers

### What is Customer relation management?

A new business model that helps companies collect, store, and analyze customer data

### What is Sales force automation?

A software system that automates routine aspects of sale and marketing functions such as lead assignment, contact follow-up, and opportunity reporting.

### What is Surveillance mode?

The marketer engages in informal information gathering.

### What is Search Mode?

Characterized by more formal activity. It involves the deliberate seeking out of specific information.

### What is Information overload?

It occurs when executives and other company personnel cannot effectively assimilate all the information available to them.

### What is Market Research?

Project-specific, systematic gathering of data in the search scanning mode. "The activity that links the consumer, customer, and public to the marketer through information"

### What is Global Market Research?

Market research activity carried out on a global scale.

### What are the four factors additionally needed in International Market Research?

- ① Researchers must be prepared for new parameters of doing business.
- ② "Cultural megashock" may occur as company personnel come to grips with a new set of culture-based assumptions about conducting business.
- ③ A company entering more than one new geographic market faces a burgeoning network of interacting factors; research may help prevent psychological overload.
- ④ Company researchers may have to broaden the definition of competitors in international markets to include competitive pressures that would not be present in the domestic market.

### What are the 6 steps of global marketing research?

- Step 1. Identify the Information Requirement
- Step 2. Problem Definition - Overcoming the SRC
- Step 3. Choose Unit of Analysis
- Step 4. Examine Data Availability
- Step 5. Assess Value of Research
- Step 6. Research Design

### What are advantages of SRC approach?

- ① It can enhance management's willingness to conduct market research in first place

- ② An awareness of SRC can help ensure that the research effort is designed with minimal home-country bias.
- ③ It can enhance management's receptiveness to accepting research findings--even if they contradict "tried and true" marketing experience in the home country.

### What is Primary data?

Gathered through original research pertaining to the particular problem.

### What is Secondary data? What is advantage and sources?

Data collected for some purpose other than the problem at hand

Advantage : Rapid and easy, Low cost, Short time. Sometimes they have the answer.

Classification: Internal Secondary data / External Secondary data {Published source(General business data; Nongovernmental Statistical Data; Census Data); Syndicated Source}

### What is Qualitative research? What is adv/disadvantage and sources?

An unstructured, exploratory research methodology based on small samples that provides insights and understanding of the problem setting.

Types : Focus group, Online Focus Group, In-Depth Interviews, Projective Techniques

Small sample size.

Adv : Insight, snowball effect, creative ideas.

Disadv : Very subjective, groups can be polarized.

### What is Quantative research?

Quantative research : A research methodology that seeks to quantify the data and typically applies some form of statistical analysis.

Types : Survey{ Telephone; CATI; CAPI; .. }

Large sample size is important. (To decrease the error; increases accuracy)

### What is the guidelines of collecting data?

- ① Use multiple indicators rather than a single measure
- ② Individual companies should develop customized indicators specific to the industry, product market, or business model.
- ③ Always conduct comparative assessments in multiple markets
- ④ Observation of purchasing patterns and other behavior should be weighted more heavily than reports or opinion regarding purchase intention or price sensitivity.

### What is Existing market?

Customer needs are already being served by one or more companies.

### What is Potential market

No existing market to research

### What are types of Potential Market?

- (1) Latent market : An undiscovered segment. It is a market in which demand would materialize "if" an appropriate product were available.
- (2) Incipient market : Market that will emerge if a particular economic, demographic, political, or sociocultural trend continues.

### What is Survey research?

It utilizes questionnaires designed to elicit either quantitative data, qualitative data, or both.

### What is Back translation?

After a questionnaire or survey instrument is translated into a particular target language, it is translated once again into the original by a different translator. (역 번역)

### What is Parallel translation

Two versions by different translators can be used as input to the back translation

### What is Scalar equivalence?

Two respondents in different countries with the same value for a given variable receive equivalent scores on the same survey item

### What is Scalar bias?

Substantial differences in the way people use scales, and research data based on scales such as rating product usefulness on a scale of 1 to 10 is therefore frequently, cluttered with biased disguising the truth.

### How do you fix scalar bias?

- ① Simply label them in Likert scale {strongly agree / strongly disagree}
- ② Transformation into real behavior. ex) How often do you...
- ③ Ask for them to rank in order
- ④ Analyze in a comparable Question[?]

### What is Sample? What is the relationship between sample and error?

A selected subset of a population that is representative of the entire population.  
"Larger the sample, Less the error!"

### What is Probability samples?

Generated by following statistical rules that ensure that each member of the population under study has an equal chance(probability) of being included in the sample.

