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Market research utilization and marketing performance in emerging economies : a study of fast moving consumer goods companies in Vietnam

Ngoc Dung Tran

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Ngoc Dung Tran. Market research utilization and marketing performance in emerging economies : a study of fast moving consumer goods companies in Vietnam. Business administration. Université Panthéon-Sorbonne - Paris I, 2015. English. NNT : 2015PA010074 . tel-03519279

HAL Id: tel-03519279

<https://theses.hal.science/tel-03519279>

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ECOLE DOCTORALE DE MANAGEMENT PANTHÉON-SORBONNE



ESCP Europe

Ecole Doctorale de Management Panthéon-Sorbonne

ED 559

**MARKET RESEARCH UTILIZATION AND MARKETING PERFORMANCE IN
EMERGING ECONOMIES: A STUDY OF FAST MOVING CONSUMER GOODS
COMPANIES IN VIETNAM**

THESE

En vue de l'obtention du

DOCTORAT ÈS SCIENCES DE GESTION

Par

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Soutenance publique le « 29/04/2015 »

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Introduction

Market research utilization has not been discussed and studied widely in academic research. If any, most of them would be conducted in developed economies, not in emerging economies. With these studies, most were done in 1980s or 1990s, some empirical results about market research utilization antecedents were found, but the direct impact of market research utilization on marketing performance has never been covered. Would these antecedents hold for emerging markets? Would they be changed these days in 2010s? Would market research utilization have any impact, positive or negative on marketing performance? This thesis aims to review the existing literature, plan and conduct an empirical scientific research on market research utilization antecedents and its impact on marketing performance in emerging economies context (among the Fast Moving Consumer Goods companies in Vietnam) with the purpose of bridging and unveiling these areas both academically and practically.

The below sections within this introduction will discuss about (1) the background of market research utilization in among local Vietnamese companies and other emerging markets and discuss (2) the specific conditions and contexts of market research utilization in these emerging markets (3) problem statement and importance of the topic (4) the key research question and (5) the structure and planning of this thesis.

Background about market research utilization barriers and drivers towards greater marketing performance

In less developed countries, local companies account for a significant proportion of national wealth and growth. In Vietnam, a typical developing and emerging economy, the number of local companies is reaching 400,000. They represent 69% of the number of businesses of the country, employ 77% of the workforce and account for 80% of the retail market (Tran and Tuong, 2011).

Local companies have been consistently the source of growth in Vietnam; on average, their profits grow about 20% each year. Therefore, local companies in Vietnam receive great attention from Vietnamese government as well as NGOs in their initiatives to improve their competitiveness. Organizations such as VCCI (Vietnam Chamber of Commerce and

Industry), World Bank, ADB (Asian Development Bank) have implemented a variety of programs supporting local companies in improving working skills for their employees and business management skills for leaders (Tran and Tuong, 2011).

In particular, recent initiatives from Ministry of Trade and Industry and VCCI in supporting Vietnamese local companies' conducting professional market research (financing part of the research costs) to find out ways for Vietnamese brands entering rural markets have been generating strong awareness among local companies for market research usage.

Along with these initiatives, market research agencies in Vietnam are also encouraged to participate in these initiatives to support local companies and also to promote the research utilization rate of this target. Among local companies, Fast Moving Consumer Goods (FMCG) companies are the most relevant target for market research adoption and utilization for a better marketing performance in dynamic and ever changing markets.

The term Fast Moving Consumer Goods (FMCG) – or Consumer Packaged Goods (CPG) – Sean Brierley (2002), relates to products that are decided to buy quickly and at small amount of money. Examples include soft drinks, personal care, household care products. Often, the margin made on FMCG products is quite small; but they usually sell in large quantities, so the cumulative profit on such products can be large. The term FMCG also refers to those retail goods that are in principle, replaced or consumed over a short period of days, weeks, or months, and within one year. This is different with durable goods or major appliances such as white goods or electrical appliances, which are generally bought new over several years.

FMCGs have a short shelf life, either as a result of high consumer demand or because the product deteriorates rapidly. Some FMCGs – such as meat, fruits and vegetables, dairy products and baked goods – are highly perishable. Other goods such as alcohol, toiletries, pre-packaged foods, soft drinks and cleaning products have high turnover rates.

Local Fast Moving Consumer Goods companies use more market research than other companies because they usually face markets with short product life cycles, rapid and numerous product innovations and also fierce competition from multinational companies.

In fact, until 2007, large Fast Moving Consumer Goods businesses (mostly multinational corporations) remained the biggest part of market research spending in the country. However, after Vietnam's joining WTO in 2007, many local Fast Moving Consumer Goods companies in Vietnam have grown to be significant players in their industry with financial boosts from Vietnamese newly open stock markets. Typical cases in Vietnam are Nutifood, Vinamilk, Kinh Do, THP and Masanfood. These companies have grown from small, then medium size into large size and research budgets also grew from nearly nothing into significant amount, not much less than multinational in the same category. Before 2007, top 10 advertising spenders are typical names such as Unilever, P&G, Cocacola, Pepsi Cola. Until recent years, Vietnamese companies such as THP and Masan are ranked number 1 and number 3 in ad expenditures in Vietnam.

The above local cases are positive examples of market research usage in Vietnam. However, the current market research awareness and usage of local companies in FMCG (Fast Moving Consumer Goods) industry is still low. In the recent survey of FTA research agency (Tran and Tuong, 2011) on 200 local FMCG local companies in Ho Chi Minh City and Hanoi capital, less than 50% of these companies have a separate marketing department and less than 20% of these have a functional market research department.

Thus it is not surprising that only half of these local companies agree that market research is the appropriate tool for understanding target consumers. About 45% agree that market research should be the foundation for business strategy. Only 30% agree that market research should be used to improve current product offers or develop new products towards greater marketing and business performance.

Rationale for this fact can be learned from similar (emerging) markets like Vietnam. In emerging economies and societies in transition, the institutional environment is particularly turbulent and presenting high levels of uncertainty (Hitt *et al.*, 2006). Tan *et al* (1994) examined the strategy-environment-performance paradigm in a centrally planned economy (People's Republic of China) in transition to a more market-driven economy and found that during this course of transformation, companies' strategies were significantly related to perceived environmental uncertainty. Specifically, managers' perceptions of increased environmental uncertainty were found to be negatively related to proactive strategies and positively related to defensive strategies. Defensive strategies were also linked to higher

performance. This might be a reason for the limitation of the chance for employing market research information in emerging economies.

Therefore, it was found that current market research awareness and usage of Vietnamese companies in FMCG industry remains low (Tran and Tuong, 2011) as most local companies still focus on sales and on quick and short term responses to perceived market changes based on superficial and biased sales force feedbacks, or on the owners' personal experience (trial – error experience) and gut feelings.

Specific barriers for these low penetration rates were revealed in Tran and Tuong (2011):

- The first barrier is the consideration of research as being a cost item and not an investment. This is the result of not being able to see the benefits of research, nor to see the linkage between market research and business success or failure.
- The second barrier comes from the low awareness of what research is and how it could be used. The ability to absorb and use is really something that hinders companies from adopting research. They prefer to see more relevant research products, simple and practical to their day to day tasks. If market research products could be seen as helping to generate Sales reports, Consumer feedback reports, Promotion preference reports, or Product rating reports, then companies could link these to the immediate benefits of using.
- The third and also the most serious barrier is companies' management perception. Usually, if the owners do not trust the market research sources or market research agencies (coming from either perception or past trial experience), then this would largely result in limited resources (people to absorb and use research) and limited or minimal budget reserved for market research.
- Then all the rest of the barriers come from claims on the research industry. Core is still the ability to understand the companies' business, background, structure, people, and financial resource.

However, on the positive side, the recent growth of market research usage in Vietnam shows that companies do need and utilize market research. Adoption triggers/drivers were found as below (Tran and Tuong 2011):

- Many companies' owners come for practical training courses in marketing and market research. They, in turn, send their marketing staff to these courses. As a result, they are getting to know about marketing and market research concepts and services.
- The top source of research awareness and adoption comes from marketing and market research training. Usually, companies get to the trainers for advices and also seek potential marketing consultants from this source. Therefore, another important source of research adoption is via the marketing consultant, business consultant, and brand building consultant.
- In other companies, the restructuring processes to cope with growth result in the employment of experienced marketing seniors (having previously worked for multinational companies) also help the adoption of market research. These are often companies having more focus on raw material sales, processing, and exporting. Now they are focusing more on the domestic market which requires serious brand building. They are seeing opportunities in domestic growth but also seeing strong competition from MNCs. They feel that the risk is high, they are now pulled out of their comfort zone and that their own experience simply cannot help. Copying others can no longer bring success easily; they need new insights and innovation. Also, as competition is tough, companies need to conduct brand and marketing performance tracking research to update market and competitor movements.
- Another important source is government initiatives and programs for raising Vietnamese enterprises' awareness of the benefits of building brands and conducting appropriate research for business and marketing risk reduction.

International literature (in emerging markets) also addresses similar barriers, drivers and intervention actions for implementing and utilizing market research in organization. Organizations would need market research given certain relevant contexts and intervention. Based on reviews of articles published in five leading marketing journal over a 20 year

period (1990-2009), Davis *et al.* (2013) report that marketing research suffers from method myopia. In competitive markets, marketing research is indispensable for business units and can make a competitive advantage for customer's minds, thoughts and feelings. A good plan to operate a new service and want to know the preconceived attitude must keep eyes on the marketing research, because it identifies the areas where a marketing message needs to address.

When studying internal source and external source utilization, Ruekert *et al* (1985) argue that managers are faced with two ultimate questions, (1) when should marketing tasks be accomplished through internal organization (employees) versus external organization (independent contractors); (2) how should either internal or external organization be structured in order to reach performance objectives? However, everything can be zero if the manager does not have sufficient research information to formulate future strategy.

More specifically, Kates and Robertson (2004), provide three important and related questions for action oriented market research from the internal research team:

- First, are marketers truly reflective? Is reflection suited to some organizations' authoritarian realities?
- Second, how is a strong organizational culture a barrier to change and further learning, and how might this be overcome by action research?
- Third, what is the role of the researcher in the process, and what skills must this person have to successfully implement an action research program?

Then they try to suggest the following condensed guides to future practice of market researchers:

- Researchers in order to be more thoughtful and to achieve higher consideration for market research may be advised to anticipate the threats and barriers that might arise if contradictions between them and management are exposed. Achieving reflective thought for self and others might be considered an actual goal of the process. In

addition, exposed consideration of potential power shifts is supposed to be openly discussed among the research team and senior management.

- Culture which is a stream of profound assumptions, principal of much organizational thought and action may be a rooted phenomenon of market research utilization. In this condition, transformation toward employee empowerment and organizational change and growth may be achieved by making delicate but positive steps. Critical power relationships and trust issues should also be carefully paid attention to.
- The research team itself must obtain intensive and deep knowledge about the organization, its products and markets, in order to build credibility, often acting as political factor to win vital support.

In addition, Malhotra *et al* (2006), try to help marketing research earn a seat at the table where managers and researchers make marketing decisions and work towards greater marketing performance. They claim that while the total world's spending for marketing/advertising/public opinion research services continue to grow and now exceed \$20 billion in annual revenues (even more), the industry might actually be underachieving. Therefore, successful researchers must fight the inducement of following routine in their actions. Such researchers must progressively think like managers, and strive for higher-level thoughts and analyses in their work that will allow insights about more important issues to the company's managers. Marketing researchers should grip the risks and challenges of being the eyes and ears of managers outside the company. The line of separation between marketing researchers and marketing managers should become increasingly thinner until the distinction between the two becomes blurry.

Realistically, Hess and Lucas (2004), develop an analytical framework to answer one simple question: how much marketing research should a company do when it takes resources away from manufacturing the goods that generate revenue? To understand the costs and benefits of marketing research, they calculate and trade off the lost opportunities to produce these goods. Some analytical findings are surprising, even striking in which companies without initial knowledge of their potential customers should allocate one-third of the company's resources to marketing research.

Context and specific conditions of market research in emerging markets and Vietnam

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).

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 market research 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 market research utilization in Vietnam, the traditional role played by market research in marketing (market research 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 market utilization could be cultural (e.g. to what extent are people comfortable with answering survey and talking to strangers), technological (e.g. the availability of market research 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 market research utilization phenomenon in very distinctive ways which needed to be examined by extensive and intensive empirical research studies.

Problem statement and importance of the topic

Given the above market research adoption and usage situation of local fast moving consumer goods Vietnamese companies and literature in other markets, this thesis is to discuss and give possible solutions to several key areas as below:

- To identify antecedents affecting market research utilization among local Vietnamese fast moving consumer goods companies. This would help cascade these as benchmark and usage guidelines to other Vietnamese companies for research utilization practices.
- To measure the consequences of market research utilization upon marketing performance (including marketing innovation). This would justify local companies' willingness to reserve budget for market research and boosts their confidence in doing so.
- To identify possible factors that market research agencies can influence and encourage more market research utilization from local companies towards improving their marketing performance. Research agencies then could grow concretely together with the growth of local companies and also the country.

- To ambitiously build a first meta-study to identify and validate a complete model of both antecedents and consequences of market research utilization in Vietnam context which could be served as potential foundation for future research in other emerging markets and also more developed markets.

The research question

The key research question of this thesis will be: What factors are impacting market research utilization among local Vietnamese FMCG companies? And would the companies' utilization of market research positively affect their marketing performance?

Specific research questions can be detailed in three groups as below.

(1) About the Antecedents of Market Research Utilization:

- What are the different elements affecting market research utilization?
- How do these elements forming into key dimensions/factors?
- What are the relationships between these factors and market research utilization?
- What are the degrees of importance of these factors?

(2) About the components of Market Research Utilization:

- What are the different types of Market Research Utilization?
- How would each of the above antecedent factors impact on each of Market Research Utilization types?

(3) About the effect of Market Research Utilization on Marketing Performance:

- What is the relationship between Market Research Utilization and Marketing Performance?
- What are the different components of Marketing Performance?
- How would different types of Market Research Utilization affect each of the components of Marketing Performance?

The structure and planning of this thesis

The rest of this thesis will be planned into: Part One, Part Two and the Conclusion section.

Part one will discuss the theoretical approaches to market research utilization including its definition, its antecedents and its consequences on marketing performance. Then, after this, an initial conceptual framework will be built and related hypotheses will be developed.

Part two will start with a paradigmatic research framework discussion and rationale for this thesis research position. Then, this part will continue with the two studies: study one and study two. The exploratory qualitative study (study one) is to supplement and complete the conceptual framework for emerging market such as Vietnam (from the initial framework found and established from literature review). At the end of study one, a revised conceptual model will be constructed and modified hypotheses for testing in study two will also be discussed. The quantitative study (study two) is to test these hypotheses and the validity of the research model. Then this part will end with overall research results discussion, implications, contributions and limitations of the empirical research.

After all this, we will come to the conclusion of this thesis.

Part 1: Theoretical approaches to market research utilization

Market research utilization has not been discussed so widely in literature compared to other concepts and tools of marketing such as communication, innovation, or promotion. In this part, we will try to review these limited literature about market research utilization, and try to link possible academic studies' findings to overview its possible antecedents and consequences on marketing performance.

Chapter 1: Market research utilization - definition and the relationship with market orientation

While literature about market research definition and utilization is limited, the related concept of market orientation is found very often discussing about market information and market research utilization. There is evidence showing close relationship between market orientation and market research concepts. This chapter will discuss this relationship in details.

1.1 Market research and market research utilization definition

How will companies be able to carry on a meaningful communication with their customers as they become ever more dispersed around different markets? Which markets or segments represent the best opportunities for the organization's products and services? How will these companies design consumer-based strategies that are customized for a certain market segments? Market research represents a key element in the search for answers to these and related questions.

1.1.1 Market research definition

Javalgi *et al* (2006), defines that market research is the functional link between marketing management and a company's ultimate customer base. Malhotra (2002) considers market research as the process that connects the consumers to marketers by way of information. 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. The author also discusses that market research helps proposing the information required to address these issues, designing the method for collecting information, manages and executing the data collection process, analyzing the data, and communicating the result and their implications.

Similarly, Deshpande (1982) defines that market research is the marketing function involving the information collecting and analysis processes. Market information is further defined by Moorman (1995) as any external data relating to a company's current and potential external stakeholders.

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).

In marketing literature, there are relatively few studies related with market research information. Found by Diamantopoulos and Horncastle (1997), the common research areas about market research information if any in literature were factors affecting information usage, management perceptions of the contribution of marketing research information, differences in marketing research information usage by organizations, differences in the view on market research information between research providers and research users, the role of marketing research information in organizational operation and arrangement, country by country differences in conducting marketing research activities and a few researches in export marketing.

In most of articles about market research 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.

1.1.2 Market research activities

Market research activities can be organized in two ways: in-house research department and external agencies (Hart and Diamantopoulos, 1993, Bulut 2013). Not much literature are discussed on the ideal balance of these two sources, 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 market research companies.

1.1.3 Market research information process

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).

With Moorman (1995), the way market information is collected and used is a function of organizational systems and processes. The author identified four organizational market information processes namely: (1) information acquisition; (2) information transmission; (3) conceptual utilization; and (4) instrumental utilization processes.

Information acquisition processes.

These processes refer to the collection of primary or secondary information from organizational stake holders. Information acquisition may occur, for example, through formal market research surveys, competitive intelligence activities, or customer satisfaction studies; through informal collection of information from sales people who interact with customers; or from competitors who share information at industry association meetings.

Information acquisition has been described as attention or awareness that has direction and intensity. In various organizational literatures, information acquisition has also been termed

intelligence generation information search, and initiation (Kohli and Jaworski, 1990). All this literature indicates that organizational information acquisition processes involve bringing information about the external environment into the boundary of the organization.

Information transmission processes.

These processes denote the extent to which information is dispersed among relevant users within an organization (Kohli and Jaworski 1990). Information transmission may take place formally or informally (Mohr and Nevin 1990). Formal transmission is any type of organized or structured dissemination, for example: policies, training sessions, research presentations, company memoranda, meetings, and cross-functional teams (Narver and Slater 1990). Informal transmission happens during interpersonal communications, such as casual conversations involving market information, or when organizational members educate one another on market issues. Transmission may be top-down, down-up, or horizontal (Day 1991; Kohli and Jaworski 1990).

Conceptual utilization processes

These processes mention about the indirect use of information in strategy-related actions (Menon and Varadarajan 1992). Although the depiction of conceptual utilization processes often involves behaviors, the emphasis in these behaviors is on prompting the way organizations process information or their commitment to it, which are of more cognitive and affective manner and, therefore, more indirect in their influence on marketing strategies as compared with the other type of utilization – the instrumental utilization (will be discussed below). Two sub processes are proposed:

First, *information commitment* relates to the degree to which an organization is aware of the value of information agents and products (Menon and Varadarajan 1992). It is discovered when an organization values information as an assistance to decision making, as opposed to considering it a disruption (an informal process), while commitment to information providers may be established when information providers report to users at high organizational levels (a formal process).

Second, *information processing* refers to processes through which information is given meaning (Thomas, Clark, and Goia 1993). Meaning is the result of sense making, comprehending or elaborating on evoked information using an organization's memory,

or shared mental model (Day 1991). This process is then described by Dickson (1994) as the alteration of market intelligence into knowledge and understanding which changes the decision makers' mental models of the market environment. Information processing may involve formal procedures for organizing and processing information, such as analytical models or more informal processes, such as team meetings in which clarifications of market information are presented.

Instrumental utilization processes

These processes refer to the extent to which an organization directly applies market information to influence marketing strategy-related actions. Three sub processes are investigated: the use of information in (1) making, (2) implementing, and (3) evaluating marketing decisions.

First, organizational use of information in decision *making* mentions about the processes relating the integration of information sources and the selection among strategy alternatives. This type of information use has been generally reported to be quite low. Thus, organizational research has suggested that decision making is not a distinct phase but rather something in between or something served as basis for the implementation phase (Moorman 1995).

Second, organizational use of information in *implementation* provides information about the performing of marketing strategies to ensure the realization of decisions. This process follows other research showing that implementation is facilitated by providing information regarding how decisions should be carried out (Moorman 1995). On the other hand, Jaworski and Kohli (1993) describe market responsiveness as concerning issues of whether and how rapidly the company responds to market information in the design and implementation of marketing strategies.

Third, organizational use of information in *evaluation* discusses processes founding market information to determine positive and negative performance consequences and the explanations for these consequences (Zaltman and Moorman 1989). In the diffusion of innovations literature, this is referred to as the confirmation stage, since the focus is on assessing the paybacks of adoption. Evaluation, or performance review, has been described as being crucial to successful organizational adaptation and change (Moorman

1995). Consequently, organizations that use market information to evaluate results are more likely to develop effective theories of action (Barabba and Zaltman 1991).

1.1.4 Market research utilization

Information use is one of important key elements in marketing activities. 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) and customer value (Narver and Slater, 1990). In addition, market research has multiple roles on marketing activities such as tracking changes in marketplace (Koksal, 2008) and generating, refining and evaluating marketing action and monitoring marketing performance (Malhotra, 2006).

Considerable attention is being 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 overlapping 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.

Instrumental use. The direct application of research findings and conclusions to solve a policy problem is referred to as instrumental use. In other words, a problem exists and the solution depends on research providing the information to fill the information gaps. In much of the research on knowledge utilization in the marketing discipline the term research use is employed in reference to instrumental use. Hence, when a decision to introduce a new

product is based on marketing research findings and recommendations, we have an instance of instrumental use of knowledge.

Conceptual use. Often, available research findings that are not directly applicable to a problem or relevant to a given situation or period in time tend to be used conceptually. Conceptual use of research results is less direct and more indirect than instrumental use. Thus, much of the use that provides for general clarification can be considered as developing the managerial knowledge base. Projects and studies commonly provide concepts, assumptions, models, and theories. These, then can enter into managers' orientations toward priorities, the approach in which they formulate problems, the range of solutions they convey, and the criteria of choice they apply. However, this type of use is subtle and indirect and therefore managers may not be able to identify specific effects or "observe" the influence.

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.

Then Menon and Varadarajan (1992) argue that knowledge utilization can be conceptualized along three dimensions: action-oriented use, knowledge-enhancing use, and affective use.

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. Such symbolic uses are further classified into: benign cynical, or positive. The benign form of symbolic use occurs when managers use information to make the supplier feel included in the decision making. For example, managers will use

information provided by consultants with whom they have had a long-term, positive relationship so as to enlighten the relationship. Cynical use, which can be viewed as a type of ritualistic use, occurs when a manager cynically uses some information even though he or she does not see any value in it but thinks that some other audience may see value. When a manager uses research results for the sole reason that he or she believes superiors may see some value in the study, we have an instance of cynical symbolic use. Finally, a positive form of symbolic use occurs when managers use information not so much for its value but because it sends a positive message within the firm. For example, managers may publicize and openly use product quality studies to promote the importance of and emphasis on product quality within the firm.

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 enhancement can occur directly when managers make conscious efforts to learn when they process the information, or it can occur indirectly through knowledge accretion or through processes described as peripheral or low-involvement learning. Thus, 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 creative, 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.

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. Like knowledge-enhancing use, affective use has two sub-dimensions, product-based affective use and process-based affective use. Product-based affective use is based on the manager's overall satisfaction and confidence level created by the study findings or implications. Information from research studies can be used to lower any cognitive dissonance effects that can occur with decisions not yet taken and thereby increase overall satisfaction with the decisions when they are made, or they can be used to feel more comfortable with a decision made prior to the conclusion of a study. Process-based affective use of research is the overall positive level of satisfaction and confidence because research was done. These effects occur during the conduct of a research study and over a period of time thereafter and they also have a major influence on the researcher-manager relationship and interaction, which is critical for knowledge use (Deshpande and Zaltman 1982).

1.1.5 Market research type and components

Marketing research information types were discussed in the studies of Xu and Kaye (1995), Köksal (2008) and Hart and Diamantopoulos (1993). Bulut (2013) summarizes and contends that market research information types can be classified as: *strategic information, macro environment information; customer information; and competitor information*. This is also found similar to information management practices of companies in emerging market like Vietnam (Tran and Tuong 2011). These types of uses are very much of instrumental and action oriented in their nature. These are comprehensive of what marketers in Vietnam are looking for; they are direct, practical and close to their daily marketing management practices.

