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"Exploring market research utilization in emerging markets: The role market research agencies in Vietnam"

Abstract:

Within a general context of economic transition characterized by increased competition, market research utilization (MRU), as a core dimension of market orientation, appears to be a core strategic competence to be grown by local companies. The aim of the research is to explore the determinants of MRU among local companies in an emerging economy such as Vietnam with a particular attention devoted to the role of market research agencies in promoting MRU. The paper first reviews the literature on MRU in emerging markets, covering the definitions of market research, MRU processes and the identification of the antecedents of MRU including the role of market research agencies. The exploratory qualitative study using Grounded Theory methodology and involving MR managers and marketing managers from Vietnamese FMCG companies is then presented. Focusing on determinants of MRU in Vietnam, our results point out the role of technical competence of the MR agency in addition to the role of relationship competence between the company and the agency. We identify the Vietnamese context specificities, compared to that of mature markets, of the attributes and meanings constituting each of these two dimensions. Future research areas point out the need to explore the links between MRU and marketing performance in emerging markets using a quantitative approach.

Key words: Market research utilization, Market research agencies, Vietnam, Emerging markets.

1. Introduction

In less developed countries, local companies account for a significant proportion of national wealth and growth. In Vietnam, the number of local companies is reaching 400,000 that represent 99% of the number of businesses of the country. They employ 77% of the workforce, account for 80% of the retail market and their profits have grown at about 20% each year over the past decade (Tran and Tuong, 2011). As a consequence, local companies in Vietnam receive great attention from the Vietnamese government as well as from non-governmental institutions to stimulate their competitiveness. Organizations such as VCCI (Vietnam Chamber of Commerce and Industry), World Bank, and ADB (Asian Development Bank) have implemented a variety of programs supporting local companies to improve working skills for their employees and business management skills for their leaders.

The Ministry of Trade and Industry and the VCCI in particular are supporting Vietnamese local companies to conduct professional MR (MR) in financing part of the research costs. MR agencies in Vietnam are also encouraged to participate to these initiatives to support local companies and to promote awareness to this target. Among local companies, Fast Moving Consumer Goods (FMCG) companies are the most relevant to MR needs because they usually face markets with short product life cycles, rapid and numerous product innovations and also fierce competition from multinational companies (MNCs).

Until 2007, large FMCG businesses were mostly MNCs that accounted for the largest part of research spending in the country (e.g. the top 10 advertising spenders such as Unilever, P&G, Coca Cola or Pepsi Cola). But since Vietnam joined WTO in 2007, many local FMCG companies have grown and became significant players in their industry, financially boosted by Vietnam's newly open stock markets. Such typical new large local players include Nutifood, Vinamilk, Kinh Do and Masanfood. These companies have grown from small, into medium and then large size, and their MR budgets also grew from nearly nothing to significant amounts, near to that of MNCs in the same category. However, current MR awareness and usage of local companies in FMCG industry remains very low. In the recent survey of FTA Vietnam (Tran and Tuong, 2011) conducted on 200 local FMCG Local companies in Ho Chi Minh city and Hanoi capital, less than 30% have a separate marketing department and none have a functional MR department. Thus it is not surprising that only half of these local companies agree that MR is the tool for understanding target consumers and that only 30% agree that MR should be used to improve current product offers or develop new products. Rather, most local companies focus on sales, on quick and short term responses to perceived market changes based on internal sources, or on the owners' personal and gut feelings.

Within this economic context, developing market research utilization (MRU) in Vietnam appears to be a core strategic competence to be grown by local companies. First, because increased competition from FMCG MNCs requires Vietnamese firms to acquire marketplace information that MNCs usually have and can leverage across geographical markets. Second, because the fast changing demand makes MR information necessary to be in a position to capture new trends. Third, because MRU is considered as a core component of market orientation (Kholi and Jaworksi, 1990) that was precisely lacking Vietnamese companies previously operating in a regulated economy. Therefore, the aim of the

research is to explore the determinants of MRU among local companies in an emerging economy such as Vietnam with a particular attention devoted to the role of MR agencies in promoting MRU.

Our work contributes to MR agencies' business development, especially international ones, in helping them know on what levers they can play to promote market orientation through MR. For international FMCG companies operating in Vietnam, our research contributes to a better understanding of their local competitors' needs in terms of market research services that connect the consumers to marketers by way of information. For international marketing academics, our work sets the need to explore the specificities of emerging economies as far as MRU is concerned, taking Vietnam as a significant country in this underdeveloped research area. Our paper is organized as follows: We will first review the literature on MRU in emerging markets, covering the definitions of MR, of MRU processes and the identification of the antecedents of MRU including the role of MR agencies. We will then present an exploratory qualitative study involving MR managers and marketing managers from Vietnamese FMCG companies. Focusing on determinants of MRU in Vietnam, our results point out the role of technical competence of the MR agency in addition to the role of relationship competence between the company and the agency. We identify the Vietnamese context specificities, compared to that of mature markets, of the attributes and meanings constituting each of these two dimensions. Future research areas point out the need to explore the links between MRU and marketing performance in emerging markets using a quantitative approach.