### What are Types of Probability sampling?

Simple Random Sampling  
Cluster Sampling  
Systematic Sampling, Stratified Sampling

### What are Nonprobability samples?

Result cannot be projected with statistical reliability.

### What are Types of Nonprobability sampling?

- ① Convenience sample
- ② Snowball sampling
- ③ Judgmental sampling
- ④ Quota sample

### What is Factor analysis?

Used to transform large amounts of data into manageable units

### What is Cluster analysis?

Allows the researcher to group variables into clusters that maximize within-group similarities and between-group differences.

### What is Conjoint analysis ?

Tool to use gain insights into the combination of features that will be most attractive to consumers; Features affect both perception and preferences.

### What is Time-series Displacement?

An analogy technique based on the assumption that an analogy between markets exists in different time periods

### What is Emic analysis?

It is similar to ethnography in that it attempts to study a culture from within, using its own system of meanings and values. (기능적 관점?)

### What is Etic Analysis?

"from the outside"; It is more detached perspective that is often used in comparative or multicountry studies. (비기능적 관점?)

### How MR can be performed in ethnocentric/polycentric/geocentric businesses?

- (1) Ethnocentric  
Organization HQ is with MR home.  
Performing marketing research in other country is unnecessary.  
Centralized organization.
- (2) Polycentric  
Each organization have their own MR.  
Like Org1, Org2, Mr1, Mr2...  
Decentralized organization.
- (3) Geocentric  
There is organization HQ and MR home. Also each of the organization(org1, org2, ..) has their own MR(MR1, MR2, ..)  
The reason of why many MR exists is to keep concentrated the local needs and wants.  
Integrated organization.

### What is Global market segmentation?

Process of identifying specific segments whether they be country groups or individual consumer groups of potential customers with homogeneous attributes who are likely to exhibit similar responses to a company's marketing mix

### What are Demographic Segmentation factors?

Such as income, population, age distribution, gender, education, and occupation.

### What is Global teens?

Young people between the ages of 12 and 19.

### What is Global elite?

Affluent consumers who are well traveled and have the money to spend on prestigious products with an image of exclusivity.

### What is the Psychographic Segmentation factors?

attitudes, values, and lifestyles

### How can customer be segmented in terms of their behavior?

usage rates = {heavy, medium, light, non-user}

user status = {potential users, non-users, ex-users, regulars, first-timers, users of competitors' products}

### What is 80/20 rule?

Law of disproportionality. 80% of a company's revenues or profits are accounted for by 20% of a firm's products or customers.

### What is Needs-based Market Segmentation? What types of segment exist in the segmentation? Explain.

Segmentation based on Wants and Needs

Types of segment

- ① Homogeneous : All players are concentrated. Everybody want the same thing. Consumers are tightly clustered. No additional segmentation is needed.
- ② Diffused : Wants and needs are spread. In this case, best approach will be just position on the "middle".
- ③ Clustered : There are clusters! (The segment will be popped out.)

### What are the Segmentation common variables used in Segment Identification?

- ① Economics.
- ② Demographics
- ③ Values
- ④ Ethnicity
- ⑤ Peer groups
- ⑥ Lifestyle
- ⑦ Benefits
- ⑧ Usage

### Explain Points of Difference (PODs).

Consumers associate with brands, how will you differentiate yourself from competitors?

Core and central idea of the product.

⇒ "strong, favorable, unique"

### Explain Points of Parity(POPs).

Not necessarily "unique". (it may be shared among competitors)

Category membership. "I also belong to this category"

### Whar is Standardized Global Marketing

Analogous to mass marketing in a single country. Creating the same marketing mix for a broad mass market of potential buyers. Known as "undifferentiated target marketing"

### What is Concentrated Global Marketing

Devising a marketing mix to reach niche. Used to identify segment that exist in many places.

### What is Differentiated Global Marketing

Represents a more ambitious approach than concentrated target marketing. Known as "multisegment targeting".

### What is Positioning

The act of differentiating a brand in customers' minds over and against competitors in terms of attributes and benefits that the brand does and does not offer.

### What are the types of positioning factors?

- (1) Attribute or Benefit
- (2) Quality and Price
- (3) Use or User
- (4) Competitor

- (5) Global, Foreign, and Local Consumer Culture Positioning

### What is High-tech product?

Sophisticated, technologically complex, and/or difficult to explain or understand.

### What is High-touch product?

Consumers are generally energized by emotional motives rather than rational ones.