(1) Strategic information (Bulut 2013) refers to information about:

- market size,
- market growth rate,
- market share,
- price trends,
- and product adaption

(2) Macro environment information (Xu and Kaye 1995) include information about:

Political: This information defines the level of effect which a government decision may influence the whole economy or some particular industries. This can be illustrated, for example, in a new tax or duty which the government imposes, would change a company's revenue and profitability dramatically. Political information includes government industry policy: privatization or nationalization, small enterprise development policy, government economic control and regulatory mechanism, restrictions on competition, consumer protection, and control of economic conflicts, tax policies, trade tariffs, and fiscal policy. These can be enacted or levied by a government around the year and it may disturb or affect the business environment and economic environment significantly.

Economic: This information refers to the determinants of an economy's performance that directly impacts a company and has deep long term effects. For instance, an upsurge in the inflation rate would make companies price their products and services differently (higher). In addition, this would in turn lower the purchasing power of a consumer and the economy supply/demand structure may also change. Economic factors include critical economic variables (to the operation of the business): growth/recession rate, employment rate, interest rate, inflation rate, monetary policy, economic infrastructure, fiscal and expenditure policy, national economic development strategy, GNP and income distribution, foreign exchange rates, economic growth patterns. It also accounts for the FDI (foreign direct investment) depending on certain specific industries who are undertaking this analysis.

Social: This information scrutinizes the social environment of the market, and measure determinants including: demography change, social class, age, education, income, mobility, family structure, buying behavior, culture evolution, health and welfare, population trends, living standards, working conditions, demographics, cultural trends, population model. Purchasing trends for western countries where there is high demand during the holiday season can be an example for this factor.

Technological: This information pertains to technology innovations which may affect the activities and operations of an industry or a market in a positive or negative way. This can be areas such as automation, R&D and the awareness of technology that a market possesses. The most relevant technological innovation and development information to the company's business include: new theory, new materials, new structure, new energy, new processes in

computing science, materials sciences, biological sciences, etc. It also includes information on the impact of technology innovation and diffusion on society, and the social environment in which the company operates.

Legal: This information can influence business environment of a country (external side) or influence a company within an industry (internal side). Legal factor analysis takes into account these perspectives and helps build the strategies in according to these legislations, for instance, consumer laws, labor laws, or safety and health requirements and standards.

Environmental: Everything in the surrounding environment of a company or an industry would be included in this information. For some industries, environmental information is particularly crucial for forming strategies for example farming, tourism.

(3) Customer information (Koksal 2008, Xu and Kaye 1995):

This information can include customer analysis, existing customer details, the top ten customers (20: 80 effect), purchase frequency and trends, potential customers, buying power shift, etc. A focus analysis on customer target contains the 6Ws:

Who?

Who would benefit most from your product or service? Who has the most potential to buy from you? Are they men or women? Does your product create excitement among the young generation or the much older ones? Are your customers family-men or are they single-working moms?

What?

What do these customers want to buy? What are their interests? Are they easily keyed up every time a new model of mobile phone comes out of the market? Are they a techy-kind of clients? What do they mostly purchase each year?

When?

When do they usually buy- when they have the money or when they need it? During sales or even on regular days? When do they shop? Do they enjoy wrestling with so many people during sales? Or they would rather buy after everyone has stopped the buying frenzy? Do they buy on impulse?

Where?

Where do they usually buy at the local grocer or at the mall? Do they drive to out-of-the-way shops to get specialized items? Do they get excited when they see thrift shops or outlet stores? What about garage sales?

Why?

Why do your customers want to buy? Because they need it or they buy it on a whim. Do they actually believe that your product or service is effective?

How?

How do your customers use your products and competitors' products? How do your customers buy? In bulk? Are they interested more on single purchases? What about buying wholesale?

(4) Competitor information: Xu and Kaye (1995), Hart and Diamantopoulos (1993)

This information consists of actual and potential competitor details including sales and marketing performance turnover, market share, market position, financial status, resource, strategy for development, organization and image as well as the profound competitors, benchmarking competitors classified by promotion, distribution, price, product, service.

1.2 Market research and market orientation

From literature, market research has been considered as a fundamental component of market orientation. This section will focus particularly on this relationship by discussing market orientation elements which are relevant and related to market research utilization.

1.2.1 Market orientation

The term market orientation relates to the implementation of a market orientation (McCarthy and Perreault, 1984).

The concept of Market Orientation (MO) is the central element of the management philosophy based on the marketing concept (Webster 1988) and is presumed to contribute to

long-term profitability of a company. A market orientation, as a corporate culture, characterizes an organization's disposition to deliver superior value to its customers continuously (Slater and Narver 1994).

Shapiro (1988), possibly the first author to identify aspects of a market orientation, describes a market-oriented company as one in which strategic and tactical decisions are made inter-functionally and inter-divisionally, and divisions and functions make well-coordinated decisions.

Then, in 1991, Davis, Morris, and Allen examine the consequence of environmental turbulence on marketing, entrepreneurial, and organizational characteristics of the company. The authors use factor analysis of the nine items identified from the literature and expert opinion to categorize two interpretable dimensions: information gathering activities and a marketing orientation (Davis *et al.*, 1991).

Next, a somewhat different conceptualization is presented by Ruekert (1992). Ruekert defines a market orientation as the degree to which the business unit obtains and uses information from customers, then develops a strategy that will meet customer needs, and eventually implements that strategy. From the effort of collecting and working on data of five strategic business units (SBUs) of a one high technology company, Ruekert clusters a 23-item scale consisting of three dimensions: the (1) use of customer information, (2) development of a market-oriented strategy, and (3) execution or implementation of the market-oriented strategy.

From the above, we can see that numerous conceptualizations of a market orientation emerge in the literature. However, the following three directions seem to be more popular and prevail.

In the first stream of thought, Narver and Slater (1990) conceptualize a market orientation as a three-dimensional construct consisting of (1) customer orientation, (2) competitor orientation, and (3) inter-functional coordination.

Then, Kohli and Jaworski (1990) also classify a market orientation into three-dimensional construct, but suggest differently that the three components are (1) organization-wide

generation of market intelligence that pertains to current and future customer needs, (2) dissemination of market intelligence across departments, and (3) organization-wide responsiveness.

A customer orientation requires that a seller comprehend a buyer's entire value chain, not only as it is today but also as it will evolve over time subject to internal and market dynamics. A seller can create value for a buyer, by increasing benefits to the buyers in relation to the buyer's costs and reducing the buyer's costs. Han *et al* (1998), explain the rationale behind the high profiling of customer focus by the marketing concept, which promotes putting the interests of customers first. Accordingly, because customer orientation places the highest priority on continuously finding ways to provide superior customer value, an increased commitment to customer orientation should result in increased boundary-spanning activity. In other words, customer orientation advocates a continuous, proactive disposition toward meeting customers' exigencies. A focus on total customer satisfaction thereby fosters continuous innovation.

Competitor orientation means that a seller has knowledge of the short-term strengths and weaknesses and long term capacities and strategies of both the current and the key potential competitors (Day and Wensley, 1988). Competitor orientation essentially centers on the following questions: (1) who are the competitors? (2) what technologies do they offer? and (3) do they represent an attractive alternative from the perspective of the target customers? On the whole, competitor orientation entails gathering intelligence on these three questions (Han *et al*, 1998).

Interfunctional coordination plays a vital role to create superior value for target customers. Integration of coordination is the business's resources in creating superior value for buyers helpful to closely tie both customer and competitor orientation. A lack of inter-functional coordination in a business can be a reason of misleading market competition and customer satisfaction. As a result, effective support and leadership are needed to overcome each functional area's isolation from other functions. Achieving effective inter-functional coordination requires, among other things, an alignment of the functional areas' motivations and the creation of inter-functional reliance so that each area recognizes its own benefit in collaborating closely with the others (Narver and Slater, 1990).

Instead, Day (1993) and Sinkula (1994) suggest that a market orientation may be more fittingly conceptualized as a process consisting of four stages: (1) acquisition of market information, (2) organization-wide sharing of market information, (3) a shared interpretation of market information, and (4) utilization of market information in the company's strategic planning and enacted response.

Whereas the conceptualizations vary, there is a high degree of consistency along two streams. One stream is relating to the nature of the information. Consistently, the literature suggests that information about *customers and competitors* is imperative to a market orientation. The second stream is in terms of what and how companies deal with the information. There is also strong consistency in the literature signifying that the information is acquired, shared, interpreted, and used by a company in its strategic planning and execution.

Based on conceptualization of market orientation of Kohli and Jaworski (1990), Jaworski and Kohli (1993), and Kohli *et al.* (1993), Harison-Walker (2001) argues that conceptualization of market orientation as a four-stage process: (i) information acquisition; (ii) organization wide-sharing information; (3) shared interpretation of information; (4) utilization of information.

Information acquisition: is one of the leading requirements of managers to find out customers as well as competitors. However, to get right information, a research process is indispensable. As mentioned by Day (1993), while most companies acquire information of trends, events, opportunities, and threats in their market environment, market-oriented companies approach these activities in a more deliberate fashion. In summary, the purpose of the research information acquisition is conceptualized as the deliberate and ongoing process of gathering information about customers and competitors.

Organization-wide sharing of information: Information is more supportive if it is shared throughout the organization. Once it permeates the entire organization, its usage is maximum. Information sharing takes place vertically i.e. along the formal hierarchy (Bush Jr. and Frohman, 1991) and horizontally between departments or functions within a business unit (Kohli and Jaworski, 1990). Likely, information sharing may also occur vertically between the home office and subsidiary business units and horizontally between and among subsidiary units (Achrol, 1991). In short, organization-wide sharing of information is conceptualized as

the horizontal and vertical transfer of information about customers and competitors within an organization.

Shared interpretation of information: Information is more useful, once its interpretation is done. Although different perceptions of managers on information collected can happen, but the thread of coherence among managers depicts organizational interpretations (Harrison-Walker, 2001). Organizational interpretation is formally defined as the process of translating events and developing shared understanding among members of management (Daft and Weick, 1984). A good interpretation causes a good response to the market place by competitive strategies.

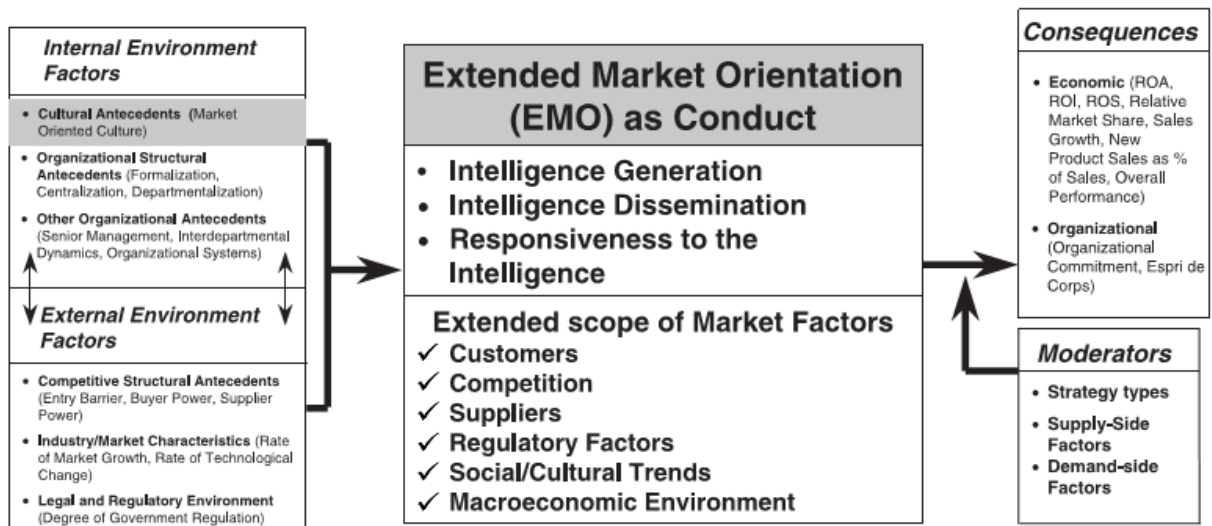
While not much research has been conducted regarding shared interpretations in organizations, (Day, 1993) records that problems takes place when managers have very dissimilar interpretations and do not identify that other interpretations are valid. In short, shared interpretation of information refers to the examination and analysis of customer and competitor data to excerpt a common understanding or sense of meaning.

Information utilization: This pertains to the incorporation of market information about customers and competitors into a company's strategy and plan of business. Information utilization is as an action to generate and disseminate after information interpretation availability.

More recently, Matsuno, Mentze and Rentz (2003), propose an Extended Market Orientation model (EMO) (Figure 1). This conceptually reconciles the debate between Narver and Slater vs. Kohli and Jaworski by positioning Narver and Slater's cultural construct as an antecedent to the conduct, and Kohli and Jaworski's behavioral construct as a company's conduct and performance as a set of consequences of a company's conduct.

Figure 1: The Extended Market Orientation conceptual model

Source: Matsuno, Mentze and Rentz (2003)



In details, Narver and Slater (1990) are very clear about the definition of the market orientation concept as *organizational culture*. They consider this organizational culture will generate the according behaviors most effectively and efficiently for creating superior value for customers and consequently superior performance for the company. Therefore, they consider such culture as a pivotal antecedent to market-oriented behavior.

On the other hand, Kohli and Jaworski's 1990 construct - a set of intelligence related *behaviors*, results from internal and external environmental antecedents. The internal task environment comprises such factors as organizational structure and design (e.g., complexity, formalization, centralization and specialization/differentiation), performance measures and reward systems, top management's attitude toward risk and organizational culture. The external environment relates to the elements outside the organizational boundaries, such as market competitive structures (e.g., entry barriers, seller concentration and buyer power), industry/market characteristics (e.g., growth rate, cost and investment structure, technological dynamism and market turbulence) and regulatory factors

Specifically, the model of Matsuno, Mentze and Rentz (2003) accommodates ostensible differences in the two conceptualizations by distinguishing market orientation as organizational culture (an antecedent) from market orientation as a set of behaviors (company's conduct). This approach implies that companies engage in intelligence-related activities (conduct) as a response to internal and external factors and the extent to which a company engages in such conduct brings about market consequences. In sum, this generic

model points out that each of the two different market orientation scales and measurement theories is conceived at a different level of abstraction.

The above concepts and models have been applied and discussed in emerging market context by Bodlaj (2010), Gaur *et al* (2011), Bathgate *et al* (2006). This will be discussed later in this section.

In an effort to sum up and generalize previous market orientation contributing dimensions, Deshpandé and Farley (1998) also synthesize a more concisely and managerially-oriented scale from the three existing market orientation scales for use in future applications, especially when market orientation is part of a broader study in which interviewing time is short. Further, the inductive procedure used in this study allows these authors to address for the first time in an empirical fashion; two of the essential conceptual issues raised most recently, Jaworski and Kohli vs. Slater and Narver. First, market orientation is not a “culture” (as Deshpande and Webster originally suggested in 1989) but rather a set of “activities” (i.e., a set of behaviors and processes related to continuous assessment and serving of customer needs). This implies that market orientation is more consistent with its earlier descriptions by Kohli and Jaworski (1990) and Day (1994). Second, market orientation focuses on (potential and current) customer related activities rather than non-customer related behaviors (e.g., collecting intelligence on competitors). Market orientation can be pitted against other orientations which would include not only financial but competitor orientations to determine which is most correlated with company performance for particular business environments. In fact, as Webster (1988) has suggested, focusing on competitors as part of a corporate strategic planning agenda might have taken many companies’ eyes off their customers. Hence, we can now define market orientation as the set of cross functional activities directed at satisfying customers.

Resent cases of market orientation research in emerging economies

Bodlaj (2010) argues that the vast majority of empirical studies do not distinguish between the two complementary forms of market orientation: *responsive and proactive*. The need for this distinction has recently been emphasized by ever more researchers who claim that past empirical research has focused only on a responsive market orientation (e.g. Narver *et al.*, 2004; Tsai *et al.*, 2008; Voola and O’Cass, 2010). According to Narver *et al.* (2004), a *responsive market orientation* refers to discovering, understanding and satisfying expressed

customer needs, whereas a *proactive market orientation* refers to discovering, understanding and satisfying latent customer needs. Existing empirical research adopting both forms of market orientation is still very limited to a few studies, mostly conducted in non-European countries that examine the impact of a responsive and proactive market orientation on new-product performance (Narver *et al.*, 2004; Tsai *et al.*, 2008) or business performance (Voola and O’Cass, 2010).

Bodlaj (2010) examines the impact of a responsive and proactive market orientation on the degree of novelty, innovation performance and business performance. Data obtained from 325 Slovenian companies that introduced product, process, marketing and organizational innovations, was analyzed via structural equation modeling. The main findings reveal that only a proactive market orientation is positively related to the degree of novelty, whereas no support was found for the direct impact of both market orientations on innovation performance and business performance.

Gaur *et al* (2011), find a positive link between two sub-dimensions of market orientation – customer orientation and inter-functional coordination – and manufacturing performance in Indian SMEs. Competitor orientation, however, did not have a positive impact on manufacturing performance. Specifically, the paper recognizes roles of the two sub dimensions of market orientation: company resources and competitive intensity, affecting the decision of Indian SMEs in adopting market orientation for better performance.

Company resources role: Among market-oriented companies, some have more resources than others. With abundant resources, market oriented companies can achieve huge benefits (Kohli and Jaworski, 1990). For companies with limited resources, being market oriented would not make a significant difference in performance. For example, companies that have enough slack resources can make a better use of the customer related data that they may gather as a result of being customer oriented. On the other hand, if a company does not have resources, no amount of customer data may be of any use as such companies would not be able to respond to the demands of the customers, even if they understand the demands. Likewise, companies need resources to invest in systems for product improvements and new product development in order to respond to the challenges created by competitors, which companies can understand by being competitor oriented. Clearly, it is meaningful to adopt a market orientation strategy only if companies are able to invest in product and process

enhancements to meet customer expectations, competitor challenges and organizational challenges. Companies that have more resources at their disposal are likely to have a greater capability to respond to the demands arising out of a higher level of market orientation. Consequently, a better implementation of the market orientation strategy means that companies can derive more benefits from these strategies. Thus company resources moderate the relationship between various dimensions of market orientation and manufacturing performance.

Competitive intensity

Competitive intensity refers to extent of rivalry among different players in an industry. Competitive intensity is an important determinant of company profitability in a given industry. The level of competitive intensity determines a company's choice of strategic actions and responses (Chen and Miller, 1994). However, not all competitive actions elicit responses. The likelihood of a response depends on visibility of the competitive actions and rivals' ability to gauge the consequences of a competitive action (Chen and Miller, 1994). The level of market orientation of a company determines whether company will be able to process all the information and take appropriate actions or not (Subramanian and Gopalakrishna, 2001). When the level of competitive intensity is low, companies can perform well even if they are not highly market oriented (Kohli and Jaworski, 1990). This is because, in an environment of low competitive intensity, customers do not have much choice and they remain stuck with whatever is available in the market place. In contrast, under conditions of intense competition, customers have many options, and will reject the products and services that do not meet their expectations. Consequently, it becomes important to not only have a high level of competitor orientation, but also a high level of customer orientation to better understand customer expectations, and a high level of inter-functional coordination to effectively respond to the challenges of the market place (Jaworski and Kohli, 1993). Thus, when there is a greater level of competitive intensity, the positive effect of different dimensions of market orientation on manufacturing performance becomes stronger.

Dwairi M., (2007) revisits Kohli and Jaworski, and Kohli's pioneering market orientation model within a highly growth-oriented and competitive banking industry in an emerging Middle-Eastern economy, Jordan. In this study, the author replicates Kohli and Jaworski (1990), and Jaworski and Kohli's (1993) entire market orientation model within a highly growth oriented and competitive industry in an emerging Middle-Eastern economy. Not only

market orientation research is rare in such a context but also the context has the characteristics that allow for a robust test for the complete market orientation model. Findings generally resonate with the results of Jaworski and Kohli (1993) and offer one more support for the validity of Kohli and Jaworski (1990) and Jaworski and Kohli (1993) market orientation model.

A recent replication of Jaworski and Kohli's (1993) model also generated similar results (Kuada and Buatsi, 2005). In the study, out of eleven hypotheses, eight were supported, two unsupported and one could not be tested due to weaknesses in the scale. However, a closer look into the results reveals some interesting insights. First, the influence of top management traits on market orientation is fairly stable across diverse contexts. All replications have been consistent about these relationships (Kuada and Buatsi, 2005). That is, top management is a crucial factor for an organization to become market oriented. Second, organizational factors, both structural and interpersonal or interdepartmental, as determinants of market orientation are not completely decisive. Most studies regarding these linkages have produced some inconsistencies (Kuada and Buatsi, 2005). The study found interdepartmental conflict and formalization not having any roles in the market orientation model. Therefore, no concrete conclusion can be made regarding how different organizational factors relate to market orientation. Third, even though it seems that environmental factors play a role in the market orientation model, the nature of that role is still unclear. Similar to the results of previous studies, the author also finds some inconsistencies on how environmental factors correlate with market orientation. The competitive intensity does not interact with market orientation. Perhaps the nature of the correlations of environmental factors and market orientation is much more complex.

Likewise, Bathgate *et al* (2006), contend that in emerging country like China, although some of the early results are consistent with those obtained in the West, an underlying lacuna needs to be addressed in order for a useful culture-sensitive interpretation of market orientation to be offered vis-a-vis locale-specific knowledge. In relation to managerial knowledge, skill, attitude and behaviour, many respondent managers tend to have a general knowledge of the marketing concept but are still to a large extent uncertain about the possible effects of being market oriented. It is not surprising that since the marketing concept is still in the process of development in China, there might be insufficient context-specific empirical substantiations to offer valid and persuasive recommendations to practitioners.

Bathgate *et al* (2006) also discuss the *organizational structure and market orientation*. The two dimensions focused are formalization and centralization:

Formalization versus market orientation

Consistent with the findings generated in Western contexts (Matsuna and Mentzer, 2002 contend that formalization is not related to market orientation), the data from this study in China confirms that no significant relationship is found between formalization and all aspects of market orientation. “Formalization” refers to rules, regulations and procedures applied to direct organizational performance. In a collectivist business environment like China’s, where those are followed rigidly, formalization was expected to have a great effect on companies’ strategic orientation. It may be that this issue will need to be further probed, but the finding nevertheless upholds the prior hypothesis that it is negatively related to generation and dissemination of market intelligence and all the components of market orientation.

Centralization versus market orientation

Results from data analysis suggest that centralization of decision-making serves as a barrier to market orientation. As shown, centralization is indeed inversely related to organizational responsiveness. Although no relationship was discovered between centralization and generation and dissemination of market intelligence in the present study, the finding is partially consistent with the Jaworski and Kohli (1993) study. These and many other marketing orientation theorists have claimed that centralization negatively affects dissemination of market intelligence, on the basis of a negative relationship in many studies. The finding reported here mirrors the trend generally established in the literature. Given that information-enabling management systems are not well developed in China, the task of collating information may still be largely restrained by the remaining practices of a central planning economy.

1.2.2 Market research as a component of market orientation

Market research is considered as a fundamental component of market orientation (Kohli and Jaworksi, 1990). In addition, Javalgi *et al* (2006) discuss the importance of market research information in developing a market orientation and its impact on international service organizations. The key implications center around the idea that in current competitive

markets service companies must be market-oriented in order to be competitive and that market research plays a critical role in generating the needed data on which a market orientation can be developed and implemented. At the same time, the author also discusses the interlinked relationship between market orientation and market research i.e. market orientation companies would use more market research.

As we can see, central to these discussions involving market orientation is the development and implementation of customer information. The process of conducting market research and its effective use within service organizations could have a direct effect on the components of customer relationship. It is logical to draw the conclusion that customer information is the cornerstone of this continuous information management process. Furthermore gathering customer information for use in making marketing decisions is the primary objective for conducting market research.

The management of information has always been discussed and revealed as an essential component of good management practice (Yaman and Shaw, 1998). However, the simple possession of information is not adequate. Debatably, the organizations that will have a decisive competitive advantage will be those that can make the best use of the knowledge they possess.

The use of market research occupies an important place in managing information and developing a market orientation (Jaworski and Kohli, 1993). Moorman *et al* (1992) identify the important role of knowledge use in developing trust between the providers (researchers) and users (managers) of marketing research. Glazer (1991) also discusses the implications of knowledge utilization the environment which is information-intensive. Despite the importance of the issue, however, research into the use of knowledge in business in general is fragmented, and the validity of existing research instruments is limited because they have not been established according to accepted measurement set (Yaman and Shaw, 1998).