2. Literature review: MR utilization in emerging economies

MR definition

Malhotra (2002) considers MR as the process that connects the consumers to marketers by way of information. MR is therefore the functional link between marketing management and a company's ultimate customer base (Javalgi *et al.*, 2006). It defines that the marketing function involving collecting and analyzing any external data relating to a company's current and potential external stakeholders (Moorman, 1995). Then, information is used to recognize and define marketing opportunities and problems, to create, adjust and assess marketing actions, to track marketing performance and to improve understanding of marketing process (Malhotra, 2002). So MR helps proposing the information required to address business issues, designing the method for collecting information, managing and executing the data collection process, analyzing the data, and communicating the result and their implications.

Market information, in most cases, serves as the basis for shared values and beliefs in market-oriented companies. It also determines norms of behavior, and helps employees better understand their environment and their organization. In turn, these behaviors and processes contribute to the company's ability to generate customer value, win the competition and achieve better market outcomes (Jaworski and Kohli, 1993). But in spite of the strategic role of market information in marketing literature, there are surprisingly relatively few studies related to MR information. Found by Diamantopoulos and Horncastle (1997), the common research areas about MR information if any in literature were the study of factors affecting information usage, the management perceptions of the contribution of MR information, the differences in MR information usage by organizations, the differences in the view on

MR information between research providers and research users, the role of MR information in organizational operation and arrangement, the country by country differences in conducting MR activities and a few researches in export marketing.

In most of articles about MR and market information, the importance of market information collection and processing is repeatedly emphasized in the behavior of market-oriented companies (i.e., the collection of market information, the transmission of this information within the organization, and its ultimate utilization) and how these processes impact business performance.

MR activities can be organized in two ways: in-house research department and external agencies (Hart and Diamantopoulos, 1993, Bulut 2013). Not much literature has discussed on the ideal balance of these two organisations, but Powell, Koput and Smith-Doerr (1996) suggest that, in industries in which know-how is critical, companies must be expert at both in-house research and cooperative research with such external partners. Hart and Diamantopoulos (1993) predict that organization of marketing research varies among companies differing in marketing performance. In addition, Brooksbank and Taylor (2007) argue in their study about a comparison of higher and lower performing manufacturing companies in UK that none of those companies using external agencies were so specialized to be beyond the expertise of MR companies.

Whether done in-house or by external MR agencies, market information processing is comprised of a series of organizational processes. Three central processes can be identified: information collection (also referred to as acquisition, generation and gathering), information transmission (also referred to as dissemination and distribution), and information utilization (also referred to as interpretation, integration and responsiveness) (Jaworski and Kohli, 1993; Moorman, 1995; Sinkula, 1994).

Purposes of MR and knowledge utilization processes

Information once acquired and transmitted must be used in firms. According to Bulut (2013), better information is needed to make better decisions. The author mentioned that a marketing policy is only as good as the information on which it is based. Furthermore, there is a widespread consensus in the marketing literature that using marketing research information in decision making is an important element in business performance (Kohli and Jaworski, 1990; Moorman, 1995), in customer value (Narver and Slater, 1990), in tracking changes in marketplace (Koksal, 2008) and in generating, refining and evaluating marketing action and monitoring marketing performance (Malhotra, 2006).

Considerable attention has been given to the meanings of the term "use" or “utilization” by Deshpande (1982). The consensus is that the term generally is employed in referring to distinct concepts, each having multiple dimensions. Thus one researcher may employ the term to refer to conceptual use (with its multiple dimensions) and another researcher may apply it to instances in which specific, overt effects or impacts are evident (instrumental use).

Comparative to market information use, Menon and Varadarajan (1992) review one of the most widely used conceptualizations of knowledge utilization in marketing literature – discussing the three concepts of instrumental use, conceptual use and the additional symbolic use. The authors consider

close overlap of information and knowledge use. Information is the knowledge or intelligence that you get about someone or something: facts or details about a subject. In return, knowledge can be facts, information, and skills acquired by a person through understanding of a subject. Three MR utilization processes can be defined:

(1) Instrumental use. It is the direct application of research findings and conclusions to solve a policy problem. In much of the research on knowledge utilization in the marketing discipline the term research use is employed in reference to instrumental use.
(2) Conceptual use. It is the use of often available research findings that are not directly applicable to a problem to be solved or relevant to a given situation or period in time. Conceptual use of research results is more indirect than instrumental use and much of the use that provides for general clarification can be considered as developing the managerial knowledge base.
(3) Symbolic use. Instrumental and conceptual uses refer to the way we use research findings in a meaningful way for business performance with clear intended purpose. However, research findings are sometimes distorted beyond their correct intent and used more symbolically. Research may be misused by taking conclusions out of their context and disclosing only those that confirm an executive's predetermined positions, or by oversimplifying findings, and/or by consciously ignoring any accompanying caveats or assumptions that may weaken the findings.

For Menon and Varadarajan (1992), knowledge utilization can follow three purposes: action-oriented use, knowledge-enhancing use, and affective use.