### How can the national policies of export and import be summarized?

Government encourages export and discourages import

### What do Governments commonly use activities to support export activities of national firms?

- ① Tax incentives treat earnings from export activities preferentially either by applying a lower rate to earning from these activities or by refunding taxes already paid on income associated with expoting.
- ② Provide outright subsidies, which are direct or indirect financial contributions that benefit producers.
- ③ Governmental Assistance to exporters.

### What is 3R?

3R - The ways of how government restricts import: Rules, rate schedules(duties), and regulations of individual countries.

### What is Tariff?

A tax on foreign goods. When a ship arrives in port a customs officer inspects the contents and charges a tax according to the tariff formula.

### What is Duties?

Taxes that punish individuals for making choices of which their governments disapprove.

### What is Harmonized Tariff System(HTS)?

Importers and exporters have to determine the correct classification number for given product or service that will cross borders.

### What is Nontariff trade barrier?

Any measure other than a tariff that is deterrent or obstacle to the sale of products in a foreign market. Also known as "hidden trade barrier".

### What are the types of Nontariff trade barrier? Explain.

- ① Quota : A government-imposed limit or restriction on the number of units or the total value of a particular product or product category that can be imported.
- ② Discriminatory procurement policies : The form of government rules and administrative regulations specifying that local vendors or suppliers receive priority consideration.
- ③ Customs procedures : It is considered restrictive if they are administered in a way that makes compliance difficult and expensive.
- ④ Discriminatory exchange rate policies : It distort trade in much the same way as selective import duties and export subsidies.
- ⑤ Restrictive administrative and technical regulation : It create barriers to trade. These may take the form of antidumping regulations, size regulations, and safety and health regulations.

### What are the four countries of the Non-NTR country?

North Korea, Iran, Cuba, Libya

### What are the three exceptions of allowing preferential tariff?

- ① Historical preference arrangements such as the British Commonwealth preferences and similar arrangements that existed before GATT.
- ② Preference schemes that are part of a formal economic integration treaty, such as FTA or common market, are excluded.
- ③ Industrial countries are permitted to grant preferential market access to companies based in less-developed countries.

### What is Transaction value?

The actual individual transaction price paid by the buyer to the seller of the goods being valued.

### What is ad valorem duty?

Custom duty on a percentage of the value of goods.

### What is specific duty?

Custom duty on a specific amount of currency per unit of weight, volume, length, or other units of measurement

### What is Dumping?

The sale of merchandise in export markets at unfair prices.

### What is Countervailing duties(CVD)?

Additional duties levied to offset subsidies granted in the exporting country.

### What is Variable import levies?

If prices of imported products would undercut those of domestic products, the effect of these levies would be to raise the price of imported products to the domestic price level.

### What is Temporary surcharges?

Provide additional protection for local industry and in response to balance-of-payments deficits.

### Explain Direct Exporting. Describe the adv/disadvantages.

Penetration into the target market directly.

Useful of testing market. You can expect full revenue.

Disadvantages:

High Risk (require investment)

Potential return

Advantage :

Higher level of control

Control of resource allocation, price, mechanism of information feedback.

More message communication to the customer.

### Explain Indirect Exporting. Describe the adv/disadvantages.

Export with independent intermediaries that is domestic based.

ex) Export merchant, export agent

Advantages :

① Needs of investment decrease.

② Minimum risk. Intermediaries have experiences.

### What is Foreign purchasing agents?

buyer for export, export commission house, export confirming house. They operate on behalf of an overseas customer.

### What is Export broker?

Receives a fee for bringing together the seller and the overseas buyer.

### What is Export merchants?

jobbers. They seek out needs in foreign markets and make purchases in world markets to fill these needs.

### What is Export management company(EMC)?

An independent export firm that acts as the export department for more than one manufacturer.

### What is Manufacturer's export representative?

Combination export management firms. They act as export distributor or as export commission representatives.

### What is Cooperative exporter?

Sometimes called "mother hen", "piggyback exporter", "export vendor". Export organization of a manufacturing company retained by other independent manufacturers to sell their products in some or all foreign markets.

### What is Freight forwarders?

Licensed specialists in traffic operations, customs clearance, and shipping tariffs and schedules.

### What is Outsourcing?

Shifting production jobs or work assignments to another company to cut costs.

### What are the factors which influences Sourcing decision?

- (1) Management Vision
- (2) Factor Costs and Conditions
- (3) Customer Needs
- (4) Logistics
- (5) Country Infrastructure
- (6) Political Factors
- (7) Foreign Exchange Rates

### What is Licensing? What is adv/disadvantages of licensing?

A contractual arrangement whereby one company (the licensor) makes a legally protected asset available to another company (the licensee) in exchange for royalties, license fees, or some other form of compensation.