Given that market research is the process of planning, collecting, and analyzing customer-oriented information for use in making decisions (Aaker *et al.*, 2004), the two concepts of market orientation and market research are inextricably linked. In fact, market orientation has been defined as the organization-wide generation of market intelligence pertaining to current and future needs of customers, dissemination of intelligence within the organization,

and responsiveness to it (Kohli *et al.*, 1993). Thus information is essential to both market orientation and, in turn, business performance.

Relevant to the above discussion, Duboff and Spaeth,(2000) argue that designing and executing any successful marketing and business strategies would base on one of the following three chances:

- the chief executive officer instinctively makes the correct decision in the face of intense competitive pressures;
- luck or simply good fortune; and
- insights into the marketplace provided by market research.

The third option seems the most likely in today's increasingly competitive business climate. This climate would leave companies with no choice but to be as much market oriented as possible. As Duboff and Spaeth (2000) note, in attaining competitive advantage and greater performance, it is easier for a market orientation company if they know the current environment and the possible actions of all key players, from customers to competitors. Excellent marketing information is the edge that differentiates market winners from losers who, when faced with identical opportunities, make different decisions resulting in varying degrees of success or failure. More than ever before, both product and service organizations must listen to and correctly interpret the voice of the market. They must be fully attuned to the signals that come from customers, dealers, as well as competitors in order to make the right decisions at the right time. Companies that lose touch with the market, that either ignore or misinterpret its.

Again market orientation companies would facilitate the generation and dissemination of information, thus would positively related to the utilization of market research. This reconfirms that market orientation can be considered as an antecedents to market research utilization. There are different views from literature on this relationship, so this thesis aims to justify if market research utilization can be considered as a consequence of market orientation in the empirical research phase.

1.2.3 Market orientation related concepts and market research utilization

Market orientation has several important related concepts such as organizational learning and innovation. These concepts are also interrelated with market research utilization. The below section will discuss these relationships in details.

1.2.3.1 Organizational learning, market orientation and market research utilization

As discussed, market orientation and market oriented organizational culture are important to managers and also scholars. Theories of the nature and consequences of market orientation concept have been developed comprehensively (for example: Kohli and Jaworski 1990; Narver and Slater 1990; Shapiro 1988). A stream of research exemplifying the relationship between market orientation and companies' performance has also been conducted (for example: Deshpande *et al* 1993; Jaworski and Kohli 1993; Ruekert 1992; Slater and Narver 1994). In addition, market orientation has been considered as a key phenomenon in literature about marketing strategy and marketing management (Day 1992).

However, market orientation generation is only the first milestone for a company to exploit *its ability to learn about markets*. The more important thing for market orientation culture to achieve its maximum effectiveness is that it should be accompanied by an appropriate organizational climate including: structures, processes, and incentives for executing the cultural values (Deshpande and Webster 1989). Therefore, to maximize the *organizational learning* about producing superior customer value in ever changing and turbulent markets, company needs to generate the appropriate combination of culture and climate. This is because the important force for sustainable competitive advantage lies in the capability to learn faster than competitors.

Slater (1995) also agrees that appropriate organizational processes and structures are needed for market orientation to be most effective in creating *learning organization* regardless of the fact that market orientation can itself facilitate learning from customers and competitors.

Literature reveals two main perspectives of organizational learning (Jiménez-Jiménez *et al*, 2007):

1) Learning organizations can be seen as organizations where people continually expand their capacity, where new thinking is nurtured and where people are continually learning to see the whole together (Senge, 1990). This concept, according to Matlay (1997), gains recognition amongst high profile, innovative organizations that set out to increase their market share through highly successful, learning-based human resource and knowledge management strategies.

2) Organizational learning may be seen as a process whereby empirical measurement is easier than a stock perspective (Sinkula *et al*, 1997) and an understanding of what is known is less important than what a company is capable of knowing because a stock of knowledge that is not recurrently updated quickly run down in value (Bell, Whitwell, and Lukas, 2002).

We can see clearly the simplest principle about organizational learning definition is in the knowledge or the insights development aiming at influencing behavior. There are two types of organizational learning revealed: adaptive and generative.

Adaptive learning (Senge 1990) is the most basic form of learning, happens within a set of recognized and unrecognized constraints (i.e., the learning boundary) that reflect the organization's assumptions about its surrounding environment and itself. This is also mentioned as single-loop learning by Argyris (1977).

Generative learning (Senge 1990; Argyris 1977) occurs when a company is inclined to question the existing assumptions about its strategies, customers, competitors and suppliers. This type of learning entails the progress of a novel way of looking at the surrounding phenomena based on an understanding of the systems and relationships that link key issues and events. Such systematic rationale shapes the company's focus on the dynamic and inter-related processes of change rather than on single cause-effect relationship (Senge 1990).

Organizational learning involves a three stage process namely: (1) information acquisition, (2) information dissemination, and (3) shared interpretation (Sinkula 1994).

Information acquisition. There are three sources of getting information: from direct experience, from the experiences of others, or from organizational memory.

The *direct experience* includes internally focused experience (for example, the learning curve, the accumulative user experience in manufacturing productivity) and externally focused experience (for example, the use of demonstration projects and market experiments in studies of Garvin 1993; Hamel and Prahalad 1991). Internally focused learning is referred to as “exploitation” and externally focused learning is referred to as “exploration” (March 1991). Organizations should find a way to combine and balance between these two types of learning because too much dependence on the exploitation learning is unlikely to gain generative learning, while too much focus on exploration learning is costly and may create too many immature ideas.

Learning from others includes activities such as: forming joint ventures, networking, making strategic alliances, working with others, and benchmarking etc. (Webster 1992). Education or training is also a source of learning from others. Learning oriented managers look to form various credible internal and external sources to gain objective information about their company and its surrounding environments. To minimize the adaptive learning tendency, top management should ascertain that they include people with different perspectives into important roles which involve the decision making process of the company.

Organizational memory is crucial for information acquisition stage. Learning would not be sustainable or kept fresh due to companies’ turn over and the matter of time (Levitt and March 1988; Sinkula 1994). It is essential that important knowledge be recorded and appropriately coded and classified in information systems, operating procedures, and other companies’ materials. The degree which these memories are used and are useful will define how long the memory should persevere. However these memories may limit generative learning or even boost ineffective learning if managers focus the company improperly (Dickson 1992). If this happens, a traditional capability can become core rigidity (Leonard-Barton 1992; March 1991). Put another way, new processes or capabilities may be more effective than old ones, but the organization is reluctant or incapable of rejecting the capability in which it has invested so heavily. In this situation, companies must promote active unlearning (Schein 1990) and motivate its personnel to take risks (Schein 1993).

Information dissemination. Organizational learning is distinguishable from personal learning by information dissemination and accomplishing a shared (organizational) interpretation of

the information. “Effective dissemination, or sharing, increases information value when each piece of information can be seen in its broader context by all organizational players who might use or be affected by it and who are able to feedback questions, amplifications, or modifications that provide new insights to the sender” (Glazer 1991).

When companies remove the functional barriers that obstruct the flow of information from development to manufacturing to sales and marketing, they improve the organization's capability to make rapid decisions and execute them effectively. Increasingly, organizations encourage information sharing in the development process by sending people from multiple functions on customer visits. Not only does this stimulate real-time information sharing, but it also generally increases the quality of the information gathered (McQuarrie and McIntyre 1992). The quality of the information sharing process between organizations has also been found to be critical to the success of partnerships and alliances (Mohr and Spekman 1994).

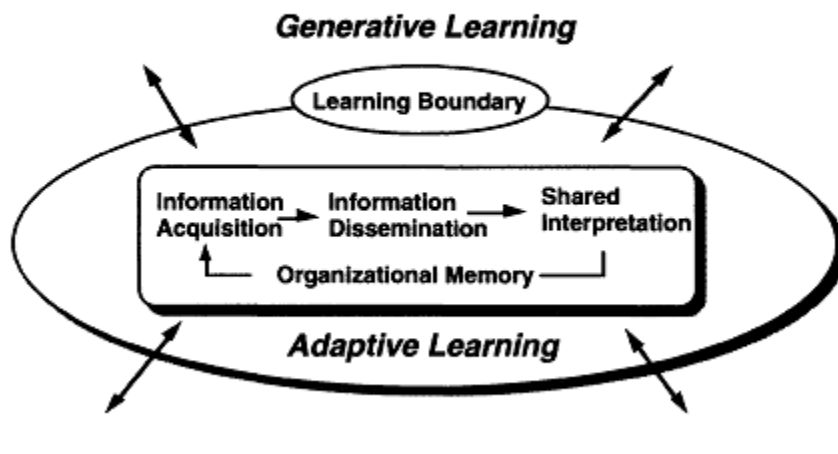
Shared interpretation. The final stage of organizational learning is shared interpretation of the information. For organizational learning to occur in any business unit, there must be a consensus on the meaning of the information and its implications for that business (e.g., Day 1994). Slater (1995) finds that high performing firms in dynamic and complex markets strive for consensus to ensure effective strategy implementation. However, before attaining consensus, "organizations competing within an industry experiencing high growth may benefit from a relatively high level of disagreement in assessing the relative importance of company objectives and competitive methods". The result of disagreement is a considerate examination of the validity of different assumptions and alternatives. Thus, high performance in a dynamic environment requires balancing the need for rapid decision making with the need to consider carefully the consequences of alternative action plans through effective encountering resolution processes (Slater 1995). Similar findings can also be found in emerging markets in articles of Hurley *et al* (1998), Keskin (2006), Xie *et al* study (2007) which will be discussed later in this thesis.

The above discussions can be illustrated in Figure 2 below.

Figure 2: The process of organizational learning

Source: Slater 1995

The Process of Organizational Learning



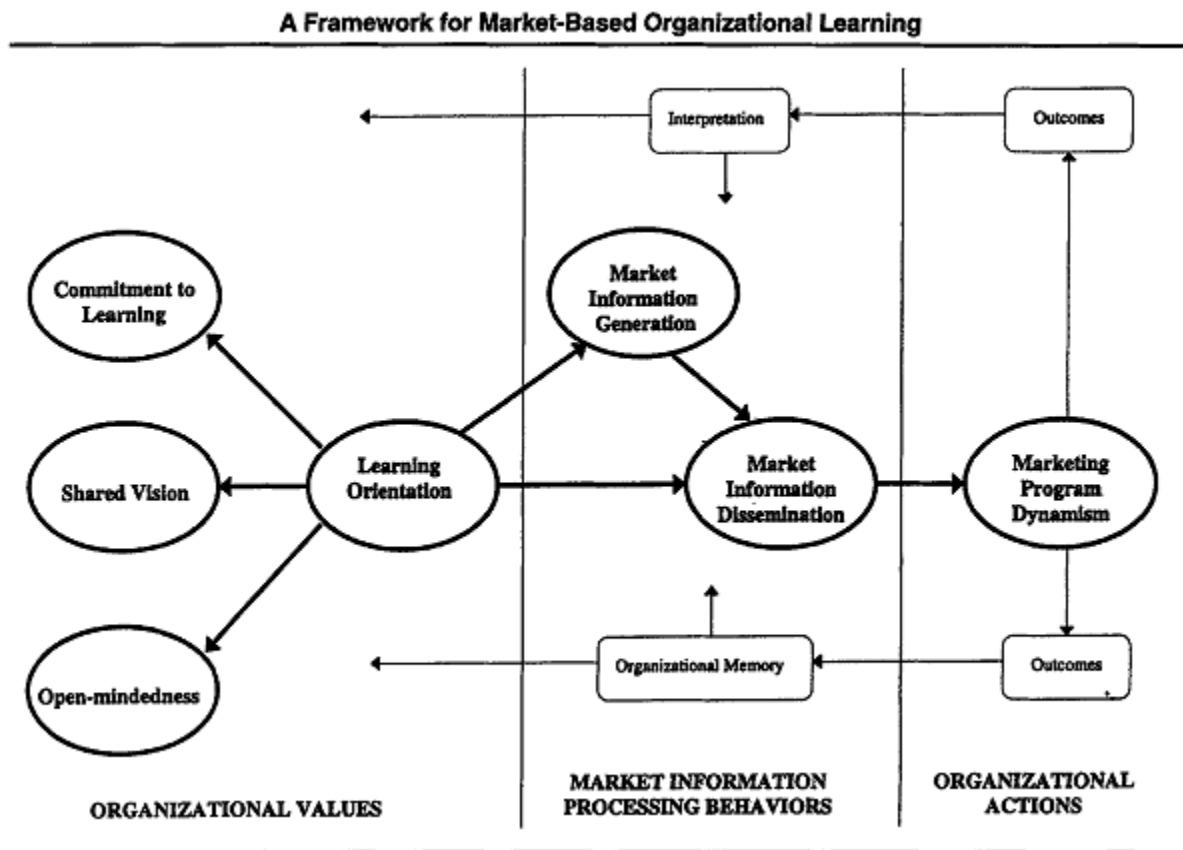
In summary, Slater *et al* (1995) find that successful companies possess management practices that enable the development of the knowledge that becomes the basis for competitive advantage. A market orientation, accompanied by an entrepreneurial determination, delivers the cultural groundwork for organizational learning. However, as important as market orientation and entrepreneurship are, they must be complemented by an appropriate information usage to produce a learning organization. We can observe that learning process is quite similar to that of market research in the stages of information acquisition, dissemination and interpretation sharing. Thus strong organizational learning should facilitate the use of market research and information.

In addition, Sinkula (1994) in the article about market information processing and organizational learning concludes that organizations learn, what they know affects how they search, what they pay attention to, and how they interpret what they find. Importantly, Sinkula suggests that research focusing on the way organizations process market information (information acquisition, distribution, and interpretation) should take precedence over that focusing on market information use.

Sinkula *et al* (1997) re-examines organizational learning concept and comes up with an extensive conceptual framework. In this model, a process for market-based organizational learning is assumed (Figure 3).

Figure 3: Framework for market based organizational learning

Source: Sinkula et al (1997)



Sinkula *et al* (1997) empirical study also tries to combine separate components of market organizational learning in to a meaningful relationship and connection. The key to Sinkula *et al* (1997) conceptualization is the assumption that companies can learn in different ways. Companies might learn by their own will or under pressure, actively or passively, through systematic analysis or by trial and error, in view of long-term versus short-term feedback, in a dynamic or stable environment. Thus the authors *do not propose the model of organizational learning*, but they come up with *the learning orientation concept*. Sinkula *et al* (1997) model measures learning orientation and the relationship between it and learning outcomes, as being mediated by market information processing behaviors.

The results show that learning orientation is positively affecting market information generation and dissemination. Learning orientation also affects the extent to which companies adapt its marketing strategies (via its indirect effect on market information

dissemination). Again, similar findings can also be found in emerging markets by Hurley *et al* (1998) and Keskin (2006) which will be discussed later in this thesis.

In terms of the cross relationship amongst market orientation, organizational learning and market research utilization, according to Santos Vijande *et al* (2005), it is not clear in previous research if organizational learning is an antecedent or a consequence of market orientation. Perhaps the key to the problem is to assume that both possibilities are not exclusive. In this respect, a learning organization, due to its active and proactive learning about clients, competition and environment can succeed in being adequately market oriented, providing its clients with greater value in a sustained way in the long term (Day, 1994). But similarly, a firm that has the cultural values of market orientation and an adequate pattern of behavior coherent with these, may also become a true learning organization. This latter premise, however, has been under discussion, that is, it has been questioned whether generative learning can be derived from market orientation. If market orientation can create generative learning this would reinforce its consideration as a high-level resource capable of leading to the usage of other strategic resources and, therefore, first among the abilities the firm must acquire. *Nevertheless, there exists strong linkage between market orientation and organizational learning, and both involve and are conditions for market information utilization.*

Jiménez-Jiménez *et al* (2007) conclude that with the aim of fostering each organizational learning phase, market-oriented companies could foster both intelligence generation and dissemination. This mean that managers should invest in market research, analyze the effects of shifts in the business environment or be in contact with customers to know what they think about their products. On the other hand, the communication of this information all around the organization will encourage all the employees to be conscious of the requirements of customers and the challenges in the market. In any case, the promotion of these activities will foster organizational learning through each phase. Besides, both intelligence generation and dissemination will have an influence on performance mediated by the process of organizational learning. Consequently, companies must focus their attention upon stimulating those activities that foster the external acquisition of knowledge and also upon the generation of internal knowledge, the distribution and interpretation of this knowledge and, finally, the promotion of the organizational memory. In addition managers must respond to the markets with this knowledge. This is in agreement with the work of authors such as Aggarwal and

Singh (2004), who state that all departments, not just marketing, should participate in responding to market trends in a market-oriented company. As a result there is a need to coordinate a company's responsiveness with other departments of the firm. The goal of organizational learning will be that all members of the organization are conscious of the location of useful knowledge. Organizational learning can also provide support for action by retaining a broader range of potential responses, thus providing more options for organizational decision makers when they respond to changes in the organizational environment. As a result, organizational learning develops a set of competences and organizational routines that, while generating a real value for external and internal stakeholders, can lay the foundation for effective improvement in performance.

Slater (1996) when analyzing the sources of competitive advantage concludes that market oriented firms: (a) obtain information about current and latent needs from the firm's clients and (b) try both to know and anticipate the competitors' actions. These data are collectively analyzed in the organization with the aim of creating and maintaining an offer that generates greater value. The final objective of the market-oriented organization is, therefore, to react to the market's needs and anticipate them with a more satisfactory offer than that of its competitors (Slater, 1996). From this perspective, market-oriented firms can be seen, in themselves, *as learning oriented organizations*, which do not need any other type of additional orientations to develop such learning

Measurement of organizational learning via learning orientation

Learning oriented organization concept is useful in an attempt to measure organizational learning. In practice, organizational learning is difficult to measure. A quantitative measure of the learning gathered by an organization is not available, it is necessary to work with an indirect estimate of this variable. It seems that the most widely accepted indicator is obtained by analyzing to what extent all the organization's members share a set of values that (a) stimulate the questioning of the theories, mental models and dominant logic in use, and (b) encourage the use and creation of knowledge (Baker and Sinkula, 1999; Sinkula, 1994; Sinkula *et al.*, 1997). This company's willingness to generate organizational learning is the so-called learning orientation. The interface between a firm's learning and market orientations has also been discussed among researchers. In fact this study, seeking to contribute to another existing debate, aims to analyze the effects of learning orientation on

market-oriented behavior, extending the relationships to be tested to organizational results and the development of other marketing capabilities.

Day (1994) and Sinkula *et al.*, (1997) conduct empirical study to reveal the positive relationship, between learning orientation, as an indirect estimate of organizational learning, and market orientation. The values involved in the cultural willingness to learn represented by a learning orientation can be grouped into three main dimensions:

(1) *Commitment to learning*: implies that the organization values knowing the causes and effects of its actions; in sum, that it values learning.

(2) *Open-mindedness*: it is linked to the questioning of long-held assumptions about the order of things and how events occur. It implies carrying out a process of unlearning, oriented to avoid organizational behavior rigidities.

(3) *Shared vision*: this dimension includes the firm's interest in sharing the organization's view of objectives and priorities, as well as the commitment to them. This dimension is essential to guarantee learning to occur in the same direction and to motivate that it really takes place.

We can see that learning process is quite similar to that of market research in the stages of information acquisition, dissemination and interpretation sharing. Thus strong organizational learning should facilitate the use of market research and information. There is strong evidence that organizational learning is the condition of market information utilization. A more positive learning orientation will directly result in an increase in market information acquisition and dissemination.

1.2.3.2 Innovation, market orientation and market research utilization

Thompson (1965) gives classic definition of innovation as the generation and implementation of new ideas or processes while Zaltman, Duncan, and Holbek (1973) defines innovation as an idea or practice perceived as new by the relevant unit. More recently, Amabile *et al* (1996) defines innovation as the successful implementation of creative ideas within a company.

Zaltman, Duncan, and Holbek (1973) suggest that the two different stages of the innovation process are initiation and implementation. A critical part of the initiation stage is openness to the innovation (Zaltman, Duncan, and Holbek 1973), which is determined by whether the members of an organization are willing to consider the adoption of innovation. Van de Ven (1986) refers to this as the management of the company's attention in order to recognize the need for new ideas and action in the organization.

Drawing on Zaltman, Duncan, and Holbek's (1973) differentiation of the initiation and implementation stages of innovation, Hurley and Hult (1998) introduce two innovation constructs into models of market orientation: (1) innovativeness and (2) the capacity to innovate. Innovativeness is the concept of openness to new ideas as an aspect of a company's culture. Innovativeness of the culture is a measure of the organization's orientation toward innovation. The capacity to innovate is the ability of the organization to adopt or implement new ideas, processes, or products successfully. Innovativeness of the company's culture, when combined with resources and other organizational characteristics, creates a greater capacity to innovate. Companies that have a greater capacity to innovate are able to develop a competitive advantage and achieve better performance.

According to Gunday *et al* (2011), innovations establish a crucial element a company's strategy. Innovation helps apply more productive manufacturing processes. This leads to better performance. Innovation also generate positive image in customers' perception and thus would establish the company's sustainable competitive advantage. In particular, innovativeness is extremely interesting to researchers and scholars trying to define, classify and investigate its effect on companies' performance. Innovations also bring companies a strategic orientation to solve problems they face while establishing a desired sustainable competitive advantage position (e.g. Hitt *et al.*, 2001; Kuratko *et al.*, 2005).

Products and processes are the common association of innovation term. However, innovation also pertains to marketing and organization. There are four types of innovation in Schumpeter (1934) discussion: new products, new methods of production, new sources of supply, the exploitation of new markets and new ways to organize business. Innovation in Drucker (1985) definition is the process of equipping in new capabilities or increased utility.

In the OECD Oslo Manual (2005), there are four different innovation types being revealed. These are product innovation, process innovation, marketing innovation and organizational innovation.

A *product innovation* is the introduction of a good service that is new or significantly improved in technical specifications or other functional characteristics. The term product in production innovation here covers both goods and services. According to Akova *et al.*, (1998), for production innovation to succeed, companies would need advanced technologies and ability to cope with dynamic customer needs. In addition, strong communication and interaction intra-company, between company and its alliances, key customers and suppliers are imperatives to innovation

A *process innovation* refers to the execution and implementation of a newly advanced and improved method of production or delivery. This involves dramatic improvements in equipment, techniques and software. This type of innovation aims at reducing production costs or delivery costs, enhancing quality of product or making new, better products. Fagerberg *et al.* (2004) note that process innovation does not result in growth of sales of the companies so overtly and clearly compared to this effect of product innovation. This is because process innovation in many cases involves cost cutting.

Also according to OECD Oslo Manual (2005), a *marketing innovation* is referred to as the implementation of a new marketing method. This new marketing method is involving significant improvements in distribution, product design or packaging, pricing or product promotion. This type of innovation aims at delivering more satisfaction for current customers, or facilitating companies in finding new customers, new markets, new positioning. The ultimate of marketing innovation is the company's marketing performance and higher sales. In Kotler (1991), marketing innovations are intensely connected to the lines of four P's of marketing namely: product distribution method, pricing strategies, packing and design, and promotion activities.

Lastly, in OECD Oslo Manual (2005), an *organizational innovation* is the implementation of a new organizational method. This new organizational method is involving workplace organization, company's business practices, or external relations. This type of innovation is

presumably improve company performance via lowering administrative costs, delivering higher employees' satisfaction and controlling cost of supplies. Therefore, most of the administrative efforts of a company such as: procedures or mechanisms renewal to promote coordination, information sharing, teamwork or learning.

Gunday *et al* (2011) study the impact of innovations on companies' performance in Turkish manufacturing industry and reveal that the above four types of innovations performed in manufacturing firms have positive and significant impacts on innovative performance.