(1) Action-oriented use. Action-oriented use refers to the use of a study finding to change the users' operational activities or strategies or practices or policies. Instrumental use discussed above is one of the sub-dimensions of action-oriented use. Thus, use of information that directly affects policy making and strategies would form part of the overall action-oriented use. Action-oriented use could also have a symbolic dimension when managers use information in their decision making for the sake of appearance rather than for any of the information's intrinsic qualities (e.g. when managers use information to make a supplier feel included in the decision making, to enhance positive relationship with consultants providing information, or to support the superiors' beliefs that there is some value in the study).
(2) Knowledge-enhancing use. Knowledge-enhancing use, which is akin to conceptual use results in changes in the user's knowledge and understanding of the issues and themes of the study. It has two facets, knowledge enhancement due to the final product (i.e., the results) and knowledge enhancement due to the research process (i.e., conduct of the research study). Product-based knowledge can be developed in answering a general question: what do we know that is new knowledge? Process-based knowledge enhancement occurs through the very process of conducting the research study. For example, managers can find the research process educational and distinct from the research findings and recommendations. That is, managers can find the research process (e.g. formulating the problem, creating organized frameworks for conceptualizing and analyzing the information, and reaching recommendations) very reactive, educational, and interesting. Similarly, process-based knowledge use can occur when managers make efforts to improve their understanding and knowledge when implementing the study recommendation.

(3) Affective use. Affective use of a research study is considered a difficult dimension of use to measure because it is related to general levels of satisfaction or dissatisfaction and trust or mistrust. However, these general psychological states can be outcomes of use as well as dimensions of use. To discriminate the affective dimension of use from affective outcomes of use, the authors propose that the affective dimension be viewed as use of research with the intent of feeling good. Though it is entirely possible that using research can lead to low levels of satisfaction, trust, or confidence, it is also true that managers do not intentionally use information to achieve these negative psychological states. In other words, managers sometimes use information to feel good about their decisions (Deshpande and Zaltman 1982).

Antecedents of MR utilization

The key antecedents which can be found in MR utilization literature are related to diverse theories. An important stream of research relates to the user's trust in researcher (Zaltman and Moorman, 1988; Moorman *et al.*, 1992) which is determined by many factors (namely the characteristics of the individual user, of the user's organization, of the project, of the research interpersonal characteristics, and the inter-organizational characteristics) and results in MRU. There are also several studies based on the agency theory applied to service markets and sales (Bergen *et al.*, 1992), which eventually link agency theory and trust mechanisms (Singh and Sirdeshmukh, 2000).

Literature on services marketing can also be used as far as it identifies the service marketing gap (Parasuraman *et al*., 1985) and ten determinants of service quality. In particular, competence, reliability, responsiveness, and communication can considered as important in the evaluation of the MR services' quality by MR users. Finally, organizational and informational factors affecting knowledge utilization in firms have been identified (Menon and Varadarajan, 1992).

Determinants of MRU are thus related to the relationship between the user and the MR agency, especially to trust, to service quality and information quality from the provider, and to the structure of the user company. However, we found very limited research focusing specifically on the role of MR agencies in educating and raising MRU in companies. To some extent, Sinkula (1990) is one of the few researchers to study how organizations utilize external MR agency services. The author argues that diffusion theory provides a good theoretical framework suggesting that the perceived characteristics of the service have significant power in explaining the intensity with which organizations utilize external MR suppliers. Diffusion is the spread of an innovation through a social system. When a product or service is initially discovered, it may be perceived as innovative or new (Rogers, 1962). Perceived characteristics of the innovation, along with other factors, affect initial adoption. Rogers' (1983) definitions of the perceived characteristics are as follows: relative advantage (i.e. the degree to which an innovation is perceived as being better than the idea it super-cedes), compatibility (i.e. the degree to which an innovation is perceived as being consistent with the existing values), complexity (i.e. the degree to which an innovation is perceived as relatively difficult to use), triability (i.e. the degree to which an innovation may be experimented), and observability (i.e. the degree to which the innovation is visible to others.)

A product's perceived relative advantage should affect its utilization in a positive manner. Conversely, the complexity associated with a product will have a negative effect on its utilization. Triability should have a positive impact on utilization. In addition, compatibility and observability are both hypothesized to be positively related to utilization. Applying diffusion theory to MR agency services utilization, Sinkula (1990) states that variance in the utilization of external MR suppliers can also be explained by the triability, observability, compatibility, complexity, and relative advantage of their services (both using advantage and cost advantage).

The role of MR agencies in MRU in emerging markets

Apart from the Sinkula (1990) study mentioning characteristics of external research supplier which are used by organizations to adopt external research service for usage (rather than in-house), no other studies in the literature discusses the direct effect of external MR suppliers on the utilization of MR information. Thus new exploratory study would be needed to establish variables that can possibly contribute to the role of external MR agencies in encouraging organizations utilizing more market information.

This is a particularly relevant issue to emerging economies where companies have limited knowledge about using MR and might need to be educated by MR agencies, those who look to grow the industry. According to Arnold and Quelch (1998), there are three aspects which characterize emerging markets (1) absolute level of economic development, 2) relative pace of economic development, and 3) system of market governance; extent and stability of a free market system. All these criteria contribute to create a specific institutional environment defined by a unique combination of turbulent political, cultural and economic environment and by high levels of uncertainty (Hitt *et al*., 2006).