Adv:

- ① Because the licensee is typically a local business that will produce and market the goods on a local or regional basis, licensing enables companies to circumvent tariffs, quotas, or similar export barriers.
- ② When appropriate, licensees are granted considerable autonomy and are free to adapt the licensed goods to local taste.

Disadv:

- ① Licensing agreement offer limited market control.
- ② Agreement may have a short life if the licensee develops its own know-how and begins to innovate in the licensed product or technology area.

### How to solve the "potential competition"?

Set up some cross licensing

Running up in the road

Providing "needed" in the product (코카콜라의 원액 제공 등) so that the licensee is dependent to licensor.

Best : Constantly innovate, develop so that the licensee continually dependent to you.

### What is Contract manufacturing? What is adv/disadvantages?

It requires a global company to provide technical specifications to a subcontractor or local manufacturer.

Adv:

The licensing firm can specialize in product design and marketing, while transferring responsibility for ownership of manufacturing facilities to contractors and subcontractors.

Limited commitment of financial and managerial resources and quick entry into target countries, especially when the target market is too small to justify significant investment.

Less risky.

Using specialized contractor.

Disadv:

Companies may open themselves to public scrutiny and criticism if workers in contract factories are poorly paid or labor in inhumane circumstances.

Brand equity can be eroded.

### What is Franchising?

A contract between a parent company-franchisor and a franchisee that allows the franchisee to operate a business developed by the franchisor in return for a fee and adherence to franchise-wide policies and practices.

### What is Joint Ventures? What is adv/disadvantages?

An entry strategy for a single target country in which the partners share ownership of a newly created business entity.

Adv:

- ① Sharing of risk. A company can limit its financial risk as well as its exposure to political uncertainty.
- ② A company can use the joint venture experience to learn about a new market environment.
- ③ Joint ventures allow partners to achieve synergy by combining different value chain strengths.
- ④ A joint venture may be the only way to enter a country or region if government bid award practices routinely favor local companies, if import tariffs are high, or if laws prohibit foreign control but permit joint ventures.

Disadv:

- ① Joint venture partners must share rewards as well as risks. A company incurs significant costs associated with control and coordination issues that arise when working with a partner.
- ② Potential for conflict between partners.
- ③ A dynamic joint venture partner can evolve into a stronger competitor. (problem of "termination")
- ④ Hard to split profits.
- ⑤ Hard to do long-term goals.
- ⑥ Cost associated with joint venture.

### What is Green field operations / green field investment?

Start up of new operations

### What are the adv/disadvantages of Direct ownership?

Advantages:

- ① Cost economies(cheaper labor, cheaper materials) which foreign country is providing.
- ② Cost saving which occurs when exporting one country to another country.
- ③ Creating jobs.
- ④ Deep relationships with local suppliers and distributors ⇒ You will know more about the market.
- ⑤ Full control of investment ⇒ You can develop long-term global interest.
- ⑥ Access to the market. ex) domestic content for certain product, ...
- ⑦ Profit potential is high.

Disadvantages:

- ① Risks such as devaluation of currency
- ② Exit barrier : Barrier to flee the market

### What are the 6 Success Factors of GSP?

- ① Mission : Successful GSPs create win-win situations, where participants pursue objectives on the basis of mutual needs or advantage.
- ② Strategy : A company may establish separate GSPs with different partners; strategy must be thought out up front to avoid conflicts.
- ③ Governance : Discussion and consensus must be the norms. Partners must be viewed as equals.
- ④ Culture : Personal chemistry is important, as is the successful development of a shared set of values.
- ⑤ Organization : Innovative structures and designs may be needed to offset the complexity of multicountry management.
- ⑥ Management : GSPs invariably involve a different type of decision making. Potentially divisive issues must be identified in advance and clear, unitary lines of authority established that will result in commitment by all partners.

### What are the problems of alliances with Asian Competitors?

- ① Each partner had a "different dream"
- ② The balance between partners
- ③ "Frictional loss" caused by differences in management philosophy, expectations, and approaches.
- ④ Short-term goals can result in the foreign partner limiting the number of people allocated to the joint venture

### What is Keiretsu?

An interbusiness alliance or enterprise group that "resembles a fighting clan in which business families join together to vie for market share."

### What is Brand equity?

The added value that accrues to a product as a result of a company's prior investments in the marketing of the brand. Positive differential fact.

### What do I actually measure Brand Equity?

- ① "Awareness"
- ② "Attitude"
- ③ "Brand image/thought/belief"

### What is Country-of-origin effect?

Perceptions about and attitudes toward particular countries often extend to products and brands known to originate in those countries. They become part of a brand's image and contribute to brand equity.