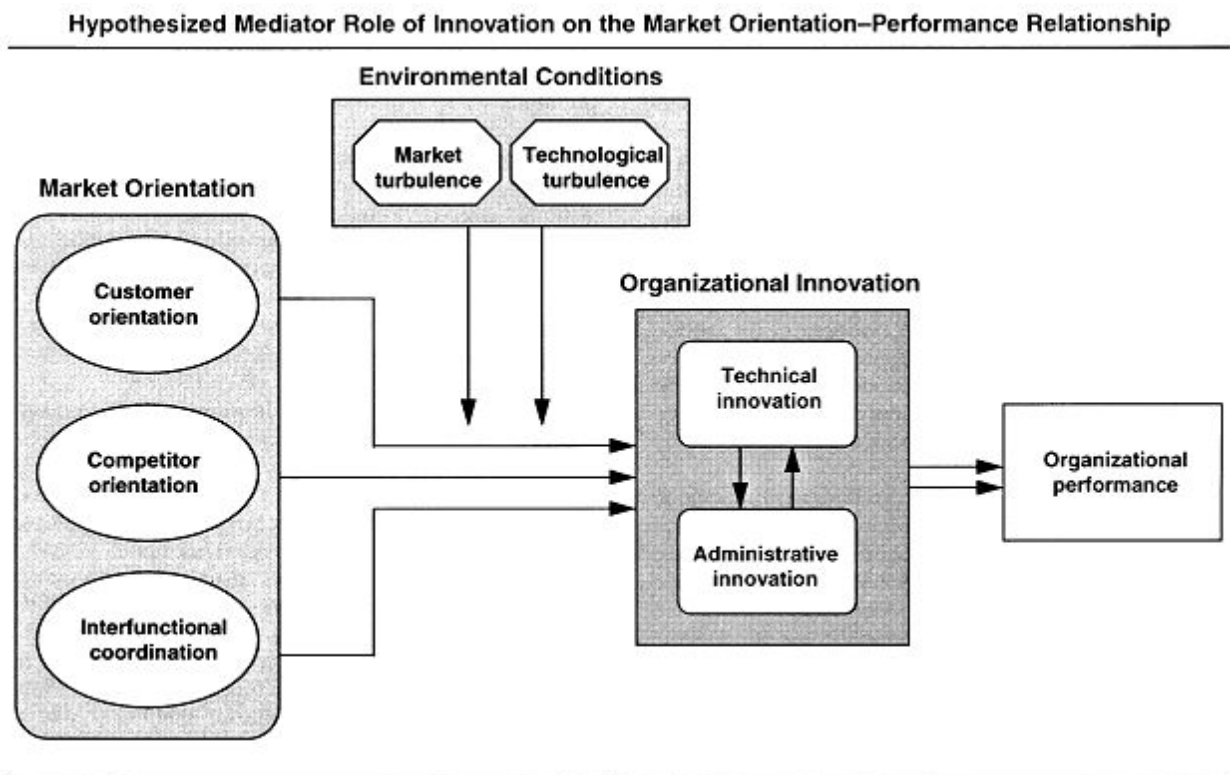
Discussing in the market orientation context, Han *et al* (1998) also contend that in marketing, the conventional meaning of the term innovation largely refers to new product-related breakthroughs. As a result, the innovation focus in marketing literature has been relatively product intensive. Market orientation, however, involves not only improvements in product-related aspects, but also facilitation of the administrative facets in an organization. This requires studying innovation with a broader scope and making the distinction between technology and administration-related innovations. In organizational innovation literature, this distinction prevails as one of the most "meaningful innovation dichotomies" (Daft 1982; Dalton 1968; Damanpour 1991). In Damanpour's (1991) conceptualization, technical innovations pertain to products, services, and production process technology; they are related to basic work activities, whereas administrative innovations involve organizational structure and administrative process; they are indirectly related to the basic work activities. In the banking industry, for example, the adoption of a point-of-sale versus a computerized book-keeping system would illustrate technical and administrative innovations respectively (Noe 1996).

Han *et al* (1998), then present a systematic framework to test the postulated market orientation- innovation-performance chain. To this end, the direct causality assumption of market orientation on organizational performance is examined with Narver and Slater's (1990) market orientation framework. Moreover, the authors take a component wise approach and examine how the three core components of market orientation (customer orientation, competitor orientation, and inter-functional coordination) affect the two core components of organizational innovativeness (technical versus administrative) towards consequently affecting corporate performance. Using banking industry data, the authors

empirically test and again reconfirm the significant innovation's mediating role in the market orientation-corporate performance relationship (Figure 4).

Figure 4: Role of innovation on the market orientation – performance relationship

Source: Hans et al (1998)



In addition, O’Cass and Ngo 2011, believe that market orientation influences marketplace performance in three ways: via developing innovation capability, marketing capability, and their complementary combination. First, successful firms manifest their market orientation via innovation. Market orientation enhances a firm's innovativeness because it emphasizes continuous and proactive understanding not only current but also latent needs of customers (Kirca *et al.*, 2005; Slater and Narver, 1999). Recent meta-analysis studies show that market orientation ties to a variety of innovation activities such as creativity, innovativeness, and product development (Im, Hussain, and Sengupta, 2008; Menguc and Auh, 2006). The authors spread the existing literature by proposing that “market-oriented firms that outperform others are those that direct the resource necessary to meet customers' expressed and latent needs and create the customer base via developing innovation capabilities”. Being innovative doesn't necessarily mean a firm creates something fundamental or even totally

new; they may merely lead an innovation in their offering that is new to their industry (Bitner and Brown, 2008). In this sense, market orientation plays an essential role in developing innovation capabilities to achieve advantage in marketplace performance.

Discussing *innovation as consequence of market information*, Harmancioglu *et al* (2010) reveals in their empirical study that: management involvement in market information collection efforts has more positive impact on firm innovativeness than employees' market information collection efforts. The authors also prove the mediating effect of company's innovativeness on the relationship between management involvement in market information collection efforts and overall business performance.

Also relevant to the above literature, Moorman (1995) also discusses the effects of organizational market information processes on new products. The author explores how organizational market information processes influence the success of new products. A key assumption here is that organizational information processes mediate the direct relationship between culture antecedents and new product outcomes. These processes, in turn, affect the nature and effectiveness of marketing strategies and outcomes.

Therefore, innovation is a particularly important indicator of company performance. Marketing innovation can be one of the indicators of marketing performance which is a consequence of market orientation and market research utilization.

1.2.3.3 Organizational learning, market orientation, market research and innovation

Hurley *et al* (1998) contend that there is a lack of innovation construct in research on market orientation and organizational learning. According to the authors, research on market orientation and organizational learning addresses how organizations adapt to their environments and develop competitive advantage. However, a significant void exists in recent models of market orientation because none of the frameworks incorporates constructs related to innovation. The authors present a conceptual framework for incorporating constructs that pertain to innovation in market orientation research. Some of the critical relationships in this conceptual framework are tested among a sample of 9648 employees from 56 organizations in a large agency of the U.S. federal government.

Then Hurley *et al* (1998) propose that market and learning orientations treated as antecedents to innovation and show the lack of innovation construct in both Jaworski and Kohli and also Slater and Narver. Kohli and Jaworski (1990) refer to the action component of market orientation as organization-wide responsiveness to market information. More recently, Jaworski and Kohli (1993) have suggested that, because a market orientation essentially involves doing something new in response to market conditions, it may be viewed as a form of innovative behavior. Jaworski and Kohli (1993) do not deal with innovation explicitly in their model, though in subsequent work (Jaworski and Kohli 1996), they suggest that market orientation is an antecedent to innovation. Although Jaworski and Kohli (1996) regard innovation as an outcome of market orientation, they do not recognize that innovativeness can be an aspect of a group's culture, just as a market orientation can be manifest in culture.

Slater and Narver (1995) take a somewhat different approach to action and responsiveness to markets by introducing the construct of organizational learning. They suggest that without the ability to use and act on information (applied learning), market orientation would not have a positive effect on performance; that is, market orientation promotes organizational learning (information use), and the organization's ability to learn then enhances performance. They prove that organizational learning have the potential to influence behavior via new knowledge. The importance of organizational learning and the generation of new behaviors as central factors in models of market orientation brings Hurley *et al* (1998) to the following question: If market orientation requires the adoption of new behaviors (innovation), why is the construct of innovation absent in all of the existing models of market orientation? In a recent commentary, Slater (1997) touched briefly on the idea that successful innovation is the product of a market oriented culture coupled with entrepreneurial values. Also, Jaworski and Kohli (1996) recently have recognized that innovation has been inappropriately absent in models of market orientation. Prior to these articles, only Deshpande, Farley, and Webster (1993) and Menon and Varadaraja (1992) had related the market orientation construct to both culture and organizational innovativeness. Menon and Varadarajan suggest that a pro-innovation culture facilitates information sharing and use.

Slater and Narver (1995) fail to address innovation in their conceptual model, but they do suggest that an entrepreneurial culture promotes organizational learning. Although they

use the term innovation occasionally, they concentrate on entrepreneurship in their framework. As several researchers have noted, the central idea underlying entrepreneurship is new entry, that is, entering new or established markets with new or existing goods (Slater and Narver 1995).

A careful examination of the literature on innovation reveals that researchers would be hard-pressed to make the case that market and learning orientations are not simply antecedents or phases of a process that could be labeled market-driven innovation. Being oriented toward markets provides a source of ideas for change and improvement; being oriented toward learning indicates an appreciation for and desire to assimilate new ideas. *Both of these aspects of organizational culture have been conceptualized as antecedents to innovation.* Organizational learning (knowledge or insights that influence behavior) and innovation overlap in Thompson's (1965) classic definition of innovation as the "generation, acceptance and implementation of new ideas, processes, products or services.". More recently, we find the overlap between organizational learning and innovation in Amabile and colleagues (1996) definition of innovation as the successful implementation of creative ideas within an organization. Given this overlap, it is remarkable that constructs regarding innovation are absent in models of market and learning orientation. Hurley *et al* (1998) try to incorporate the construct of innovation. An examination of the stages of the innovation process sheds more light on how organizational culture affects innovation and performance and how organizational learning is an antecedent to an innovative culture.

Zaltman, Duncan, and Holbek (1973) suggest that the two different stages of the innovation process are initiation and implementation. A critical part of the initiation stage is "openness to the innovation" (Zaltman, Duncan, and Holbek 1973, p. 64), which is determined by whether the members of an organization are willing to consider the adoption of or are resistant to innovation. Van de Ven (1986) refers to this as the management of the firm's attention in order to recognize the need for new ideas and action in the organization.

Drawing on Zaltman, Duncan, and Holbek's (1973) differentiation of the initiation and implementation stages of innovation, Hurley *et al* (1998) introduce two innovation constructs into models of market orientation: (1) innovativeness and (2) the capacity to innovate. Innovativeness is the notion of openness to new ideas as an aspect of a firm's culture. Innovativeness of the culture is a measure of the organization's orientation

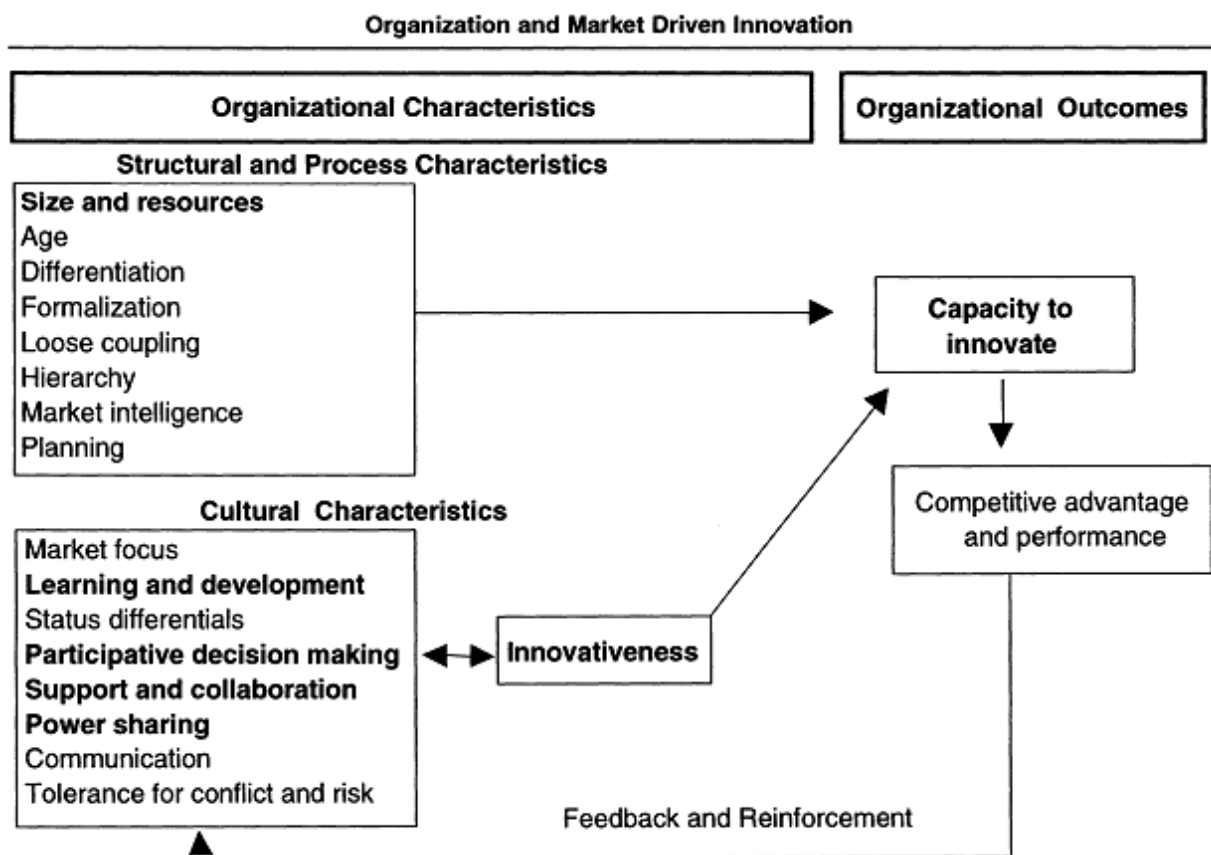
toward innovation. The authors argue that there are antecedents to innovativeness; that is, various characteristics of a firm's culture, such as an emphasis on learning, participative decision making, support and collaboration, and power sharing, affect whether the firm has an innovation orientation. The capacity to innovate, a term first used by Burns and Stalker (1961), is the ability of the organization to adopt or implement new ideas, processes, or products successfully. The innovativeness of the firm's culture acts in concert with various structural properties of the company to affect the innovative capacity of the organization. Innovative capacity can be measured by the number of innovations an organization is able to adopt or implement successfully. Innovativeness of the firm's culture, when combined with resources and other organizational characteristics, creates a greater capacity to innovate. Companies that have a greater capacity to innovate are able to develop a competitive advantage and achieve higher levels of performance. Figure 5 below incorporates Hurley *et al* (1998) innovativeness (organizational culture) and innovative capacity (an organizational outcome) as variables in a model of how firms adapt, develop capabilities, and gain competitive advantage. In this conceptualization, innovation replaces organizational learning as the central mechanism by which organizations develop capabilities and adapt to their environments. Learning orientation, along with other aspects of organizational culture, functions as an antecedent to an innovation orientation. It is the orientation to innovation and the capacity to implement innovations that determine whether the organization's market and learning orientations will lead to the development of the firm and the achievement of superior performance. Market orientation, learning orientation, innovativeness, and innovative capacity are organizational properties that affect the innovation process. *A market oriented and learning oriented culture, along with other factors, promotes a receptivity to new ideas and innovation as part of an organization's culture (innovativeness). Innovativeness in an organization's culture, when adequate resources are present, facilitates the implementation of innovations (innovative capacity).* Companies with greater capacity to innovate will be more successful in responding to their environments and developing new capabilities that lead to competitive advantage and superior performance.

The organizational characteristics that appear in Figure 5 as antecedents to innovativeness and the capacity to innovate come from the vast literature on the characteristics of innovative organizations. Cultural characteristics refer to the valuation of behaviors such as: market focus, learning and development, decision making, support and collaboration. Structural

properties include items such as: age, differentiation, formalization, hierarchy, market intelligence, planning... In summary, Hurley *et al* concluded that that higher levels of innovativeness in the companies' culture are associated with a greater capacity for adaptation and innovation (number of innovations successfully implemented). In addition, higher levels of innovativeness are associated with cultures that emphasize learning, development, and participative decision making. The authors make recommendations for incorporating constructs related to innovation into research on market orientation and organizational learning.

Figure 5: Organization and market driven innovation

Source: Hurley *et al* (1998)



In addition to Hurley *et al* (1998), Keskin (2006), examined the relations among *market orientation, learning orientation and innovativeness in medium-sized business (SMEs) of developing countries*.

Keskin (2006) states that scholars in general management and marketing literature support the interrelated relationships among: market-orientation, learning-orientation, firm innovativeness, and these concepts' combined impact on firm performance in large firms. However, there is surprisingly little about the interrelationships among market-orientation, learning-orientation, innovativeness, and firm performance in SMEs. In particular, a systematic or holistic investigation of market-orientation, learning-orientation, innovativeness, and firm performance is required if SME managers and scholars are to uncover the relationship of marketing, learning, innovation, and improved firm performance. To address this deficiency, Keskin's study extends the model of Calantone *et al* (2002) which addressed the role of learning-orientation in firm innovativeness and firm performance. By using 187 US firms, the authors found that *learning-orientation has a positive influence on firm innovativeness and performance; further, that firm innovativeness has a positive impact on firm performance*. However, Calantone *et al* (2002, p. 523) noted that their study was limited, and that, "the general outline can be applied to other types of activities, such as marketing, and their linkage with organizational learning." They also suggested the applicability of the learning and innovation constructs to other cultures and industries. With this recognition, Keskin's study adapted the model of Calantone *et al* (2002) by incorporating the market-orientation as a frame for a model of market-orientation, learning-orientation, innovativeness, and firm performance in an SME context. The results of Keskin's study show that *company innovativeness positively affects company performance; company learning-orientation positively influences company innovativeness; company market-orientation positively impacts company learning orientation; company learning-orientation mediates the relationship between company market-orientation and company innovativeness; and company market-orientation indirectly impacts company performance via company innovativeness and learning*.

Also in the context of emerging economies, Xie *et al* (2007) examine the relationships among market orientation, learning orientation, organizational innovation and organizational performance through a structural equation modeling approach. They also point out that it would still be an area for further investigation on whether and when market orientation has a positive impact on organizational performance after reviewing 51 relevant studies published in the international journals.

In China, a developing country, many industries are still in their early stages. So, the authors question that under such different background of economic internationalization, market globalization and technological advance, can market orientation, learning orientation and organizational innovation affect organizational performance in Chinese companies?. With this view, Xie *et al* study (2007, p.222) uses a sample of 143 companies in the Pearl River Delta region of China for investigating and substantiating the different hypotheses. Results show that “(1) market orientation has no positive direct impact on organizational performance; (2) market orientation has a direct impact on learning orientation; (3) learning orientation has a direct impact on administrative and technical innovation; (4) market orientation has a direct impact on organizational innovation by learning orientation; (5) administrative innovation has a positive direct impact on organizational performance while technical innovation does not impact on organizational performance directly; (6) technical innovation has a positive impact on administrative innovation; (7) learning orientation has an indirect impact on organizational performance through influencing organizational innovation; (8) market orientation has impact on learning orientation, which has an impact on organizational innovation, which in turn has an impact on organizational performance”

As discussed above, we can see close inter-relationship between market orientation, learning orientation, market information utilization, innovation, marketing/business performance. There are unresolved differences in literature, but mostly market orientation, learning orientation are conditions for market information utilization, then subsequently for innovation and thus marketing/business performance.

Chapter 2: Other antecedents of market research utilization and consequences on marketing performance

Literature about this as mentioned earlier is limited. Most of literature about market research utilization antecedents is dated back to the 80s or 90s while not much literature discuss about the impact of market research utilization (instead, market orientation). The below section will showcase the existing literature about the antecedents (apart from market orientation) and consequences of market research utilization on marketing performance.

2.1 Antecedents of market research utilization

The key antecedents which can be found in market research utilization literature are related to trust theories, agency theories, marketing service gap, organizational factor, and informational factor.

2.1.1 Trust and its effects on market research utilization.

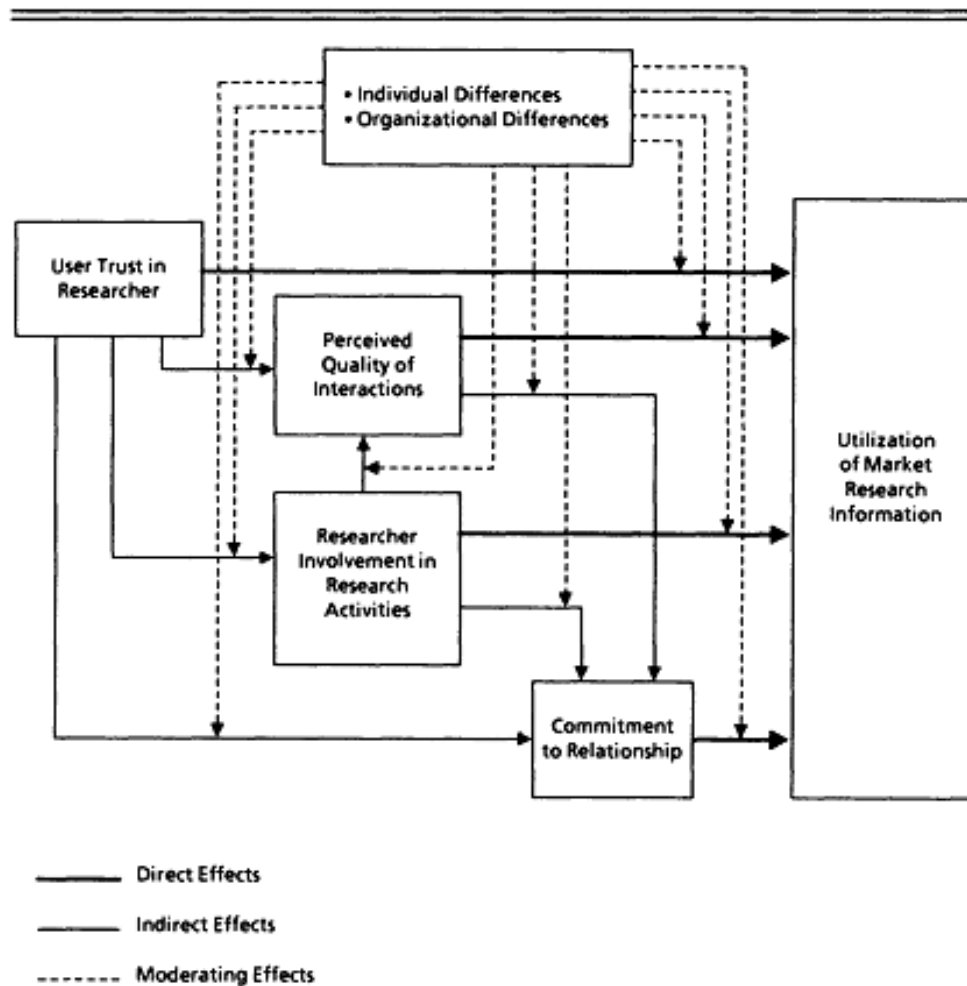
As basic definition, trust is defined by Christine Moorman, Gerald Zaltman, and Rohit Deshpande (1992) as a willingness to rely on an exchange partner. There exist two general approaches to view trust in literature. First, trust has been viewed as belief, sentiment, or expectation about an exchange partner's trustworthiness that results from the partner's expertise, reliability, or intentionality. A more considerable literature in marketing view trust this way. Second, trust has been viewed as a behavioral intention or behavior that reflects a reliance on a partner and involves vulnerability and uncertainty on the part of the trustor. Trust has also been conceptualized in literature as (1) a feature or an aspect of relationship quality or (2) as a determinant of relationship quality.

Moorman, Zaltman, and Deshpande (1992) investigate the role of trust between providers and users of market research. They established a theoretical framework on the *market research relationship* as in Figure 6 below. In the model, the authors argued that “*user trust in researcher*” would affect directly the adoption and usage of market research. In addition, “*user trust in researcher*” could also affect the three elements of the market research relationship, which in turn these three elements would eventually affect market research usage decision.