The above literature on MRU dates back to the time when many Western fast moving consumer goods in the 1980s were experiencing a stage of fast growth at that time, a somehow similar situation to that of many product-markets in emerging economies. But at the same time, it is important to acknowledge the embedded-ness of MR practices (as accepted norms for optimizing business) in the institutional environment of emerging economies, given its specificities (Peng *et al*., 2008). Institutions represent the rules of the game in the society (North, 1990). Three types of institutions are observed: (1) cognitive institutions emanating from the social system (e.g. ethical norms, or attitude towards entrepreneurship), (2) normative institutions emanating from the political system (e.g. corruption practices, transparency in the domain of social system) and (3) legal institutions reflecting the economic system (e.g. economic deregulation, local laws, contracts).

In the case of MRU in Vietnam, the traditional role played by MR in marketing (MR allows to reduce uncertainty perceived by decision-makers and defines what is acceptable to optimize business) should be impacted by local factors reflecting the local institutional framework (cognitive, normative and legal) of the Vietnamese economy and society which are both in transition. In particular, institutions that are translated into informal constraints (such as social control or networking rules) compared to into formal constraints (political rules, legal framework, and economic contracts) can be more efficient to reduce uncertainty for the company (Peng *et al*, 2008).

Factors affecting MRU could be cultural (e.g. to what extent are people comfortable with answering survey and talking to strangers), technological (e.g. the availability of MR infrastructure), and economical (e.g. the market size, the level of interest in the local market by international fast moving consumer goods companies). In addition, price and quality of alternative means to capture marketplace information is also relevant in emerging marketing because MR information though severely needed, may be difficult to use (Vu and Hoffmann, 2011).

According to Sheth (2011) five key characteristics—market heterogeneity, sociopolitical governance, chronic shortage of resources, unbranded competition, and inadequate infrastructure of emerging markets are different from the traditional industrialized capitalist society. These are supposed to affect MRU phenomenon in very distinctive ways which needed to be examined by extensive and intensive empirical research studies.

3. Research design

The above literature appears to be limited in time (the 1980s and 1990s), in space (the industrial markets) and in coverage (the role of MR agencies in promoting MRU is almost ignored). We therefore decided to go back to the basics, and conduct a qualitative study involving MR managers and marketing managers from Vietnamese FMCG companies to explore and elaborate on the MR agencies' role in encouraging MRU from companies. The key research objectives of this exploratory study are: (1) to explore the role of external MR agencies in the utilization of MR information from Vietnamese FMCGs companies given the context of the pre-mature stage of MR usage in the country; (2) to identify key factors via which external research agencies influence companies (their clients) to educate and raise the awareness and the utilization of MR information; and (3) to identify specific elements/items which contribute and drive these factors qualitatively.

Research methodology

Given our exploratory objectives, we decided for a qualitative methodology which primarily uses grounded theory (Glaser and Strauss 1967; Glaser 1992, Glaser 1998, Goulding, 1998). Field data collection is conducted via in depth interviews ("IDIs") with comprehensive discussion guide and the use of professional moderator. Compared to focus group, IDI is best for its intimacy and privacy as these respondents (marketing managers, research managers) might not be comfortable discussing about their works in front of others.

The IDI were conducted face to face at cafés out of office working hours, in Vietnamese, from June to December 2012 and lasted each about 90 minutes. Telephone interviews some time can be used in Vietnam for in depth interviews. However, telephones interviews are not as effective as face to face because Vietnamese respondents are not comfortable talking too long via telephones in in-depth interviews.

Samples

Both companies *and* market agencies were selected allow good triangulation of sources of information. Convenience sampling was employed, which was based on quota set to select and invite respondent to the interview. The invitation was done by telephone via previous relationship with moderator/recruiter and referrals.

The IDI were designed as below to include 30 respondents from client sides (the research users) and research agency side (the research providers). This is to ensure that the information collected from research users can be crossed checked and validated from research providers' perspectives. In addition, research providers can discuss several sensitive issues such as price sensitivity of the research users (if we ask research users directly, they might not tell the full story). Respondents from client sides again, were split into two criteria: (1) brand manager, marketing manager, managing director, business owners (named as the "marketing managers" for the ease of referring in this paper). These are those who are managing marketing function of the company and usually do not have technical MR background; and (2) research managers – those who manage MR or market intelligence department within the company. These people usually have prior technical MR background. The sample of research users are further selected to reflect light users and heavy users. The threshold is 100,000 USD spent annually in the last two years. This is the average spending of local Fast Moving Consumer Goods companies (reported by FTA/Intage MR agency in Vietnam).

Table 1: Sample of IDIs (client side)

Client side	Light users	Heavy users
Research manager	6	6
Marketing manager	6	6

Respondents from MR agency side (they are research directors, research managers level) are split between local MR agencies (100% Vietnamese owned) and international MR agencies (the multinational companies). In Vietnam, in general, multinational MR agencies are commissioned with complicated projects (big scale, strategic importance, sophisticated in analyses) and local agencies are commissioned with smaller, less strategic projects. Still, in some cases, local agencies are assigned important and complicated projects, but this does not happen so often.

Table 2: Sample of IDI (agency side)

Agency side	**Sample size**
Local agency	3
Multinational agency	3

Overall, our respondents' working experience on average is 8 years and their ages range from 25 to 45 years old. They are both male (14) and female (16).