Figure 6: Market research relationship and user trust in researcher

Source: Moorman et al (1992)

THEORETICAL FRAMEWORK



These three elements encompass:

- *Perceived quality of interaction:* relating to the productiveness perceived by users about the interaction between research users and providers. Trust in this extent, would facilitate the communication and enable the research providers to challenge or disagree, thus would come up with a better understanding of the users' business background and research objectives. In addition, trust enables users and providers of research to find productive solutions to disagreements that might occur.
- *Researcher involvement in research activities:* This element refers to the degree of involvement of researchers into the research process from design, production and usage of information. If the users highly trust the providers, the users would involve the providers into the two close and most strategic steps of market research i.e.

translating business problem into research design and taking actions from research result. Such participation can only occur after trust has been established. Also, after trust established, the freedom to disagree often produces useful insights from shared ideas and thoughts.

- *Commitment to relationship:* This is the degree of loyalty which the users would have for the research providers. Trust would enhance this relationship commitment as with trust, research users would have less doubt and risk in keeping the relationship more enduring. Commitment reflects positive valuation of the relationship.

Research utilization in the model refers to the extent to which the research influences the users' decision making. Trust increase research utilization because of the relationship processes it generates i.e. higher quality of interactions between users and researchers, level of researcher participation, and level of user commitment to relationship. These processes reflect greater informational and interpersonal investments by the users. In addition, trust was also highly regarded to increase the perceived quality of the market research information apart from actual quality of the research itself.

Zaltman and Moorman (1988) also stress very much the importance of personal trust in the use of research. The authors reveal seven factors which could help researchers to consider when interacting with research users and/or consider improving research functions or services:

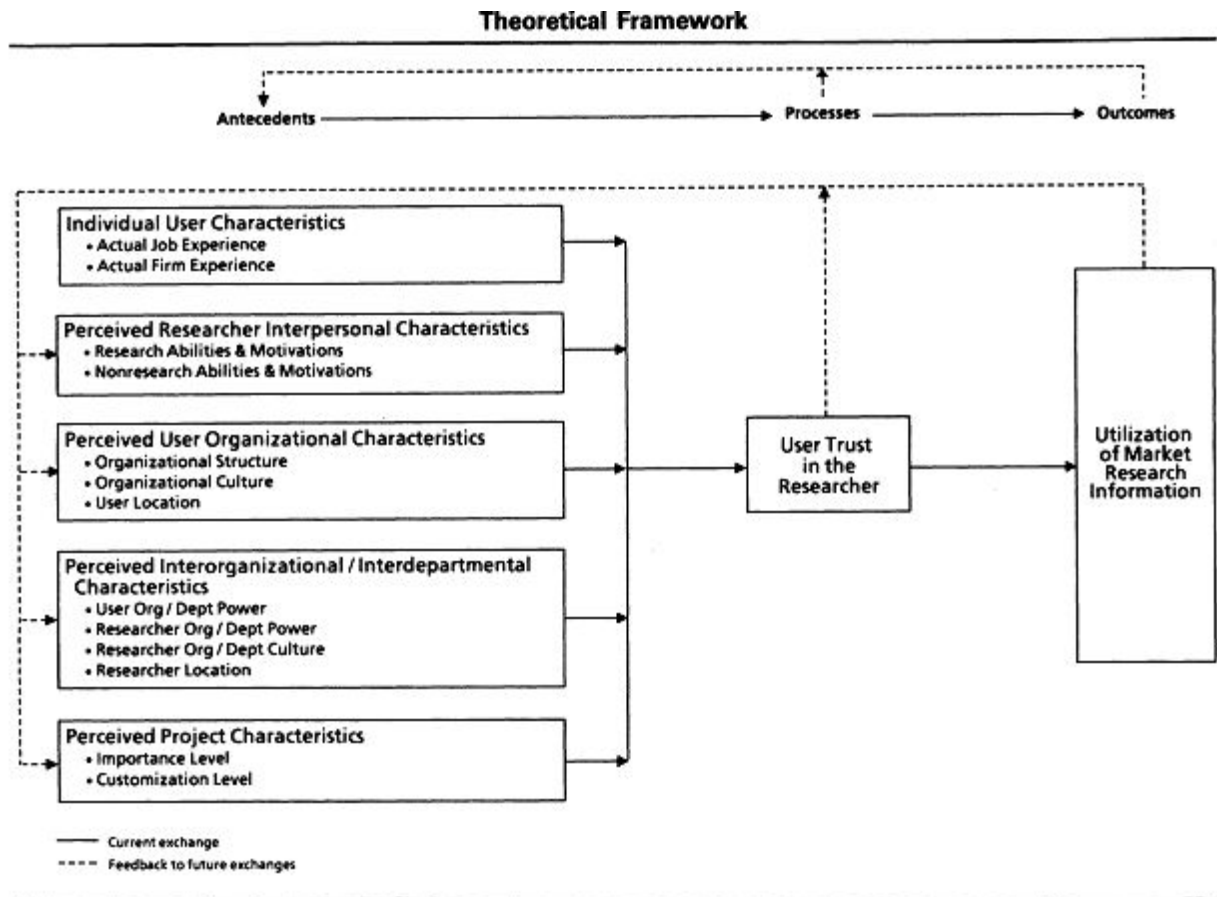
- *Being a team player:* researchers need to be flexible enough and understand research users' demand to achieve certain goal or deadline. This requires familiarity of the research providers with the research users' organization and some sacrifice in research methodology or time to meet some special clients' needs. However, researchers need to obtain the balance between too compromising (always pleasing clients, not concrete on own standing viewpoint) and too arrogant (always trying to protect own ideas scientifically, not wisely and practically business minded).
- *Being a truth teller:* researchers need to tell the truth always even in the bad news scenarios. This honesty is important and requires researchers to be transparent and perceived as always work for users' best interests.

- *Mutual understanding of needs, capabilities and goals:* this requires researchers to have previous working relationship with research users or ability to generate good rapport between the two.
- *Managing bad news:* researchers need to give sufficient explanation or alternatives when reporting warning signals or bad news to clients.
- *Supporting answering and asking postures:* researchers need to provide answers and update progress of research projects or assist research users in their queries about research.
- *Making a believer out of your users:* There are several dimensions on the degree of believability from users including: researchers' interpersonal skills, pre research consultation, reputation, past records, sound and robust method, research result presentation.
- *Absorbing the uncertainty:* There are many cases where research data cannot answer or clarify decisions. Researchers need confidence in giving solution or interpretation in these grey areas. Junior researchers would throw back to questions to additional research. This is not what research users need.

Moorman, Zaltman, Deshpande (1993) continue to discuss and organize factors affecting trust in market research relationships. The authors suggest a model of antecedents and consequences of users' trust. The model (in Figure 7 below) comprises of key factors affecting trust and elements behind and also the result of trust in research utilization. Building on previous work suggesting that trust is critical in facilitating exchange relationships, the authors describe a comprehensive theory of trust in market research relationships. This theory focuses on the factors that determine users' trust in their researchers, including individual, interpersonal, organizational, inter-organizational/ interdepartmental, and project factors.

Figure 7: Factors affecting trust in market research relationship

Source: Moorman, Zaltman, Deshpande (1993)



Individual User Characteristics: This refers to users' job experience and company experience. Experience refers to the user's tenure in the job or with the firm. Users with lower levels of experience are expected to be more willing to trust researchers because of their lack of company, marketing, or research knowledge. Experienced users, in contrast, are likely to have more knowledge and confidence in their own ability to use research and to manage relationship. These qualities make experienced users less likely to rely on researchers in relationship. Therefore, it is found that the more experienced the users are, the less the degree of willingness to trust the researchers is.

Researcher Interpersonal Characteristics: There are two set of interpersonal characteristics.

- (1) The first set is related to the researchers' research ability perceived and motivation to engage in the research project to reduce research uncertainties.

Perceived expertise is a researcher's perceived knowledge and technical competence. Investigations into the persuasive effects of source credibility

have demonstrated that highly trustworthy and expert spokespersons induce more positive attitudes toward the ideas they advocate than do spokespersons who are perceived as less trustworthy and expert. The authors argue that expertise is a key factor affecting trust and that expertise is theorized to encourage trust because a user's dependence on a researcher is highly reliant on on his or her assessment of the researcher's ability to plan and implement research activities.

Perceived willingness to reduce research uncertainty is a researcher's perceived motivation to interpret vague or unclear research findings. The authors suggest that researchers who are willing to lessen research uncertainty by using flexibly their expertise and experience provide greatly appreciated value added services for users. They further suggest that the interpretation and generation of meaning from research data establish the primary value-adding function that research performs. Blattberg and Hoch's (1990) reveals interesting finding that individuals who use both marketing models and intuition make better marketing decisions than do individuals who use models or intuition support the importance of judgment in the interpretation of research findings. These findings and suggestions follow from the fact that research studies hardly supply all of the information needed for marketing or management decisions and that research approach does have limitations and even a margin of errors, especially data interpretation and analyses can be viewed with diverse angles. Therefore, because research often creates uncertainty that users must reduce in order to make decisions, users trust researchers who demonstrate a willingness to assist in this process.

- (2) The second set is related to the researcher's non-research motivation including: perceived sincerity, perceived dependability, perceived collective orientation (willingness to cooperate with users), perceived tactfulness (the tactics to reduce embarrassment for users in case of bad news), perceived timeliness, perceived confidentiality, and perceived congeniality (friendliness).

Perceived sincerity, according to Moorman, Zaltman, and Deshpande (1993) is the extent to which a researcher is perceived to be truthful, honest and is a

service provider who makes promises with the intention of accomplishing them. Other researches have suggested that sincerity is a sub-dimension of trust. The authors believe that sincerity is better described as a determinant of trust, because when users sense that researchers are sincere or truth tellers (Zaltman and Moorman 1988), they will extend trust to reduce the susceptibility and uncertainty associated with research relationships.

Perceived integrity is a researcher's perceived unwillingness to sacrifice ethical standards. Past research has demonstrated an empirical linkage between integrity and trust. Moorman, Zaltman and Deshpande (1993) suggest that threats to integrity standards involving falsifying figures, altering research results, misusing statistics, or misinterpreting the results of a research project to support a predetermined personal or corporate point of view. Consequently, researchers who demonstrate integrity are likely to be trusted because users can expect them to stick to higher standards and remain more objective throughout the research process.

Perceived dependability is a researcher's perceived predictability. Individual's actions are regarded as predictable whereas an individual is regarded as dependable (Moorman, Zaltman, and Deshpande, 1993). Used in the latter way, dependability has some basis in other interpersonal antecedents, such as sincerity and integrity. Trust will be higher with dependability as users come to rely on the predictability and consistency of researcher actions. High degree of fluctuation in behavior, on the other hand, reduces trust.

Perceived collective orientation is a researcher's perceived willingness to cooperate with users. Individuals are more willing to obligate to another party if that party is believed to be cooperative instead of being competitive or individualistically oriented. Moorman, Zaltman, and Deshpande (1993) refers to this orientation as a flexibility that partners allow one another in relationships, and thereby, higher level of trust will follow.

Perceived tactfulness is the level of etiquette a researcher shows during interactions with users (Moorman, Zaltman, and Deshpande, 1993). Tact is

especially vital in sharing or presenting research results that do not meet users' prior expectations or data that can be negative to the users' performance. This comes from the evidence that users strongly prefer research that supports the users' comfort zone or confirms their prior beliefs (Deshpande and Zaltman 1982, 1984). If users cannot get the sense of etiquette from researchers when researchers come up with bad news, researchers will not be trusted.

Perceived timeliness is a researcher's perceived efficiency in responding to user needs. Moorman, Zaltman, and Deshpande, (1993) describe responsiveness as a factor that affects consumers' perceptions of service quality. The authors also note the importance of timeliness to user trust in researchers.

Perceived confidentiality is the researcher's perceived willingness to keep proprietary research findings safe. The authors also reveal the importance of confidentiality to user's trust in researcher.

Perceived congeniality is the extent to which a researcher is perceived to be positively disposed toward the user. This dimension has also been linked to satisfaction and perceptions of service quality (Zeithaml, Parasuraman, and Berry 1990). Though congeniality may not always be necessary to establish good working relationships it seems reasonable that, given the intangible nature of research exchanges, users would be likely to make credits about researchers' trustworthiness.

Overall, the more skills researchers have relating to the above characteristics, the higher the level of trust the researchers could gain from users.

User organizational characteristics: There are three areas in this factor:

(1) Organizational structure: This refers to the two aspects of users' company.

- The first aspect is the bureaucratization of the company which is *the centralization and formalization* of the decision making process (Moorman, Zaltman, and Deshpande 1993). Formalization is the “degree to which rules define organizational

roles, authority relations, communications, norms and sanctions, and procedures” including the flexibility managers have when handling a particular task. Centralization is “the degree of delegation in organizational decision-making authority”. The authors view trust as developing from interpersonal relationships, organizational bureaucratization is expected to lower trust because it reduces interpersonal risk-taking, including displays of uncertainty and vulnerability.

- The second aspect refers to the *complexity* of the users’ organization. Perceived organizational complexity is “the degree of formal structural differentiation within an organization”. Highly complex organizations are characterized by “many occupational roles, divisions, departments, levels of authority, and operating sites”. Complexity can be found in the “horizontal differentiation of divisions and departments, the vertical differentiation of levels of authority, and the spatial differentiation of operating sites”. The authors contend that complexity should reduce trust in research relationships because it generates distance between user and provider of research and also because complexity usually display greater dissimilarities in a company.

In short, the higher the centralization, formalization, and complexity of the user organization are perceived, the lower the users need trust from researchers.

(2) Organizational culture:

Organizational culture defined as "the pattern of shared values and beliefs that help individuals understand organizational functioning and that provide norms for behavior in the organization" (Deshpande and Webster 1989), is theorized to affect trust according to the type of culture present. Deshpande *et al* (1992) assess four types of organizational cultures including: clans, adhocracies, hierarchies, and markets.

Clans emphasize “cohesiveness, participation, and teamwork”. Members of organizations with strong clan cultures should be disposed to trust their researchers because the cultural norm is the creation and preservation of successful working relationships. In addition, clan members are commonly regarded as part of an extended family, a situation ideal for the creation and maintenance of trusting relationships.

Adhocracies emphasize “entrepreneurship, creativity, and adaptability”. Henceforth, members of organizations with strong adhocracies should be willing to trust researchers because the norms emphasize open-mindedness and flexibility and because such cultures are appreciating those skills (including research skills) that provides solidity in turbulent or changing settings.

Hierarchies pertain to “order, uniformity, and efficiency”. Much of this culture would result in lower levels of trust because this culture itself provides and rules stability instead of relying on trust.

Markets refer to “competitiveness and goal achievement”. In these cultures, personal relationships are viewed as instrumental and are used opportunistically. Therefore, trust is expected to be lower.

Overall, the higher the team work and creativity level in the users’ organization, the higher the trust the users would place on researchers.

(3) Organizational location of research users:

Research indicates that a manager's position within an organization affects a variety of interpersonal and decision-making processes. More prominent organizational positions also have been shown to be associated to trust by lower rank employees and general trust in the organization, or trusted related such as being benign, cooperative, or consistent. The authors argue that users with lower levels of authority, in general, are less able to influence the behaviors of others in the firm. Hence, they develop more trusting relationships to accomplish goals.

Thus, users’ trust on researchers is higher if the position of the users is low in the organization. Users in higher level positions, in contrast, may be able to achieve their goals without trusting relationships.

Inter-organizational characteristics:

When a relationship encompasses an internal user and an external researcher, the relationship is inter-organizational, while if the relationship involves an internal user and an internal researcher, the relationship is inter-departmental.

Three general categories comprise this set of characteristics.

Perceived power in the relationship. User departmental/organizational power generally is due to the user's status as research initiator and buyer whereas researcher organizational/departmental power is most likely to emanate from the researcher's specialized experiential, informational, or technological assets. Previous research on power in relationships has led to two general findings. First, power breeds trust, functional conflict (from the perspective of the firm having power); and respect from exchange partners. Second, power creates conflict (from the perspective of the firm against which the power is used) and mistrust of the powerful parties' intentions. The authors predict that perceived power will affect trust differently depending on which organization or department has that power. Specifically, given that research organizations or departments have achieved power because of their specialized skills, trust is likely to follow as users rely on those skills in the design and evaluation of marketing strategies. Moreover, when researchers have power due to specialized skills, users may lack the expertise to evaluate research adequately and hence the use of research may involve uncertainty and vulnerability-ideal conditions for trust to emerge. In contrast, perceived user organization/ department power may be used to direct researchers' behaviors, which reduces users' need to trust in the relationship.

User's perceptions of a researcher's culture. Past research has demonstrated that perceptions of an exchange partner's culture affect trust in that partner. Hence, Moorman, Zaltman, and Deshpande (1993) believe that a user's perceptions of a researcher's culture will influence user trust in researchers. As with user cultures, we expect the sense of family in clans and the tolerance and flexibility of adhocracies to be associated with stronger trust in researchers. Conversely, a user will have lower trust in researcher cultures that are hierarchies or markets. Given the presence of different subcultures within a single organization (Deshpande, Farley, and Webster 1992; Deshpande and Webster 1989), this effect is expected regardless of whether the unit of analysis is two organizations or two departments.

User's perception of a researcher's location. Researchers located in higher levels of the organization are more likely to influence decision making within the organization than are researchers at lower levels. This capability increases researcher perceived credibility and power which, according to the theory proposed up to this point, increases user trust in them.

In short, users would trust researchers more if they perceived stronger researchers' organizational power or if they perceived stronger researchers' organizational teamwork or creativity or if they perceived stronger researchers' position in the research organization.

Project characteristics:

Perceived importance of research project. A research project might be important for a variety of reasons. It may, for example, involve a strategic decision (e.g., product addition or deletion), portend important financial or competitive considerations for the firm, or hold important career implications for an individual. Higher project importance levels are expected to increase user trust in researchers because such levels raise users' vulnerability in the relationship, which compels them to work hard at developing effective research relationships and causes increased reliance on researchers. Unimportant projects involve less vulnerability, which means that trust is correspondingly less salient in these relationship

Perceived customization of research project. Christine Moorman, Gerald Zaltman, Rohit Deshpande (1993) report that customization increases the generation of relationship-specific assets, which other research has linked to increased collaboration in, continuation of, and positive evaluation of relationships. Like other customized exchanges, custom research entails greater levels of risk for users than does non-customized research because users must depend on researchers to make relationship-specific decisions and investments throughout the project. This situation produces a more likely context for the development of trust than does a syndicated research project in which less researcher discretion is necessary and, hence, there is less opportunity for user uncertainty and vulnerability. User trust in researchers is higher when the project is perceived to be more rather than less important and customized.

The theory of Moorman, Zaltman, Deshpande (1993) above is tested in a sample of 779 users. Results indicate that the interpersonal factors are the most substantiating determinants of trust. Among these factors, perceived researcher integrity, willingness to reduce research uncertainty, confidentiality, expertise, tactfulness, sincerity, congeniality, and timeliness are most strongly associated with trust. Among the remaining factors, the formalization of the user's organization, the culture of the researcher's department or organization, the research organization's or department's power, and the extent to which the research is customized also affect trust.

The effects of individual and organizational moderator

In the study above, differences between users and researchers can facilitate or inhibit the role of trust in research relationships.

(1) Individual differences: members of the same and different communities

Moorman, Zaltman and Deshpande (1993) suggest that users working with researchers from different communities (i.e., manager - researcher and marketer - non marketer) are expected to depend more heavily on interpersonal characteristics in the decision to trust because this unshared information will be more prominent in the exchange process.

These interpersonal characteristics are not expected to be prominent when the pair contain members of the same community (i.e., researcher-researcher and marketer-marketer), as both parties are likely to possess more similar characteristics in their exchanges.

(2) Organizational differences: intra-organizational and inter-organizational relationships

Given that two departments are more likely to be similar to one another if they are within a single company than if they are in two different organizations, it follows that organizational characteristics should be stronger related to trust, in inter organizational relationships than in intra organizational relationships.

In short, the relationship between trust and interpersonal characteristics is stronger for relationships involving dissimilar parties than for relationships involving similar parties and the relationship between trust and organizational characteristics is stronger for inter-organizational relationships than for intra organizational relationship.

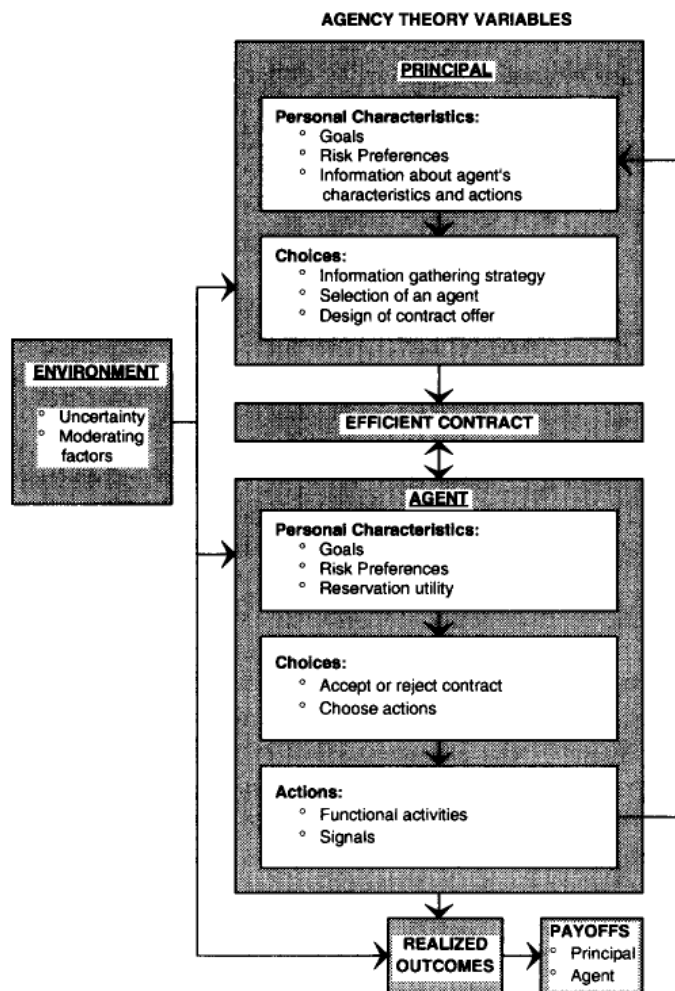
2.1.2 Agency theories

Agency theory addresses the relationship where in a contract the principals engage the agent to perform some service on their behalf which involves delegating some decision making authority to the agent (Jensen and Meckling, 1976). The main concern of agency theory as proposed by Jensen and Meckling (1976) is how to write contracts in which an agent's performance can be measured and incentivized so that they act with the principal's interests in mind.

Bergen *et al* (1992) then argue that the agency and related theories (Figure 8 below) have proven useful as theoretical frameworks for examining relationships between principals and their agents in many disciplines including marketing services and sales. This is relevant to our study with the aim of exploring relationship between market research agencies and their clients – the companies who would utilize market research services.

Figure 8: Agency theory variables

Source: Bergen et al (1992)



Agency relationship is present whenever one party (the principal) depends on another party (the agent) to undertake some action on the principal's behalf. There are two problems which the principals face: pre-contractual problem and post-contractual problem. The first is about whether the agent has the characteristics desired by the principal and whether the strategy of the principal in looking for agent is appropriate. The latter is about how the principal should evaluate the agent.

The pre-contractual problem is solved in the hidden information model. The principals could overcome information asymmetry about the agent by three ways: screening, examining signals from potential agents, or providing opportunities for self-selection.

The post-contractual problem is solved in the hidden action model. The agents would try to maximize their utility by selecting the best action possible. However, there are always different perspectives in risk preference and goal between the principals and the agents. The

principals therefore, would like to agents to perform in a relatively costly way for the agents. In order to motivate the agents to undertake the contract, the principals would choose two ways:

- (1) Behavior based contract: monitor and reward the agent based on behavior
- (2) Outcome based contract: monitor and reward the agent based on outcome

Linkage between agency theory and trust mechanism

Singh and Sirdeshmukh (2000) proposed a framework which draws together two distinct approaches: (1) agency theory, coming from the economic approach, that views the inter-relationship between principals (consumers) and agents (service providers) and (2) trust research that adopts a psychological view toward user-provider relationships.

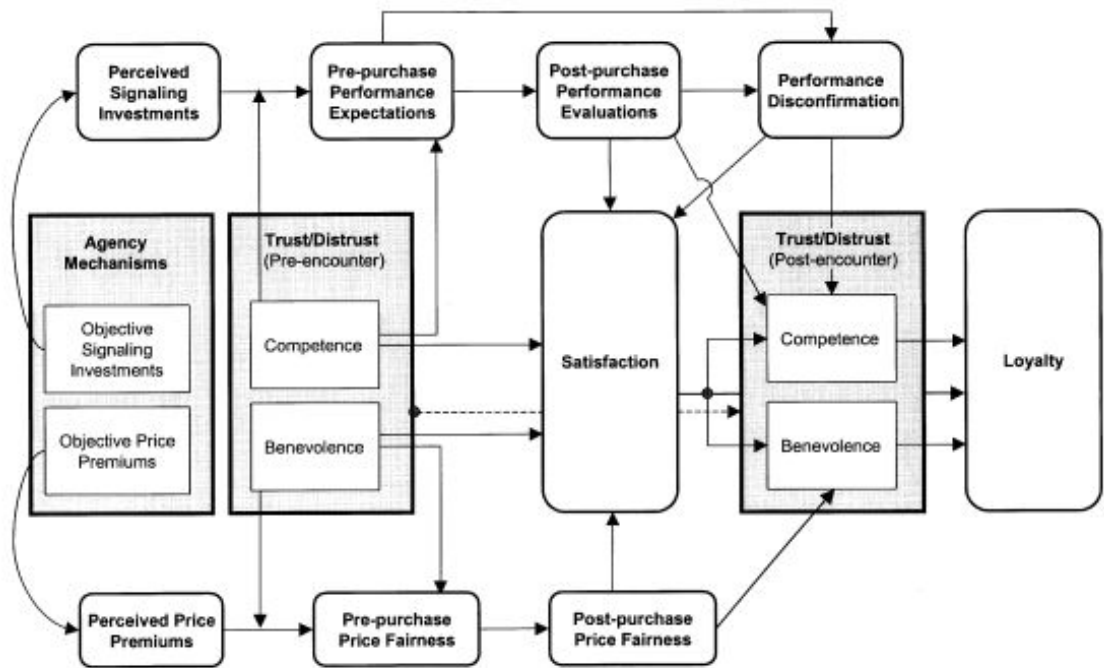
In so doing, the authors specify how trust mechanisms cooperate and compete with agency mechanisms to affect satisfaction in individual encounters and influence loyalty in the long run.

Figure 9 shows the proposed framework for understanding the role of trust in the context of user trade off with satisfaction and loyalty as the dependent variables. The agency mechanisms take into account the constructs of signaling investments (to overcome adverse selection with insufficient information) and price premiums (to overcome moral hazard of not delivering expected quality).

Figure 9: Trust and Agency Mechanisms and Their Influence on Satisfaction and Loyalty

Source: Singh and Sirdeshmukh (2000)

The Proposed Framework for Interrelationships Among Trust and Agency Mechanisms and Their Influence on Satisfaction and Loyalty



In short, the proposed integrated model does not view agency mechanisms in isolation. Rather, it hypothesizes the critical role of consumer trust both as a direct antecedent and as a moderator of agency mechanisms. As a direct antecedent, trust is posited to directly influence the (a) performance expectations that serve as reference points for evaluating the actual service performance and (b) pre-purchase price perceptions that provide an anchor for the post-purchase perceptions of price fairness. In this sense, agency and trust mechanisms are hypothesized to compete for influence. Although the authors do not discuss conditions that prefer one mechanism over another, their proposed model encourages such speculation and allows empirical investigation of such conditions.

Recent studies in the inter-organizational literature suggest that such speculation is likely to reveal interesting insights. The relative influence of agency and trust mechanisms may evolve with the strength of the relationship. Early in the relationship, when the consumer lacks information about an agent's service practices, reasonably agency mechanisms dominate. Without information needed for formulating confident expectations, consumers likely rely on agent provided signals and premiums to judge service quality. However, as the

relationship progresses, consumers acquire knowledge that facilitates independent evaluations about the competence and benevolence of the service provider. This likely reduces reliance on agency devices and enhances the role of trust expectations. Consequently, we can speculate that for on-going exchanges, the trust mechanism for affecting performance expectations and price perceptions will be increasingly more prominent relative to the influence of signalling investments and price premiums established by market agents.

We can see that trust and agency theory both have significant role in researching marketing relationship. Users' trust on market research agencies (providers of market research) can both play the role of service selection and market research utilization or usage encouragement. This will be developed further in later sections.

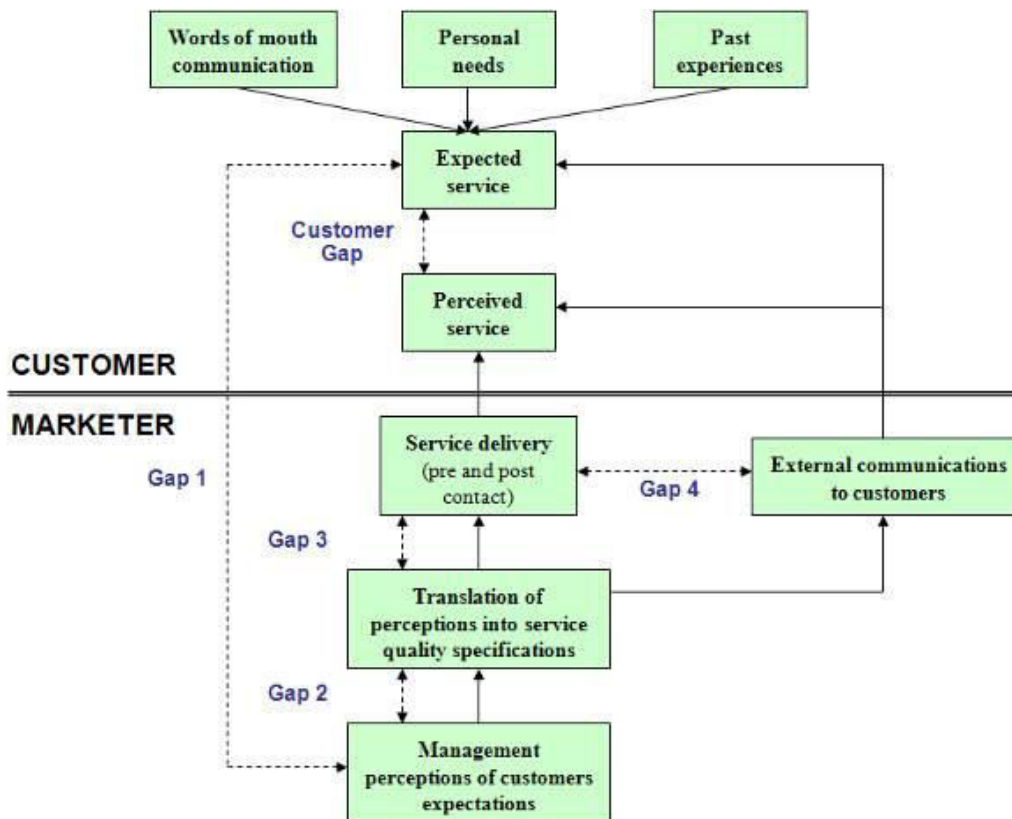
2.1.3 Service marketing: gap theory and service quality determinants

While quality in tangible goods has been described and measured by marketers, quality in services is largely undefined and not sufficiently researched. In this light, Parasuraman *et al* (1985) propose a model of Service Quality which identified gaps in service quality and the determinants of service quality.

Researchers and managers of service companies agree that service quality involves a comparison of expectations with performance. A set of critical differences or gaps exists regarding executive perceptions of service quality and the tasks associated with service delivery to consumers. These gaps can be main barriers in attempting to deliver a service which consumers would perceive as being of high quality. There are five gaps in the service quality model of Parasuraman *et al* (1985) as in Figure 10 below.

Figure 10: Service Quality Model

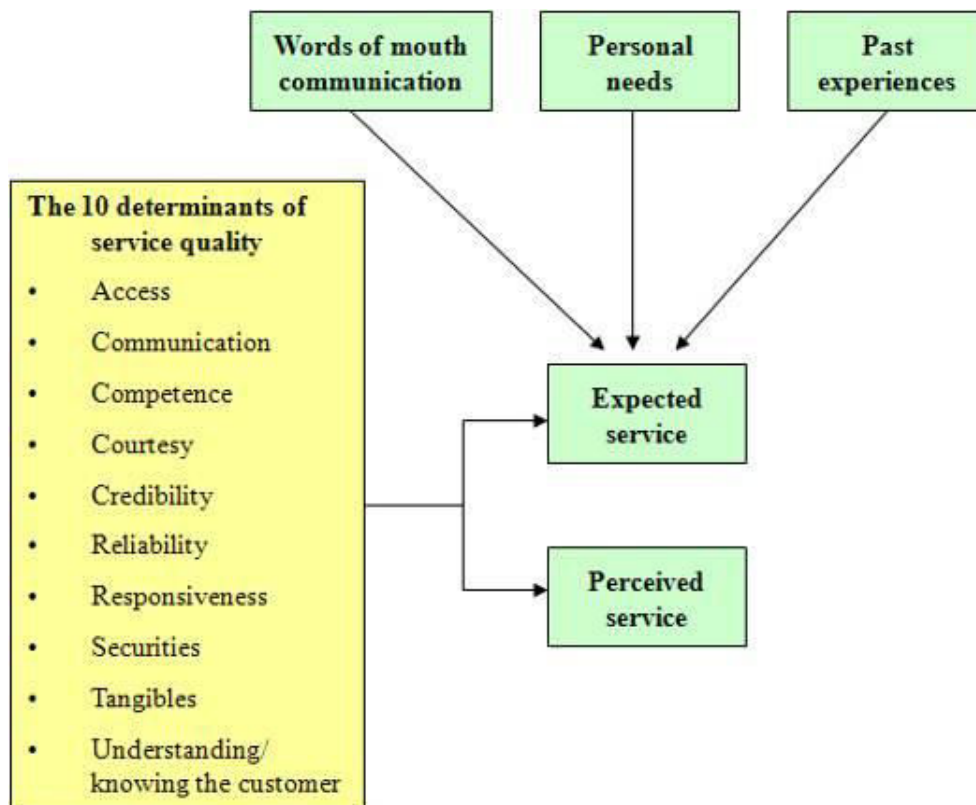
Source: Parasuraman et al (1985)



Parasuraman *et al* (1985) also develop the ten determinants of service quality (as in Figure 11 below) which determine the gap between customer expected service and management perceived service.

Figure 11: Determinants of perceived service quality

Source: Parasuraman et al (1985)



The ten determinants of service quality, particularly competence, reliability, responsiveness, communication, combined with qualitative research round are used in my empirical study as references in developing our constructs and measures for external research agencies competence and relationship factors which affect companies' market research service utilization.

Literature on the use of external market research service provider

Sinkula (1990), is one of the rare researchers study how organizations utilize external market research agency services. The author argues that diffusion theory provides such a frame. In doing so, diffusion theory would suggest that the perceived characteristics of the service have significant power in explaining the intensity with which organizations utilize external market research 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: the degree to which an innovation is perceived as being better than the idea it super-cedes.
- Compatibility: the degree to which an innovation is perceived as being consistent with the existing values.
- Complexity: the degree to which an innovation is perceived as relatively difficult to use.
- Triability: the degree to which an innovation may be experimented.
- Observability: the degree to which the innovation are 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 to market research agency service utilization, Sinkula (1990) states that variance in the utilization of external market research suppliers can also be explained by the triability, observability, compatibility, complexity, and relative advantage of their services (both using advantage and cost advantage).

Apart from the Sinkula (1990) study mentioning characteristics of external research supplier which organizations base on to adopt external research service for usage (rather than in house), no other studies in literature discusses the direct effect of external market research suppliers upon the utilization of market research information. Thus new exploratory study would be needed to establish variables that can possibly contribute to the role of external market research agencies in encouraging organizations utilizing more market information. This is particularly relevant to emerging economies where companies have limited knowledge about using market research and might need to be educated by market research agencies, those who look to grow the industry.

2.1.4 Types of factors affecting market research utilization

Literature showed limited and not updated studies on factors affecting the use of market research. There was one quantitative path analysis done back in 1982 on factors affecting the use of market research information. In this study, the co-authors Rohit Deshpande and Gerald Zaltman evaluate factors affecting the attention given to or use of specific market research information by marketing managers. They apply path analysis to test a model of research use involving eleven variables. From these, there are six factors and twelve accompanied hypotheses identified:

1. Purpose of the research project

The personal interviews in the study showed the fact that managers and researchers consider research with two general purposes, exploratory (qualitative) and confirmatory (quantitative). Research which is qualitative in purpose is intended to explore new things. Quantitative research is intended to test or reconfirm a predetermined direction or a decision. Exploratory and confirmatory purposes are not mutually exclusive. Exploratory research has a greater chance of producing surplus information, while confirmatory objectives will lead to research that fits the preconceptions of managers.

2. Organizational structure

The authors also contend that the research users' organization greater centralization degree will negatively impact the use of market research information.

3. Research report characteristics

Because managers are likely to prefer final reports that are perceived to be of high quality (in both presentation and technical adequacy) and political acceptability and to offer implementable recommendations (action-ability),

4. Surprise in the report findings

The authors reveal that the research finding and report in many cases did not reconfirm or validate the users of research. This, according to the author, causes disconfirmation or surprise elements. Surprise usually leads to amount of uncertainty, and the increase of uncertainty refers to the escalation of risk. As in many cases, research users expect market

research to reduce uncertainty, then surprise, even positive surprise may adversely affect the use of market research.

5. *Life cycle maturity*

The authors also argue that marketing managers would tend to consider quantitative or the exploratory research for existing product which has been very long established. On the other hand, marketing managers would use qualitative market research for new products or new markets.

6. *Interaction Between Managers and Researchers*

The authors discuss the quality of interaction or the relationship, the exposure between researchers and research users. The greater the degree of perceived interaction between managers and researchers during the research project, the greater the use of the research.

The above study of Deshpande and Zaltman (1982) shows that the most important variables affecting the use of research are organizational structure (formalization and centralization), technical quality, surprise, action-ability, and researcher-manager interaction.

As found, organizational structure variables have a particularly substantiating effect on research use. The degree of centralization and formalization (or lack of these) seems to overshadow life cycle maturity, research purpose (confirmatory and exploratory), and to an even greater extent the report attributes in its influence on market research information usage. The more decentralized and less formalized companies are, the more likely to utilize more the research they subcontract than differently structured companies.

Similarly, Souchon *et al* (1996) also contend that information use in companies has not been sufficiently paid attention to. In this study, a large stream of literature is reviewed and the multidimensional nature of knowledge use is adopted. Specifically, different types of information use are distinguished, their antecedents are also identified. The authors summarize these literatures into the following tables (Table 1 and Table 2):

Table 1: Information Use Dimensions

Source: Souchon et al (1996)

Authors	Dimensions of Information Use
Caplan et al. (1975)	instrumental conceptual
Knorr (1977)	decision-preparatory decision-constitutive substitute legitimization
Rich (1977)	instrumental conceptual
Weiss (1981)	instrumental conceptual
Deshpandé and Zalman (1982)	decision relevance information surplus recommendations implemented general quality
Havelock (1986)	communicative conceptual behavioral confirmatory/disconfirmatory
Weitzel (1987)	general specific trigger exception control-decision allocation-decision direction-decision
Menon and Varadarajan (1992)	action-oriented affective knowledge-enhancing
Moorman (1995)	instrumental conceptual

Table 2: Influences on Marketing Information Use

Source: Souchon et al (1996)

Influences	Illustrative Studies¹
<i>Environmental Factors</i>	
Environmental stability/turbulence	Menon and Varadarajan (1992), Glazer and Weiss (1993)
<i>Organizational Factors</i>	
Organizational structure (e.g. centralization, formalization, complexity)	Deshpandé and Zaltman (1982, 1987), Piercy (1983), Menon and Varadarajan (1992)
Sector of activity (consumer goods, versus industrial companies)	Deshpandé and Zaltman (1987)
Market experience	Goodman (1993), Sinkula (1994)
Organizational culture	Goldstein and Zack (1989), Moorman (1995)
<i>Information-specific Factors</i>	
Quality of the research undertaken	Deshpandé and Zaltman (1982, 1984), Barabba and Zaltman (1991)
Conformity of the research report to managers' expectations (level of surprise)	Deshpandé and Zaltman (1982, 1984, 1987)
Exploratory versus confirmatory objective	Deshpandé and Zaltman (1982, 1987)
Political acceptability of findings	Deshpandé and Zaltman (1982, 1984)
Actionability	Deshpandé and Zaltman (1982, 1984)
Manager-researcher interaction/trust	Rich (1977), Deshpandé and Zaltman (1982, 1984), Moorman et al. (1992)
Accessibility	Goodman (1993)
Perceived usefulness of information	Feldman and March (1981), Menon and Varadarajan (1992)

Menon and Varadarajan (1992) examine literature on knowledge utilization and organizational information processing to develop a comprehensive model that assimilates key organizational and informational factors that seem to make a major difference in the utilization of marketing knowledge in companies. Among various potential factors affecting knowledge use, in their model, the authors highlight a few major factors that might believably explain a large proportion of the variance in the construct research use in organizations. The model, summarized in Figure 12 below, views knowledge utilization as a function of the direct and indirect effects of:

(1) *Environmental factors*

Environmental stability or turbulence affects not only the organizational structure, but also the manager's need for more information and thereby managerial propensity to seek and use information. Furthermore, though greater environmental instability will lead to greater use of information, managers are also more likely to be cautious toward information because of changing situations. Therefore the major components of use when the environmental conditions are unstable are knowledge-enhancing use (to develop increased understanding of the changing market conditions) and affective use (to increase the general confidence in decision making and to lower any cognitive dissonance).

(2) Task complexity

Task complexity can be viewed as the degree of task variability and task difficulty existing in a job and is usually predicated on the type and stage of decisions being made. Task variability denotes the number of exceptions encountered in the work. It affects the degree to which work processes can be structured in a standardized and specialized way. The amount of task difficulty is the degree to which work can be analyzed and its outcome predicted. It affects the amount of know-how, preference, and amendment needed to accomplish the tasks. As task variability and task difficulty increase, they increase the overall job complexity, urging the need for information and thus, the tendency for communication. As task complexity increases, managers tend to use more of the information to reduce the uncertainty and lack of clarity. Therefore, as task complexity increases, information is more likely to be used to increase understanding and to reduce uncertainty

(3) Organizational factors

- *Degree of organizational structure*

The variables fundamental to this construct are formalization and centralization. Organizational structures are predictable to affect the utilization of research and knowledge within organizations. These are extensively documented as compelling. Zaltman (1986) notes that (1) as the organization becomes more complex, knowledge is more easily acquired, and (2) the less formalized and centralized the organization is, the more easily knowledge is acquired

- *Information and innovation culture*

An important organizational factor that facilitates or hinders the use of research in a company is the information culture. A culture that promotes innovative behavior would encourage active exchange of ideas. Such a pro-information and pro-innovation orientation would facilitate general atmosphere of inventiveness, creativity, and willingness to take chances. Therefore, a manager working in such a culture would not only actively promote exchange of information but would also be prepared to adopt and use ideas and concepts that may have initiated outside his or her direct work group

- *Internal and external communication flows*

Communication flows consist of the amount of information gathered from internal and external sources and exchanged within an organizational system. The quality of the information is determined by not only the source of information, but also the location of the source, that is, within the organization or external to the organization. Thus, the amount of communication flows within an organization is affected by the extent of boundary-spanning activities and the types of information sources used.

(4) *Informational factors*

- *Cost of information*

The value of a research study (its perceived credibility and usefulness) to the manager is affected by the costs incurred in conducting the study. The costs of a study are perceived in both monetary terms and nonmonetary terms such as time and energy used in conducting the study or in collecting the information. Studies that are expensive may be perceived to be of higher quality and value.

- *Perceived credibility of information/knowledge*

The authors discuss a measure of perceived credibility that basically measures the perceived quality of the information. The dimensions of the measure are:

- Realism of research.
- Accuracy.
- Level of specificity of the addressed problem.
- Consistency of the research output and implications.
- Comprehensiveness and completeness of the research.
- Validity of research from both theoretical and methodological standpoints.

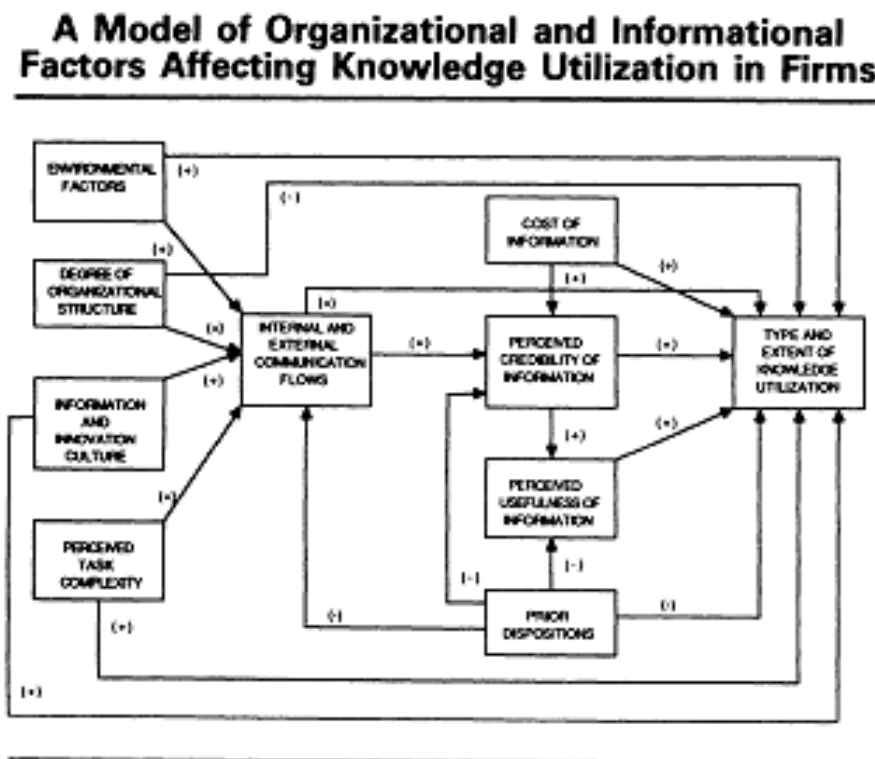
- *Perceived usefulness of information/knowledge*

Usefulness of research is its ability to provide decision makers a rationale for making decisions, thereby prompting actions in organizations. The authors discuss that the following criteria are relevant for determining the usefulness of research.

- Meaningfulness: Information must be of personal interest and must make sense to the users.
- Goal relevance: Information must pertain to the tasks facing the users.
- Operational validity: Knowledge should be action-oriented and actionable thus applicable.
- Innovativeness: The degree of newness of the information.

Figure 12: Organizational and Informational factors affecting knowledge utilization

Source: Menon and Varadarajan (1992)



Moorman (1995), a culture based researcher, argues that organizational process and manager behavior are significantly affecting the way information is used. The author also assume that

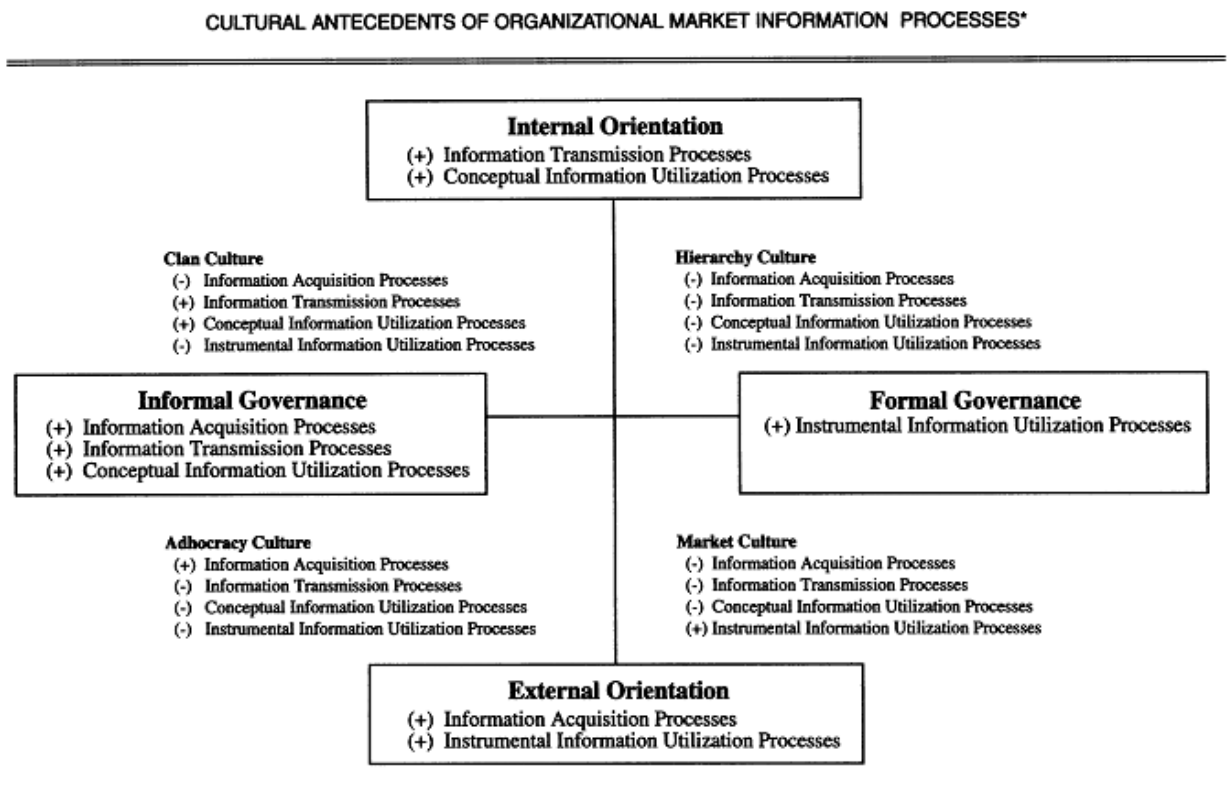
companies are different in their focus on certain organizational market information processes and this emphasis is determined by organization's cultural norms and values.