Research discussion guide

Discussion guide (DG) for the IDI includes sections as below: warm up, profile and structure of the company, profile and position of the respondent, information usage and decision making process relating to marketing decisions, awareness and perception of MR services, barriers among those who are non/light users, recent usage of MR services, drivers for MR utilization, perceived role/influence of external MR agencies, most impactful activities of MR agencies which encourage more utilization, Identify differences in MR utilization by the degree of project complication, differences in MR utilization between light and heavy research users, differences between marketing managers and research managers (both are from client side but have different roles), suggestions for higher usage of MR in the future and how MR agencies can facilitate this utilization better, and storytelling about research adoption and utilization experience (using the existential phenomenon as base for storytelling projective technique - Craig J. Thompson, William B. Locander, Howard R. Pollio 1989).

Discussion guide for researchers from research agency has similar coverage but coming from research providers' perspectives. For these researchers, moderators gauged more on successful experience and unsuccessful experience in raising MR utilization of Vietnamese companies via story telling techniques.

Analysing IDIs with Grounded Theory methodology

The thirty (N = 30) in depth interviews were conducted in a six-months period. Analyses however were not waived at the end of the data collection period. Instead, they were taken out after each of the interviews. Notes and assumptions were incorporated into next interviews for accumulative learning.

All interviews, note taking, recording and transcripts were read, highlighted several times before drawing out common themes. Table cloth was also done whereby each interview transcript was broken down into sections. The same sections in each of the interviews' transcripts were placed side by side. The whole thirty transcripts looked like a big table cloth. This way would make the processing of grouping or noting the common ideas easier.

This reading and preparation of the field data support the line-by-line coding. Same words and subjects were noted and highlighted if they were more significant in volume or frequency of appearance. The whole process was very inductive in nature with no previously imposed attributes or factors. After most of the common notions/ideas/concepts were identified and grouped. The next step was to re-examine the literature again to reconfirm, double check and look for opportunities to develop the understanding of the theoretical significance/comparison in this round of analyses.

Grounded theory also suggests doubling-back-and-forth process (Strauss 1987; Strauss and Corbin, 1998). The analysis was therefore based on overlapping processes of: (1) open coding (here the evidence was broken open and each data piece (line) is attributed a free node), (2) communicative validation (the line-by-line transcripts with their free nodes attributed were mirrored back to the interviewees and their feedback processed), (3) conceptualizing (resembling, recurring ideas were grouped into concepts), (4) recoding (concepts were checked back against the original data. It could

happen, for example, that respondents were using certain terms in different ways, which needed probing and in some cases recoding), (5) axial coding, linking (here the concepts were verified, refined, possibly developed; relations and patterns between concepts were sought. Concepts were abstracted into categories) and (6) categorizing (all possible category variations were detected and categories, they were organized in dimensional range properties. The process of abstraction was pursued until three core categories were identified and related to all other categories).

4. Major results

As discussed above, an open-coding procedure was performed following the constant comparative method (Strauss 1987). In this analytical process, the categories and corresponding labels were not predetermined. They were derived from the analysis of each statement because "in grounded theory, concepts are derived from the empirical data" (Geiger and Turley, 2003, p. 581). After we eliminated duplicates, a total the 17 statements remained in the final classification. The next stage of the analytical process, axial coding, consisted of "discovering higher-orders connections between the categories" (Geiger and Turley, 2003, p. 585). Strauss and Corbin (1998) recommend that researchers find common underlying factors that explain the phenomenon. Therefore, we organized the 17 statements along 2 core dimensions describing the role of MR agencies in promoting MRU. The first one involved predominantly technical competence (T) supported by 9 attributes, while the second covered the issues pertaining to the relationship competence (R) between the client and the MR agency and composed of 8 attributes. Following are the codes, title of the concepts and dimensions of MR competence in promoting MRU illustrated by relevant verbatim from a selection of respondents.

MR agencies promote MRU through technical attributes (T)

T1: Research adoption and utilization are affected by those agencies that can help Vietnamese Fast Moving Consumer Goods companies shift the consideration of research as being a cost item into an investment item.
"We highly appreciate our research agency who is helpful in giving us templates and examples demonstrating how a market feasibility and potentiality study could help reduce our new market entry risks and uncertainties" (verbatim from marketing managers).

T2: Researchers' ability to raise local companies' low awareness of what MR is and how it could be used.
"Our company was offered a free session when research director from the research agency explained what MR is; how research products and tools are different and how they are helping business in reducing risks. This was really helpful and we ended up commissioning a brand health check research project with them" (verbatim from marketing manager of a local food company).

T3: Researchers' ability to understand local companies and provide feasible and actionable recommendation.

"We commissioned a multinational research agency for our brand tracking study. However, over the past waves, they could not tell us what the figure means. Their data processing department is not located in Vietnam while the researchers here just have the output and quite blur into why the model looks like it is. We finally decided to change into a local research agency with its simple brand measures and we have taken market actions easily" (verbatim from research manager of a local F&B companies).

T4: Researchers should also play the role of marketing consultant.
"I am very often frustrated with MR report and presentation. In many cases, researchers are just simply data providers. They seem to be an outsider of my business. However, in Vietnam, there are also other very good researchers; they are experienced both in MR, and in marketing and consulting. Usually, these people are rare and of senior position in the research agency. You might not have them at hands for service all the time. This is pity" (verbatim from research managers and marketing managers).

T5: Researchers' ability to identify and provide new insights, challenge and manage research users' surprise and solve the "grey" area.
"In my 10 years of providing research services to clients, I have run into many cases where clients did not expect such a data to show. They thought the data would look like something else, most often, more positive. In some cases, politics do exist. A sales director will find it very hard to accept the discovery of new channel which consumers are buying competitors' brands. This usually means that he did not do a good job in front of the whole management team. He might argue against this fact with other sources of information or try to find inconsistency in data. Strong and capable researchers need to defend smartly, not too aggressive but not too weak. Bear in mind that, even you might get some trouble at the presentation, but later on, most people in the meeting would appreciate your courage to show new thing; as long as you do not fail badly in proving it" (verbatim from a research director of a MR agency).

T6: Research agency ability to provide research tools with users' oriented benefits.
"Working in this fast moving market, as you know, is all about dealing with many inputs and data at the same time. You might get confused and even get lost in information load. To be able to work effectively with information from both external research services and internal information (in house research department and from sales), I do need a system. This system should be built in a way that information can be easily inputted and retrieved; plus it can accommodate trend and tracking data. Unfortunately, MR agencies are currently not providing such an integrated system. They do have some specific software and data storage for retail audit or brand tracking but not something which could store and keep track all. I think there should be a development team from a research agency to build this. If there is anything like this, it is great and surely the advantage of that agency" (verbatim from research manager of a food and beverage company).

T7: Researchers' ability to show and prove accuracy of data.
"Data collection and its accuracy are basic but most critical for a research project. Regardless of how good a researcher is at analysis or recommendation, wrong or weak data would largely cause uncertainties and doubts from the research users. In Vietnam, as most of the fieldwork interviewers

are part time students, there are great extents that data collection is adversely affected and not as desirable as our prior expectation. Research agency needs to maintain and manage a good field work and operation system and prove to clients for reassurance of this most important element of research project quality" (verbatim from a research manager of a local company).

T8: Project timing management and delivery commitment.

"We have to launch new product before the competitor does. Getting ahead, to be the first one in this category is the only objective we must achieve. Of course, we have to make it right. We had known that competitor was going to launch, so we did everything to launch only 2 months before they did. We conducted a quantitative research in 3 week time only. Without this timing commitment, we would not use MR in this case. It was incredible!" (verbatim from a marketing manager).

T9: Brand name of the approaching MR agency.
"In order to convince the board of management, I needed to show research results by a credible big brand name. It was a critical business investment decision." (verbatim from a Marketing Director of an international food and beverage company).

MR agencies promote MRU through relationship attributes (R)

R1: Corporate package rate provision from MR agencies.
"Knocking at the door of local Vietnamese company is very hard and time consuming. You might see many gate keepers who cannot make decisions. I have experience in approaching a marketing director of a Vietnamese company. I submitted credential of our agency, went presenting several time what our capabilities are. Until several months, the marketing directors said the business owners are not a fan of MR and he decided to save budget for sales. Research is something very indirect to sales. One year later, I met the boss in a marketing conference and talked to him informally about MR and how much in total he can spend effectively with a corporate rate deal. He was actually more open, much more than I thought and heard from the marketing director. Now, we are the research partner with that company and they approve higher research budget each year" (verbatim from a research director of a local research agency).

R2: Ability to actively connect with the local business network and understand local business practices.
"I get to know many good researchers via the business networks in Ho Chi Minh City such as the Saigon business club, the Creative Circle, the Vietnam Marketing association. Some of these researchers become my friends and occasionally give me advices about MR or about market updates. In return, I usually recommend these researchers to my friends who might have needs for MR but not sure how to start or not yet confident with using and trusting market information" (verbatim from a marketing manager of a local company).

R3: Ability to network via practical MR training exposure.
"I met the research director of a research agency at the marketing training course in Vietnam Marcom Training School. I was impressed how MR can be used and found that there are many models

which could be relevant to my work as a marketing manager at my company. We finally invited the trainer to train more intensively in house for our own marketing department on applied research. Now we start using MR and are using the trainers' research agency most often" (verbatim from a marketing manager of a food and beverage company).

R4: Ability to participate in the restructuring process of local companies.
"We set up very good relationship with marketing consultants and marketing directors in Vietnam. We maintain their database, we have our Customer Relationship Manager to take care of them personally, we provide free monthly market data to them, we give them free information on request when they start to join or even come into an interview with local companies"(verbatim from a research director of a local research agency).

R5: Ability to build good network with government initiatives and programs supporting local companies.
"We are one of the 20 seeded brands chosen by the Industry and Trade Promotion Center to join the supportive MR program. This brand health check research project is funded half by the government. I remember we work with an agency appointed by this Industry and Trade Promotion Center. In the presentation, apart from the research agency, there are also consultants from the government. We are not only receiving data for our brand but also knowing how our brand health is ranked amongst the 20 seeded local brands" (verbatim from a marketing director of a local company).

R6: Previous experience of research user in working with the researcher before (ex-colleagues, or ex-agency key contact).