In previous sections of this thesis, we have discussed the four organizational market information processes proposed by Moorman (1995) namely: (1) information acquisition; (2) information transmission; (3) conceptual utilization; and (4) instrumental utilization processes.

In the Figure 13 below, Moorman (1995) links the four organizational market information processes to certain new product outcomes and cultural antecedent.

Figure 13: Cultural antecedents of organizational market information processes

Source: Moorman (1995)



Briefly, the model proposes two main dimensions by which cultural values diverge. These two axes make a four-cell model of culture. One axis, the informal-formal dimension, reflects preferences about the importance of organizational structure and involves a

continuum from organic to mechanistic processes. The second axis, the internal-external dimension, describes whether the emphasis is on the maintenance of an organization's internal sociotechnical system or the improvement of its competitive position within the external environment. The four cultures resulting from the intersection of the two dimensions have been labeled adhocracies, markets, hierarchies, and clans (as similarly discussed by Deshpande, Farley, and Webster 1992 in previous section of this thesis).

Then the author determines how these four cultures influence the emphasis placed on various organizational market information processes. From Figure 13, it is possible to predict which cultures will have stronger information processes relative to the others. For example, adhocracies are the only culture indicated to have strong information acquisition processes; clans are the only to have strong information transmission and conceptual utilization processes; and markets are the only to have strong information utilization processes.

Moorman (1995) survey results reveal that clans overweigh other cultures in affecting organizational market information processes. This means that information processes can be considered as mainly people processes. The results also indicate that the information utilization processes are strongly influencing new product performance. This signals that competitive advantage is tied to information utilization activities in company.

2.1.5 Differences shaping the influencing factors of market research utilization

There are a few studies discuss the differences in uses and users of market research and how these differences shape the factors affecting market research use.

In a laboratory research conducted by Lee, Acito and Day (1987), the authors reveal the evidence that research confirming prior beliefs tends to be rated higher and used whereas research contrary to prior beliefs tends to be evaluated as poor and is less likely to be used. This is quite in line and reconfirming with the “political acceptability” factor in Deshpande and Zaltman (1982) study.

Deshpande and Zaltman (1984) identify the differences in the factors affecting market research use between managers and researchers. Our study identifies five sets of variables

influencing researchers' perceptions of the use of market research information. According to market researchers, these variables are *the extent of interaction with managers, the attributes of the final report, the research objectives, the degree of surprise in the results, and the stage of the product/service in its lifecycle*. The most important of these variables are interaction, political acceptability of research results, exploratory purpose of research, and the presentation and technical quality of research.

Although managers and researchers agree that (1) market research generally resolves the issues for which it was designed and (2) the general set of influencing variables is the same, the authors find differences in what each group considers to be the most important factors influencing the potential usefulness of market research.

Deshpande and Zaltman, (1987) study extend previous work on the use of marketing information in consumer goods businesses by examining factors seen as affecting the use of marketing information in *industrial firms*. When contrasted with those in consumer businesses, marketing managers in the industrial firms in our sample perceived greater utilization of marketing information to be related to a greater exploratory objective in information collection, a greater degree of formalization of organizational structure, and a lesser degree of surprise in the information collected. The authors had hypothesized that managers would perceive an exploratory objective for information collection as being associated with lower information use simply because the exploratory nature would increase the likelihood of uncertainty rather than reduce it. Similarly, they had expected a lower degree of formalization of organizational structure to be linked to greater use of information because of the greater flexibility thereby afforded to managers. Reasons for the first wrong assumption are coming from the much greater amount of direct customer contact in formulating product strategy of industrial marketing managers, there would also be a greater open-mindedness (i.e., an exploratory information collection objective) to customer or market needs. Thus industrial marketing managers perceive a greater exploratory nature of information collection to lead to greater information use. Reasons for the second wrong assumption are coming from the structural context of industrial marketing. Because of greater functional interdependence, a diverse group of organizational members are involved in each decision (R&D, engineering, sales, and planning). Hence there is likely to be a greater need for formal

rules and procedures (i.e., greater formalization) for carrying out tasks including market information utilizing task.

Another deviation from most of prior research on the use of market information (which has studied antecedents of the use of information in new product strategy decisions) is Low *et al* (2001) study. The authors investigate factors that are related to the use of marketing information in the evaluation of marketing communications productivity. The information used in this context originates from a wide range of internal and external sources. On the basis of organizational theories of information processing, the authors develop and test a conceptual framework explaining the use of information to evaluate marketing communications productivity. Collected survey data shows that information quality, organization formalization, task complexity, market turbulence, rationality of decision style, and group involvement are all positively associated to the use of information in assessing marketing communications productivity. Moderating relationships involving formalization, complexity, decision style, and the degree of group involvement are also found.

2.2 Market research utilization and marketing performance

Marketing performance literature is found to include several key concepts including: marketing effectiveness, marketing efficiency and marketing innovation. This section will discuss the role/ impact of market research utilization on marketing performance and its constructs.

2.2.1 Marketing performance definition

According to Gama (2011), the term performance is widely used in all areas of management. In virtually all disciplines we use metrics to explain phenomena, diagnose causes, find relationships, make predictions, and allow comparisons. Often, performance is identified with *effectiveness and efficiency* (Neely *et al.*, 1995), and in most of the literature, referred concurrently about the action, the result of the action, and the result when compared with some benchmark. It can be then concluded that performance is a multidimensional concept comprising not only the results but also the processes leading to them and the conditions that

allowed both. From an organizational perspectives, Gama (2011) argue that performance is something measurable, dynamic, relative and multidimensional.

Ford and Schellenberg (1982) also identify three conceptual approaches for defining organizational performance. The first is the objectives approach, presuming organizations follow the accomplishment of well-defined goals. The second is the resource systems approach, enhancing the relationships between the organization and its environment in terms of the capability to organization's resources. The third is the process approach, defining performance in a way that focus on the behavior of its components.

Mentioned by Gama (2011), the term marketing is commonly used to define very dissimilar things. In some cases, it is reflected as a management philosophy that seeks to express how and which way a company should adapt to and influence its market. In other cases, it represents a corporate department, which develops tasks and steps towards marketing implementation. In both terms, even with differences, it is possible to identify three dimensions of marketing: (1) an action dimension; (2) an analysis dimension; and (3) a culture dimension.

Marketing performance, can therefore be interpreted as a clear and reliable universal instrument by which the respective merits can be evaluated (Ambler and Riley, 2000).

Morgan *et al* (2002) notice that both academics and managers currently lack a comprehensive understanding of the marketing performance process. The authors point out two different but related approaches to marketing performance assessment are evident in the marketing literature: *marketing productivity analysis (an efficiency approach)* and *the marketing audit concept (an effectiveness approach)*.

The efficiency perspective — marketing productivity analysis

Productivity concerns the relationship between inputs and outputs (Misterec *et al.*, 1992), and productivity analyses assess the efficiency of the transformation process by which inputs and outputs are linked. Because inputs and outputs pertaining to marketing performance are often in different units of measurement, marketing productivity analysis usually involves converting input and output units into some standard measurement unit (usually dollars)

There are generally two major trends in the development of marketing productivity analysis. First, there has been a drive towards addition of more non-financial measures of marketing output (for example: quality of service) in productivity valuation. Second, there have been recommendations that productivity assessments also emphasize on the adaptability and innovativeness of a firm's marketing efforts (Walker and Ruekert, 1987) and that marketing performance assessment (MPA) systems should integrate more complex multi-dimensional assessments of marketing productivity.

The marketing productivity research stream positively contributes to the assessment of marketing performance in two ways. First, it has built a conceptual model of the efficiency dimension of marketing performance. Second, marketing productivity analysis has absorbed and taken into account the measurement of marketing costs.

The effectiveness perspective — marketing audits

A different approach to assessing marketing performance — the marketing audit — was developed at the same time with the development of marketing productivity analysis. The marketing audit was referred to as a systematic review of the total marketing operational activities; the goals, objectives, strategies behind these operational activities as well as the methods, procedures, personnel, and organization employed to implement the strategies and accomplish the objectives.

Kotler *et al.* (1977) refine the marketing audit concept into a systematic and periodic examination of a company's strategies, objectives, activities, and environment, designed to reveal problems and to recommend actions that would improve the company's marketing performance. The refined audit model identifies six proposed components of the marketing audit, and favors the application of standardized procedures. Kotler *et al.*'s six proposed marketing audit components include:

- *the marketing environment audit*, consisting of analyses of both the macro environment and the task environment;
- *the marketing strategy audit*, to assess the consistency of marketing strategy with environmental opportunities and threats;
- *the marketing organization audit*, designed to assess the interactions between the marketing and the sales organization;

- *the marketing systems audit*, to evaluate procedures used to obtain information, plan and control marketing operations;
- *the productivity audit*, assessing accounting data to determine optimal sources of profits, as well as potential cost savings; and
- *the marketing function audit*, reviewing key marketing functions based primarily on prior audit findings.

The marketing audit approach is useful in the way that it represents the first systematic approach to evaluate marketing effectiveness and serves as ground for studies in market orientation (Jaworski and Kohli, 1993) and marketing innovation (Day, 1994).

An integrative perspective

Morgan *et al* (2002) argue that neither marketing productivity analysis nor marketing audits alone provide sufficient bases for marketing performance assessment. In addition, the developments in both marketing productivity analysis and marketing audit approaches have also not succeeded in incorporating existing knowledge. Consequently, the practice of marketing performance assessment needs a new approach that: integrates the two existing and able to provide an acceptable marketing performance assessment system to corporate needs.

Morgan *et al* (2002, p.366), therefore, suggest viewing marketing performance assessment systems as two distinct but related types — normative and contextual.

“A normative marketing performance assessment system provides a universal conceptual framework that gives insights into the marketing performance process”. This system is consistent with organizational effectiveness and is relatively fixed, changing only as process understanding changes to a significant degree.

“A contextual marketing performance assessment system is embedded in the organizational context of specific companies, reflecting prevailing organizational contingencies”. This system is the application of a normative system in a particular corporate context. Contextual marketing performance assessment systems are therefore dynamic in the sense that they change to reflect changes in company specific and industry specific conditions. Contextual marketing performance systems are more congruent with goal-oriented perspectives on organizational effectiveness.

The authors develop models of both types of marketing performance assessment systems as in Figure 14 and Figure 15 below.

A normative system for marketing performance system

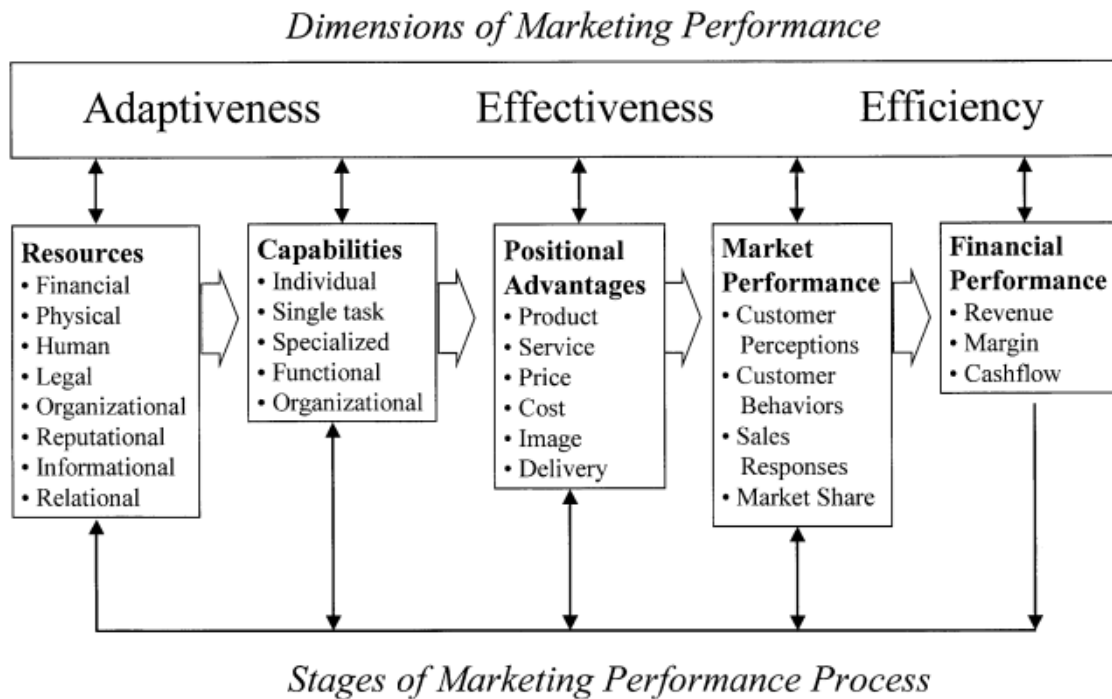
The authors take into account both of characteristics dynamic and multidimensional of marketing performance in a normative model illustrated in Figure 14. From a dynamic view, marketing performance is a process in which four broad stages can be identified: “(1) sources of advantage, regarding the acquisition, development, and deployment of the resources and capabilities of the firm; (2) positional advantages, representing the realized strategy of the firm concerning the value delivered to customers and the costs incurred by the firm relative to its competitors; (3) market performance outcomes, which are customer and competitor responses to the firms’ realized positional advantages; and (4) financial performance outcomes, concerning the costs and benefits to the firm of the achieved level of market performance” (Morgan *et al*, 2002, p.366 - 367)

Together with being dynamic as discussed above, normative marketing performance assessment also takes into account the multidimensional aspect of marketing performance. There are three dimensions of marketing performance in Morgan *et al* (2002) include in their normative system: (1) effectiveness, the extent to which organizational goals and objectives are achieved; (2) efficiency, the relationship between performance outcomes and the inputs required to achieve them; and (3) adaptive-ness, the ability of the organization to respond to environmental changes (Ruekert *et al*, 1985; Walker and Ruekert, 1987).

Therefore, the normative model may also be regarded as an expansion of marketing audit approach (assessing marketing activities and effectiveness), but broadens this approach by incorporating a dynamic component and allowing assessments of marketing adaptive-ness and marketing efficiency, as well as marketing effectiveness

Figure 14: A normative marketing performance assessment system

Source: Morgan et al (2002)

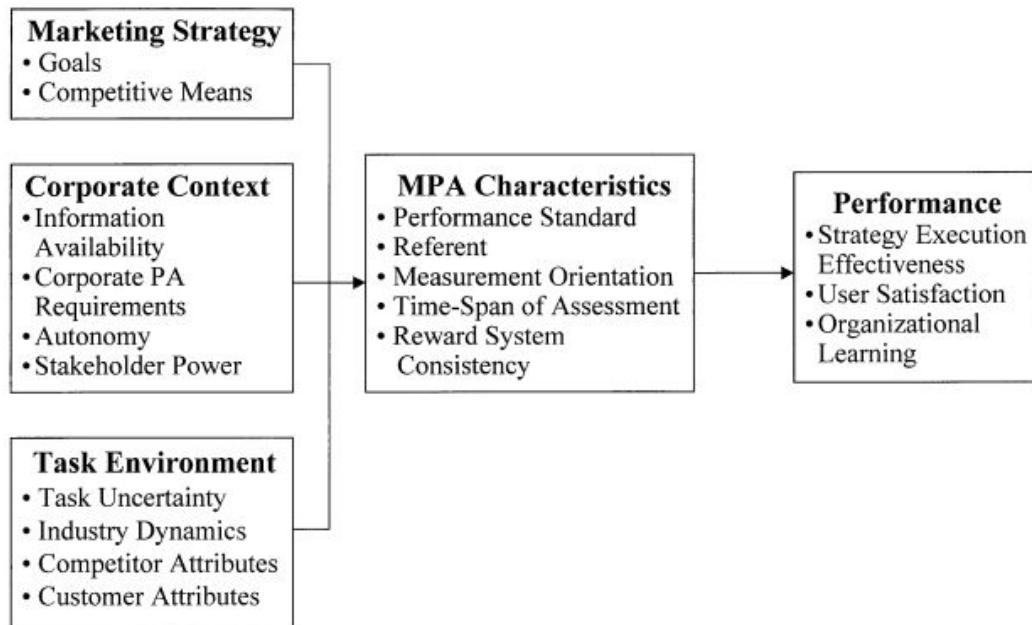


Contextual marketing performance assessment systems

Companies are different from one another. Therefore, one marketing performance assessment system cannot fit all. Rather, contextual marketing performance assessment systems are a “subset of the normative marketing performance assessment system that reflects industry and firm specific contingencies” (Morgan *et al*, 2002, p.368). The authors propose a model of (1) the contingency, (2) response, and (3) performance factors which should be associated with the design and use of marketing performance assessment systems within a particular company, as in Figure 15.

Figure 15: Contextual marketing performance assessment system

Source: Morgan et al (2002)



2.2.2 Marketing performance components and measures

According to Lamberti and Noci (2010, p.141), a performance measurement system can be defined as “the system managers use in order to (i) check whether the intended strategy is being implemented; (ii) communicate to their employees what are the goals they are expected to achieve and whether they are achieving those expected goals; (iii) validate whether the intended strategy is still valid; and (iv) facilitate individual and organizational learning and improvement”. Marketing performance measurement system is the part of corporate performance measurement system aiming at assessing the performance influenced by marketing (Morgan *et al.*, 2002). The literature review highlighted three main variables characterizing a marketing performance measurement system (Lamberti and Noci, 2010, p.141-142).

“(1) Typology of performances assessed (which are the corporate performances under the responsibility of the marketing units?).

(2) Typology of measures adopted (which kinds of measures are adopted?).

(3) Control system (how do managers assess performances and manage the information coming from the marketing performance measurement system?)”.

Typologies of performance assessed

According to Lamberti and Noci (2010), marketing literature suggests several different typologies of marketing performances.

One of the main variables to marketing performance is marketing efficiency including costs and sales as a result of activities from promotion, sales, pricing and distribution activities (Morgan *et al*, 2002). According to Lau (1999), dated back for a long time, marketing department operation has been regarded as cost items from companies' perspectives.

Then customer related variables emerge in marketing performance. These comprise of: profitable customer gaining and retaining capability, customer satisfaction, customer life time value, customer loyalty, customer relationship etc... The inclusion of customer related performance stems from the shift in marketing operation scope and practices into more customer engagement activities and into creating and tracking relationship between customers and companies.

Another significant stream of literature has analyzed marketing performances and the related metrics (percentage of sales coming from products co-created with supply-chain partners, lead time, service level...). These come from both in marketing literature and in supply-chain literature. This phenomenon comes from the recognition of the relationship between marketing and supply-chain management, affirming that companies' marketing departments and functions can also be accountable for supply-chain integration performances including: the capability to efficiently and effectively interface with suppliers and marketing channel by creating value (for example: new product development co design), communicating value (for example: strategic cooperation in supply chain competition), and via delivering value (for example: retail management co-efforts).

Another marketing performance typology is internal consistency performances. These can be considered as the capability of marketing to efficiently and effectively interface with non-marketing functions (for example: behavioral controls for favoring the cross-functional team working, responsiveness and precision in information provision). This inclusion comes from the need for inter-functional coordination affirmed by the market orientation theory, and also by customer-centricity and balanced centricity, has stressed on the relevance of the consistency between marketing and non-marketing activities within the firm.

Finally, as the cultural aspect of marketing emerges, the marketing function of companies is also considered to including the responsibility to spread the market culture all over the company. This cultural performance of marketing can lead to positive results in job satisfaction, organizational commitment of employees... Therefore, this kind of marketing performance typology is considered potential by literature.

Typology of measures adopted

The typologies of marketing measures adopted by companies are widely accepted in literature centering on Clark theory (Clark, 1999). The author divides marketing measures into four main categories: (1) Single financial output measures, (2) Non-financial measures, (3) Input measures and (4) Multiple measures. The choice of Clark's framework is widely accepted and motivated because Clark's theory takes into account environmental and strategic change movements developed by practitioners and academic researchers over time.

Control system

In order to assist managers to assess the information from the marketing performance measurement system, a control system should be developed to justify and influence the companies related personnel behavior and activities. A control system can be the combined system of two control types as in Jaworski *et al* (1993) study. These two types are formal controls and in informal controls. The mix between the two types of controls reflects the control combination system. Therefore, there will be four main control systems as below:

- (1) High control systems (high reliance both on formal and informal control),
- (2) Low control systems (low reliance both on formal and informal controls),
- (3) Bureaucratic systems (high reliance on formal control and low reliance on informal controls), and
- (4) Clan systems (low reliance on formal control and high reliance on informal control).