"I know that researcher would have stronger commitment with me since we know each other well. I would have more added value like flexibility or better solutions for incurred problem and I would be more confident introducing this researcher to my boss and my marketing team" (verbatim from a marketing manager).

R7: Problem solving using non – research skills.
"There are, for sure, times when things do not go the way you want. This is the time when you can justify whether or not the researcher or the research agency has the ability to be a good service provider. There are some researchers simply cannot manage this bad time and try to blame external factors to avoid immediate reactions from client. However, this does not help at all. You might be a very technically competent researcher but you might not necessarily good problem solvers. There are some other very good researchers I encountered their services. They know how to diligently drive through the bad time and sometimes, even improve clients' impression by the way they addressing the problem and turn it around" (verbatim from a research manager of a local company).

R8: Teamwork; ability to fit into client team, not too "alienating" but not too "compromising".

"Working with researcher who has sound knowledge of marketing will be better for my marketing team. That person could be able to support my team to explore and capture insights, generate right

direction and strategy during research process. However, his role should not be too dominating. He should be a good facilitator" (Verbatim of a marketing director of a food and beverage company).

Core dimensions of external MR agency competences in promoting MRU

As discussed above, we organize the 17 statements along 2 core competences involving technical competence (T) and relationship (R) between the client and MR agency. Finally, within each of these 2 competences, axial coding was done again to organize the 9 (8) statements into 5 (3) underlying core dimensions. This is illustrated in Table 6 below. Concept T1 and T2 are grouped into "awareness". Concept T4, T5 and T6 are grouped into "recommendation". Concept T7 and T8 are grouped into "project management". Likewise, concept R2, R3, R4, R5 and R8 are grouped into "networking with the environment". Concept R6 and R7 are grouped into "agency trust". The further grouping of the above concepts is done to generate concisely core dimensions and variables which substantiate external research agency influence on MR utilization. These would be used in the adjusted model for a quantitative phase and also serve as measures of the external research agency influence.

Table 3: Core dimensions of external MR agency factor

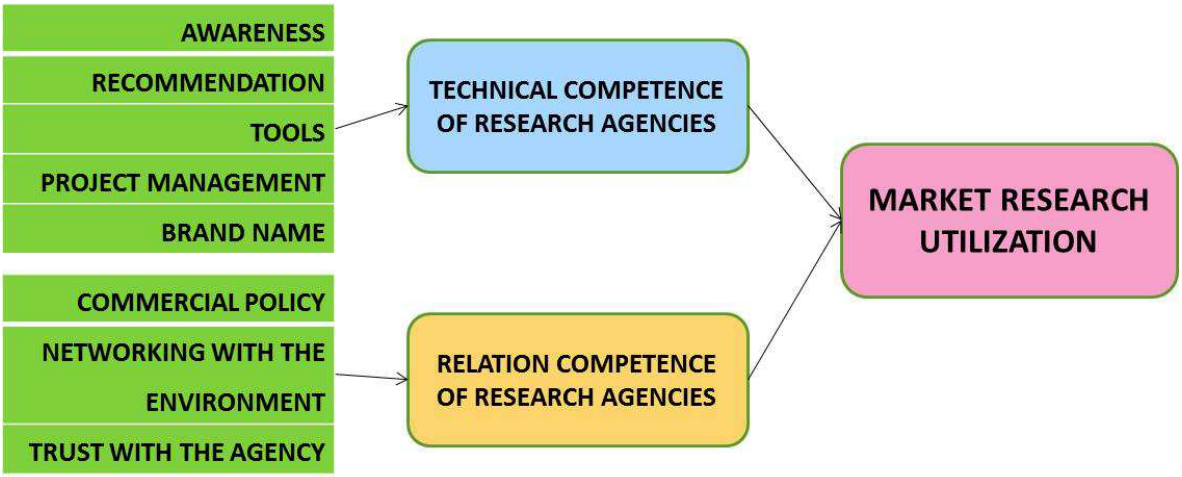
CORE DIMENSIONS OF DETERMINANTS OF MR UTILIZATION BY LOCAL FMCGS IN VIETNAM	(Number of companies citing / Number of companies in the sample)
1- TECHNICAL COMPETENCE	
AWARENESS	T1: Shift of MR perception: from cost to investment (28/30) T2: Raising MR awareness and usage (16/30)
RECOMMENDATION	T3: Providing relevant and actionable recommendation (25/30) T4: Acting as a knowledgeable marketing consultant (15/30) T5: Providing and defending new insights (12/30)
TOOLS	T6: Providing user friendly tools (14/30)
PROJECT MANAGEMENT	T7: Demonstrating data accuracy (18/30) T8:Using project management approach in MR (16/30)
BRAND NAME	T9: Adding value with MR agency brand name (14/30)
2- RELATION COMPETENCE	
COMMERCIAL POLICY	R1: Managing clients as key accounts (19/30)
NETWORKING WITH THE	R2: Connecting with the local business environment (17/30)

ENVIRONMENT	R3: Training MR to network (15/30) R4: Being involved in growth restructuring of local companies via MR (13/30) R5: Networking with government and NGO stakeholders (10/30) R8: Building teamwork with clients (27/30)
TRUST WITH THE AGENCY	R6: Existence of previous personal relationship (23/30) R7: Creating trust via personal characteristic of MR manager (17/30)

The proposed model from this qualitative round of research

There are two key dimensions related to MR agency that directly affect the MR adoption and selection in this model: The Technical competence and the Relationship. Technical competence comprises of five attributes which contribute to research users' overall impression about the researcher/research agency technical competence. Relationship comprises of three attributes which together account for relationship generated between research users and researcher/research agency (see Figure 1 below).

Figure 1: External MR agencies affecting MR utilization



5. Discussion of results

Literature review revealed major factors which are quite in line or supportive of the findings from our qualitative research in Vietnam.

(1) Several key factors affecting the marketing research utilization were found in the literature review. These have been quite well or somewhat captured and analyzed in our study, namely:

a. *Trust* (Moorman, Zaltman, and Deshpande, 1992) *and organizational structure* (Menon and Varadarajan, 1992) have been included in the *relationship dimension with agency trust, commercial policy and networking with the environment;*
b. *Research report* (Deshpande and Zaltman, 1982) is similar to and included in the *recommendation within the technical competence dimension;*
c. *Interaction between managers and researchers* (Deshpande and Zaltman, 1982) has been discussed in *the networking with the environment;*
d. *Environmental factor* (Menon and Varadarajan, 1992) was included in the *networking with the environment* in our research. This is about *connecting via understanding the local business environment*;
e. *Informational factor* (Menon and Varadarajan, 1992) and its attributes including perceived credibility and usefulness of information and cost of information can be seen in our *technical dimensions with awareness and recommendation;*
f. *Individual factor* (Menon and Varadarajan, 1992) (prior disposition of managers would reduce the chance of MR use), would somewhat be seen in the *awareness* attribute of our study. Local marketers in emerging markets would find the market still under their common sense, thus they would be reluctant to adopt research unless researchers have the ability to persuade them.

(2) *Characteristics of the knowledge and characteristics of the firm* (Menon and Varadarajan, 1992) are quite relevant to our two dimensions: technical competence with knowledge characteristics and relation competence with firm characteristics. However, we draw more attention to the relation competence rather than the firm characteristics; we stand more in the shoes of marketing research suppliers or the researchers' ability to cope with client/firm characteristics.

(3) Some factors identified in the literature are found to be irrelevant to our findings for different reasons: *Purpose of the research* (Deshpande and Zaltman, 1982) contends that exploratory purpose would result in less research. Our research in Vietnam treated marketing research decision making as a whole, not by method. In fact, marketers in emerging economies come up with a marketing problem and call for research agency, not many would initiate exploratory or confirmatory method at their initial research brief.

(4) Some new findings from our study have been very particular to emerging economies with additional factors alongside with trust: these are *commercial policy and networking with the environment*. In addition, a*bility to raise awareness of marketing research usage and educate clients* was found applicable to Vietnamese market where many companies are SMEs with little prior experience of marketing research usage.

(5) The discussion of *"uses of marketing research"* in the literature (Menon and Varadarajan, 1992) including: action oriented, knowledge enhancing and affective use were useful and can be seen behind the dimensions identified in our research. *Action oriented and knowledge enhancing uses* shape and relate to the *technical competence dimension* while *affective use* relates to the *relation competence dimension.*

(6) *Differences between consumer and industrial firms* (Deshpande and Zaltman, 1987): In the literature review, marketing managers in industrial firms face greater degree of organizational formalization and this would come to less research usage. In our study in Vietnam, we have focused at the beginning our research on FMCGs' marketing managers, which account for largest share of research spending in the country.

(7) *Differences between managers and researchers* (Deshpande and Zaltman, 1984): literature reveals several differences between marketing managers and researchers in factors affecting research use. However, both converged in the importance given to interaction between marketing managers and researchers, research result and technical quality of the research. Both groups confirmed the two key dimensions: technical competence and relation competence.

Conclusions

To the best of our knowledge, our research is the first to provide empirical data about the role of MR agencies MRU in emerging markets. 2 core competences, namely technical and relationship, have been underlined covering several specific attributes of the MR agency role.

We hope our work contributes to MR agencies' business development, especially international ones, in helping them know on what levers they can play to promote market orientation through MR. For international FMCG companies operating in Vietnam, our research provides a better understanding of their local competitors' needs in terms of market research services that connect the consumers to marketers by way of information. For international marketing academics, our work sets the need to explore the specificities of emerging economies and transition economies as far as MRU is concerned, taking Vietnam as a significant country in this underdeveloped research area.

The major limit of our research is linked to a relatively small sample size, especially that of the MR agency. The initial findings in this exploratory study need to be pushed further with a quantitative research aiming at the following:

(1) To cluster the attributes underlying the MR agency competences to confirm the existence of the two dimensions
(2) To measure the degree of correlation between these attributes with each of the dimensions (personal relationship and technical competence)
(3) To measure the importance of the attributes under each dimension (regression analysis)
(4) To identify the relationship between the two dimensions (positive or negative correlation; and to what degree)
(5) To quantitatively test the two dimensions and their significance to MR services' adoption in Vietnam overall, and in the sub group of light vs. heavy users and of different degrees of projects' complexity.

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