The case studies conducted in Lamberti and Noci (2010) of various companies' systems can be a clear example of the above variables and practices in marketing performance measurement system (Table 3 below)

Table 3: Marketing performance measurement system case studies

Source: Lamberti and Noci (2010)

	Key features of the marketing strategy	Marketing activities assessed	Measures adopted	Control type
Airbook	Marketing action focused on the concept of convenience: <ul style="list-style-type: none"> • Lower commissions for customers • Simple web interface • Wide choice of airlines • Absence of complementary services • No investments in CRM (besides an undifferentiated weekly newsletter) • No expenses in offline promotion 	<ul style="list-style-type: none"> • Customer attraction (mainly through search engine marketing and website affiliation) • Promotion efficiency (newsletter and special offers management) 	<ul style="list-style-type: none"> • Conversion rate • Cost-per-order (the marketing expense per purchase) • Net reach (number of daily single accesses) • Qualitative measures to assesses individuals' contribution to the goals (e.g. problem solving capabilities, interpersonal skills, etc.) 	The board sets standard levels of the KPIs (e.g. a 20€/sale cap) and periodically controls that these standards are met
Foodcereal	Premium price strategy pursued through mass communication and promotion. No investment in customer retention, and transactional approach towards supply-chain and the trade. Poor integration between marketing, sourcing and operations, with a conflictual relationship moderated by CFO and CEO	<ul style="list-style-type: none"> • Promotion efficiency/effectiveness (customer attraction and entry barriers for competitors) • Pricing • Returns on marketing campaigns and new product launch 	<ul style="list-style-type: none"> • Break-even time • ROS • Turnover • Market share • Budgetary control • Qualitative measures to assess individuals' contribution to the goals through qualitative measures 	The board sets standard levels of the KPIs (e.g. 8–24 months break-even according to the new product characteristics, ROS ≥ 2.5% etc.) and periodically controls that these standards are met
Envcons	Two differentials are pursued: technological innovativeness and strong relationship with the stakeholders. Marketing activities should communicate the former and sustain the latter	<ul style="list-style-type: none"> • Communication (updating customers about normative evolution and technological content of the solutions offered) • Stakeholder relationship management (public relations, CSR, etc.) • Customer relationship management (periodical auditing aimed at catching emerging needs) • Intelligence dissemination towards non-marketing functions and supply-chain partners (e.g. communication of customer inputs to technology suppliers) 	<ul style="list-style-type: none"> • Turnover • Customer profitability • Customer satisfaction (through auditing) • Quali-qualitative measures for assessing internal intelligence dissemination (mainly through operational auditing) • Qualitative measures of stakeholder satisfaction 	The CEO and the CFO set a marketing/commercial budget and a series of norms for favoring knowledge sharing and periodically review marketing performances interactively
Bank	Small bank focused on small investors and at supporting the growth of SMEs. Strong relationship with the territory	<ul style="list-style-type: none"> • Communication (customer attraction, especially as far as deposits concerns) • Customer relationship management (mainly about deposit holders) • Customer profitability • Customer retention 	<ul style="list-style-type: none"> • Retention rate • Churn rate • Customer lifetime value (CLV) • Quali-quantitative measures to assess individual performances (e.g. account managers' churn rate) 	The board sets the classes of customers according to their deposits/exposure; then, individual units (account managers) have degrees of freedom based on the historical relationship with the customer

Table 4 (continued of table 3)

	Key features of the marketing strategy	Marketing activities assessed	Measures adopted	Control type
Metalpack	Marketing focus is to maintain long-term relationship with the existing customers by providing not only the product, but also a value-adding consultancy about packaging design	<ul style="list-style-type: none"> • Customer relationship (contribution to innovation processes and periodical auditing to catch emerging needs) • Intelligence dissemination (translation of customer inputs into operations, supply-chain and R&D inputs) • Pricing 	<ul style="list-style-type: none"> • Customer profitability and turnover • Customer satisfaction • Qualitative measures and operational auditing for assessing intelligence dissemination among non-marketing functions and towards the supply-chain 	The board sets a basic marketing budget and discusses with account managers and marketing unit <i>ad hoc</i> financing for specific consultancy activities. Intelligence dissemination is based on norms and mutual adaptation
Foodfresh	The company joins the traditional attraction and transaction objectives of a FMCG firm with a strong effort on customer relationships related to the wellbeing/healthy segment, especially through web-based tools	<ul style="list-style-type: none"> • Communication (customer attraction and reinforcement of brand identity and reputation in the healthy segment) • Promotion (customer attraction and trade relationship management) • Community management (brand identity reinforcement and customer loyalty) • New product development (ability to translate community and market inputs into R&D and supply-chain inputs and to coordinate the innovation teams with R&D, Sourcing and Operations units) 	<ul style="list-style-type: none"> • Break-even time • Margin • Market share • Budgetary control • Campaign effectiveness (net reach of the web site) • Qualitative measures to assesses marketing units' (i) ability to coordinate cross-functional and cross-organizational processes, (ii) ability to contribute through community intelligence, to NPD 	The board sets standard levels for quantitative KPIs (e.g. double-digit margin break-even time ≤ 18 months for incremental innovation), norms for managing cross-functional conflicts and favoring team working. Periodical meetings for discussing the results and redefining the objectives
Electrap	Marketing focus is threefold: <ul style="list-style-type: none"> • Coordinating innovation projects (together with R&D) in order to sustain a market-driven innovation for catalog products and customized solution for industrial accounts • Managing relationships with wholesalers and large installer • Translating market inputs into R&D and supply-chain inputs 	<ul style="list-style-type: none"> • Innovativeness and rate of success (cross-functional teams with R&D) • Communication (all along the channel, in both a push and pull perspective) • Trade management (promotion effectiveness and trade retention) • Customer relationship management (wholesalers) • Coordination with suppliers (especially external designers in the high-end products) • Return on promotion and marketing campaigns 	<ul style="list-style-type: none"> • ROS • Budgetary control (6% of the turnover + biennial Zero-based budgeting) • Innovation rate of success • Wholesalers' CLV • Installer retention rate • Qualitative measures to assess marketing units' ability to optimize marketing processes (e.g. cost reduction) and to knowledge sharing 	The board sets standard levels for quantitative KPIs (e.g. double-digit ROS in the first two years, breakeven time ≤ 18 months), norms for knowledge sharing are defined, and periodical meetings are organized to share advances and future challenges among functions

There are two particular FMCG companies' cases which are relevant to my conceptual framework constructs.

(1) Foodfresh

Marketing strategy features: The company joins the traditional attraction and transaction objectives of a FMCG firm with a strong effort on customer relationships related to the wellbeing/healthy segment, especially through web-based tool.

Marketing activities assessed: New product development (ability to translate community and market inputs into R&D and supply-chain inputs and to coordinate the innovation teams with R&D, Sourcing and Operations units).

(2) Foodcereal

Marketing strategy features: Premium price strategy pursued through mass communication and promotion. No investment in customer retention, and transactional approach towards supplychain and the trade. Poor integration between marketing, sourcing and operations, with a conflicting relationship moderated by CFO and CEO.

Marketing activities assessed: Returns on marketing campaigns and new product launch.

The similar things in these cases are the innovation aspect (product innovation) of the marketing activities assessed. This is very particular to FMCG companies under pressure of continuous *marketing innovation* for coping with dynamic and fast changing needs states of consumers in these markets.

Therefore, to measure marketing performance, marketing effectiveness, marketing efficiency and marketing innovation are taken into account. Marketing effectiveness is measured by satisfaction of customers, market share, in which the degrees of desired market-based goals are achieved (Morgan *et al.*, 2002). Marketing efficiency is relevant to what expenditure of marketing efficiently use from gross revenue. Marketing innovation reflects the typology of performance in terms of the ability to generate, translate market intelligence into marketing innovations (beside efficiency and effectiveness). This is also similar to adaptive-ness (innovative new ways of doing things in changing environment – Ruekert *et al* 1985) dimension. Thus, marketing innovation is one of the three dimensions of marketing performance as in Morgan *et al* 2002 normative marketing performance assessment system (adaptive-ness, effectiveness and efficiency).

2.2.3 Impact of market orientation and market research utilization on marketing performance

There are many scholars who find a positive and significant effect of market orientation (important condition of market research utilization) on organizational performance

Narver and Slater (1990) prove that there is an evidence to confirm a positive relationship between market orientation and performance by analyzing the performance of non-commodity businesses. Many authors also confirm that performance is excellent in market oriented companies (Langerak, 2003).

Deshpande *et al* (2000) develop the set of hypotheses concerning factors which should pertain to companies' performance in the framework of a "Universal Market-Focused Model," which record positive relationships between Performance and Organizational cultures and climates which are relatively open as well as to Innovation.

Subramanian *et al* (2001) also reveal the positive market orientation – performance relationship.

Shoham *et al* (2005), assess quantitatively the impact of market orientation on the performance of the company. The direct, indirect, and total impacts of market orientation on performance were all significant.

Recently, Kumar *et al* (2011), use a panel data constructed from the responses of repeatedly surveyed top managers at 261 companies regarding their company's market orientation to investigate the influence of market orientation on performance for a nine-year period from 1997 to 2005. The analyses indicate that market orientation has a positive effect on business performance in both the short and the long run. However, the sustained advantage in business performance from having a market orientation is greater for the companies that are early to develop a market orientation. These companies also gain more in sales and profit than companies that are late in developing a market orientation. Environmental turbulence and competitive intensity moderate the main effect of market orientation on business performance.

Also in developing economies context, Ellis (2005) study impact of the implementation of the marketing concept on organizational performance. In addition, the author also identifies the antecedents that influence the formation of market orientation and marketing practice. This study is based on 57 exporters located in China. The results reveal that there is a link between marketing practice and overall business performance, marketing practice was found to be a superior predictor of business performance. This study also found that the most significant antecedents to market orientation for developing country firms were customers and markets located outside the home market.

There is one study about the relationship of market orientation and firm performance conducted in Vietnam by Le *et al* (2013). This study tries to determine whether or not market orientation is relevant in an Asian emerging market such as Vietnam. Based on a survey of 300 firms and using structural equation modeling, the study reconfirms that market orientation has a significant effect on firm performance in an emerging market context and that its adoption is driven by both internal organizational and external market forces.

Conversely, one of the rare cases in literature, Xie *et al.*, 2007 finds market orientation has no positive direct impact on organizational performance, in a survey on 143 companies in the Pearl River Delta region of China with application of structural equation modeling (SEM).

In terms of market research utilization impact on performance

Zaltman and Moorman (1988) prove that that market information used and employed represents a competitive advantage. However, notwithstanding the general agreement that marketing research information is fundamental for business success, there have been surprisingly limited empirical studies that observe the link between marketing research activities and business performance (Hart and Tzokas, 1999; Ganeshasundaram and Henley, 2007). For instance, Baker *et al* (1988) argue that successful companies fulfill marketing research better than less successful companies. In the same way, Hooley *et al* (1988) prove that level of use of marketing research techniques affect profitability and competitive standing. Tsai and Shih (2004) indicate that marketing information system impacts marketing capabilities positively.

Souchon *et al* (2004), address the consequence of marketing information use and organizational performance by examining the mediating role of responsiveness. The findings indicate the positive effect of the instrumental/conceptual use of information on responsiveness, albeit moderated by information overload. Responsiveness was, in turn, found to be positively related to organizational performance.

However, not in the same way, Hart and Diamantopoulos (1993) reveal minor relationship between research and manufacturing companies' performance.

In marketing literature, it has been highlighted that the use of marketing research is not only related with business performance but also some other areas of marketing such as innovation and product design (Takeuchi and Quelch, 1983), success of new products (Hill, 1988), and marketing communication productivity and product decisions (Low and Mohr, 2001). As argued by Hart and Diamantopoulos (1993) and Morgan and Piercy (1996) utilization of various types of marketing research information has impacts on marketing performance. Similarly, as found by Bulut (2013), marketing research information types are grouped under four factors, namely strategy information; Macro environment information; Customer information; Competitor information. The objective of this study was to identify the factors that explain the effects of marketing research activities on marketing performance. The results indicate that some marketing research activities have positive impacts on companies' marketing performance in Turkish textile industry. Usage frequencies of marketing information collection vehicles and marketing research information types were found to have partial effect on both marketing effectiveness and marketing efficiency while organization of marketing research has no significant effect on marketing performance. In addition, organization of marketing research (in-house or external) has no significant effect on marketing performance. Similarly a study by Hart and Diamantopoulos (1993) had also failed to identify any direct relationship between the use of in-house or commissioned marketing research and performance. Thus, results of this study support the notion that marketing performance is not related to organization of marketing research.

It was found that usage frequencies of communicative information collection vehicles such as contacts with customers, distributors, competitors and suppliers have the strongest effect on marketing effectiveness and a strong effect on marketing efficiency.

Exhibitions and fairs as marketing information collection vehicles were found to be the other factor that has positive effects on marketing effectiveness and efficiency.

In addition, it was found that using strategic information and customer information have positive effects on marketing effectiveness but customer information has no significant effect on marketing efficiency. On the other hand, macro environmental information such as socio-cultural and technological information and transportation/distribution information have the strongest effect on marketing efficiency. Macro-environmental information and strategic information were found to be main factors that have effect marketing efficiency. Thus, it can be said that collecting strategic, macro-environmental and customer information has positive effects on marketing performance in Turkish textile companies.

Despite most of the relevant literature suggest the positive relations between market research and business performance, the relationship between market research utilization and marketing performance has not been empirically demonstrated enough, particularly in emerging markets.

Chapter 3: Conceptual framework

As discussed in chapter one and chapter two, several important antecedents to market research utilization have been revealed from literature. There are some antecedents specific to the research project information. There are other antecedents which are related to the users' organization such as its learning commitment and its structure. Market orientation of an organization can also be considered as an antecedent to market research utilization. Apart from these user organization related antecedents, market research agency influence can also encourage market utilization from its client. In addition, in chapter one and two, market research utilization constructs and their impact upon marketing performance and marketing performance constructs have also been discussed. From these reviews of literature, we systemize and construct an initial conceptual framework and related hypotheses for our empirical research study. These will be discussed below in this chapter.

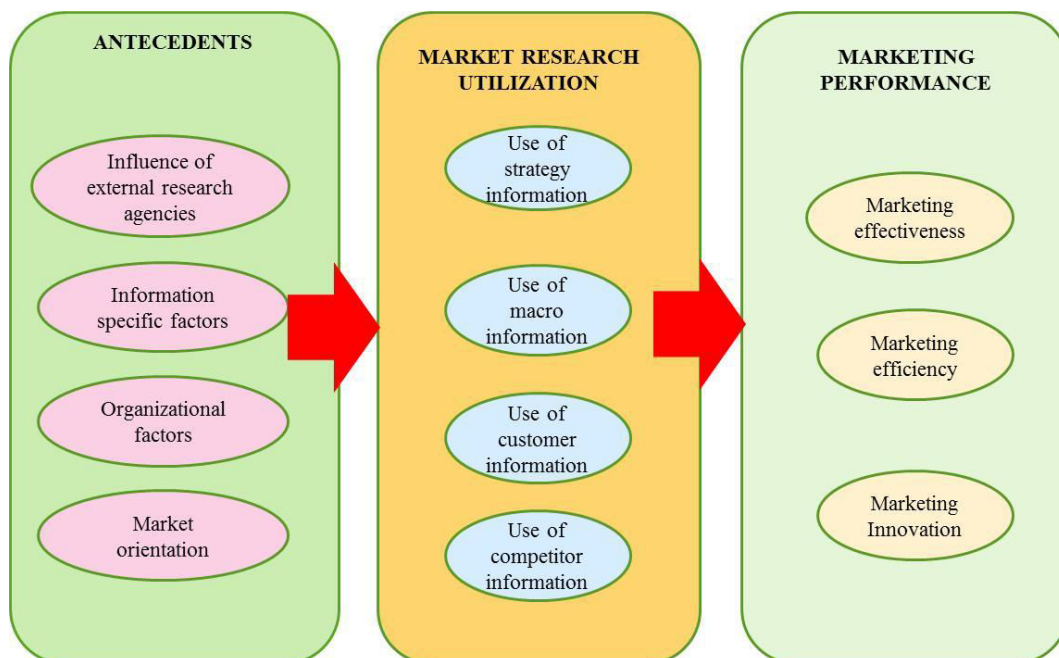
3.1 The initial conceptual framework

The initial conceptual framework from literature review includes three key sets as in Figure 16:

- Antecedents to market information utilization include: External research agency role, Information specific factors, Organizational factors, and Market orientation.
- Market research utilization by information types: Use of strategy information, use of macro information, use of customer information, use of competitor information.
- Marketing performance as consequence of market research utilization measured by: marketing effectiveness, marketing efficiency, and marketing innovation.

Figure 16: The initial conceptual framework

Source: Literature review



As discussed in literature section, impact of external research suppliers antecedent will be furthered explored in study one of my empirical research to determine appropriate dimensions for measurement (as this is limited from literature). An *adjusted conceptual model* might be expected from this exploratory research round.

There are thirty seven (37) initial hypotheses arisen from the model in Figure 17 and 18 below. Related literature for these hypotheses will be explained and discussed in the next section.

Figure 17: Model for the overall hypotheses

Source: Literature

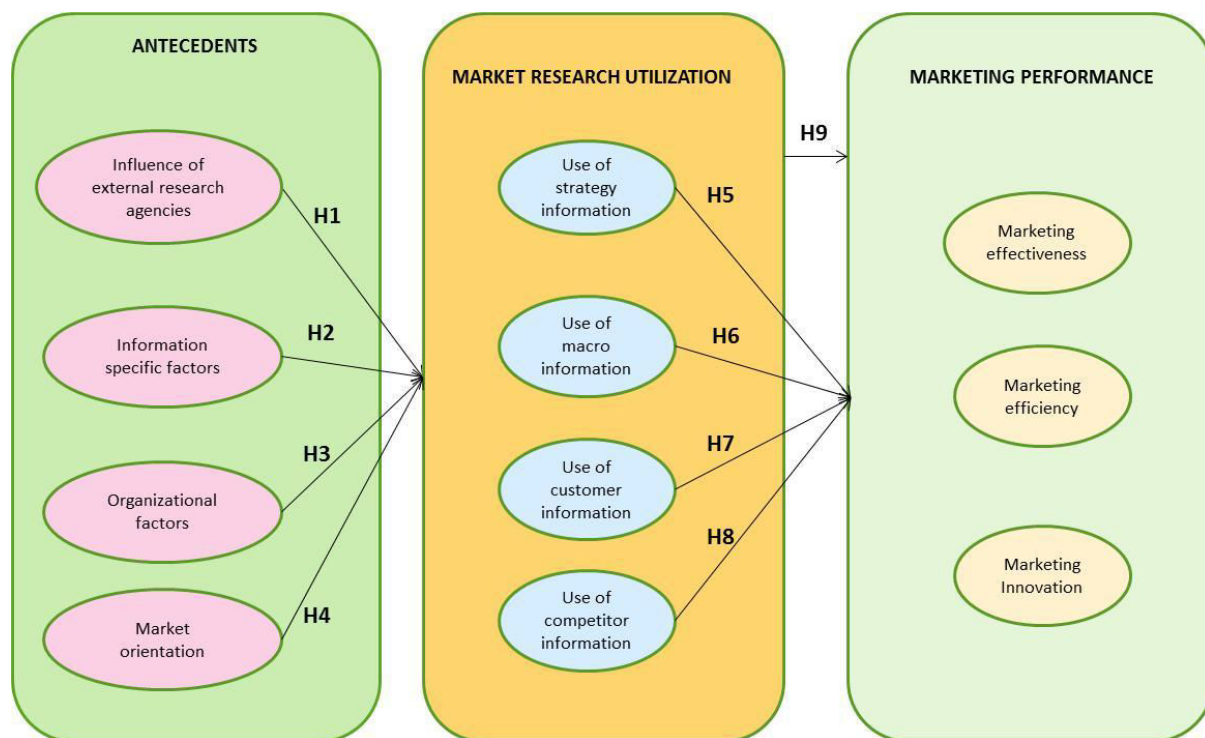
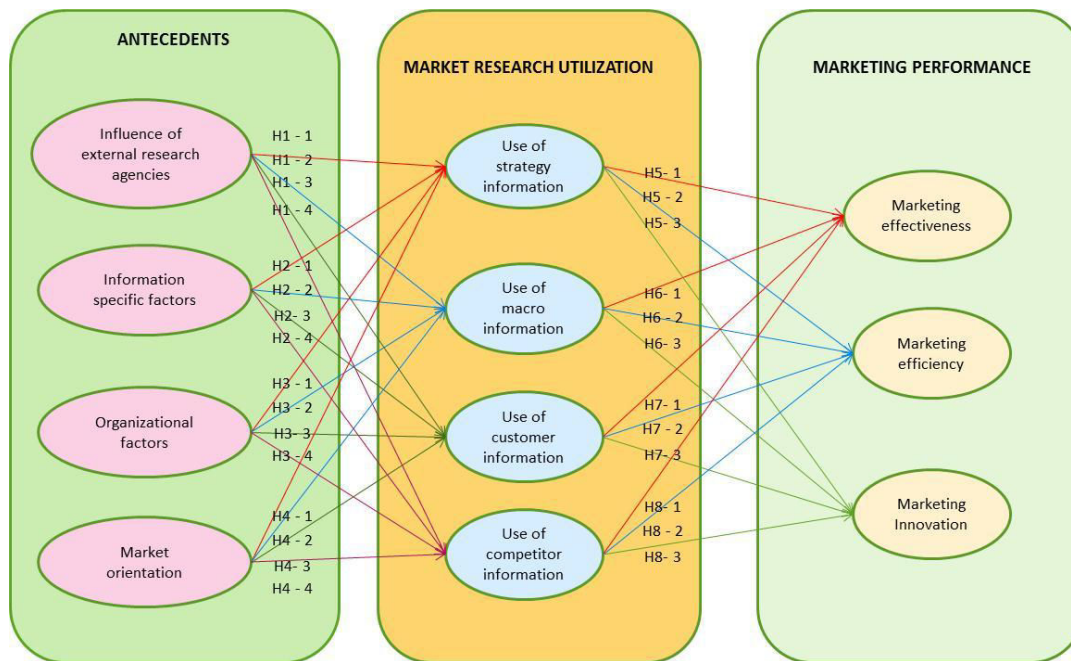


Figure 18: Model for the sub factor hypotheses

Source: Literature and study one



3.2 Conceptual framework construction and hypotheses establishment

From literature, we can construct the relationship and propose hypotheses between antecedents of market research utilization and its consequences on marketing performance as below.

3.2.1 Market research utilization constructs and antecedents

3.2.1.1 Market research constructs

From literature review, we can see that there are various classifications of market information utilization or market knowledge utilization that differs in their type, focus, scope, process, and scale characteristics (Jaworski and Kohli, 1993; Moorman, 1995; Sinkula, 1994). The two most popular groupings are: (1) instrumental use – conceptual use – symbolic use and (2) action oriented use – knowledge enhancement use – affective use (Menon and Varadarajan, 1992). This thesis applies instrumental use (also a form of actionable use) of market information into the conceptual framework for the ease of measurement and the fact that it is more tangible, easier to observe, thus more practical and relevant to companies in Vietnam. It is the direct application of research findings and conclusions to solve a policy problem and in the marketing discipline the term "research use" is employed in reference to

instrumental use. It is also the most popular application in measuring information utilization in literature.

For the constructs of market research utilization, this thesis applies the above four types of market research information use: strategy information use, macro information use, customer information use and competitor information use (Xu and Kaye , 1995; Köksal, 2008; Hart and Diamantopoulos, 1993 and Bulut, 2013). These types of uses are very much of instrumental and action oriented in their nature and also applicable in emerging market like Vietnam. These are comprehensive of what marketers in Vietnam are looking for, direct, practical and close to their daily marketing management practices. This is also found similar to Tran and Tuong (2011) study in Vietnam.

3.2.1.2 Market research utilization antecedents

There are four key antecedents to market research utilization as depicted in the conceptual framework namely: influence of external research agencies, information specific factor, organizational factor, and market orientation.

External research agencies role and its influence on market research utilization

This part of the model is the interesting part which is newly developed and included for our empirical research study. This has not been recognized and addressed thoroughly in literature of both emerging and developed markets. From literature, particularly Singh and Sirdeshmukh (2000), Bergen *et al* (1992), we can see that trust and agency theory both have significant role in researching marketing relationship. Moorman, Zaltman, and Deshpande (1992 and 1993) show that trust is a more important measure of the relationship between researchers and users from two different organizations (rather than within one organization). Sinkula (1990) study mentioned about characteristics of external research supplier which organizations base on to adopt external research service for usage (rather than in house). However, apart from above articles, no other studies in literature discuss the direct effect of external market research suppliers upon the utilization of market research information. Some of the characteristics such as cost advantage or triability are obviously encouraging organizations to utilize more market information but not yet studied before. Thus new exploratory study would be needed to establish variables that can possibly contribute to the

role of external market research agencies in encouraging organizations utilizing more market information. This is particularly relevant to emerging economies where companies have limited knowledge about using market research and might need to be educated by market research agencies, those who look to grow the industry.

Therefore, at this stage, we initially assume the following hypotheses about the influence of external research agencies on market research utilization and its components: H1, H1-1, H1-2, H1-3, and H1-4.

H1: The greater the influence of external research agencies, the greater the market research utilization of the user organization is.

H1-1: The greater the influence of external research agencies, the greater the utilization of strategy information is.

H1-2: The greater the influence of external research agencies, the greater the utilization of macro information is.

H1-3: The greater the influence of external research agencies, the greater the utilization of customer information is.

H1-4: The greater the influence of external research agencies, the greater the utilization of competitor information is.

Information specific factor and impact on market research utilization

Deshpande and Zaltman (1982), Souchon *et al* (1996), Menon and Varadarajan (1992) studies reveal that one of the most important variables affecting the use of research is the research project information factor itself for example: technical quality, surprise, actionability and political acceptability.

Therefore, we have the following hypotheses about the influence of the information specific factors of market research projects on market research utilization and its components: H2, H2-1, H2-2, H2-3, and H2-4.

H2: The more acceptable the information specific factor of the research projects, the greater the market research utilization is.

H2-1: The more acceptable the information specific factor of the research projects, the greater the utilization of strategy information is.

H2-2: The more acceptable the information specific factor of the research projects, the greater the utilization of macro information is.

H2-3: The more acceptable the information specific factor of the research projects, the greater the utilization of customer information is.

H2-4: The more acceptable the information specific factor of the research projects, the greater the utilization of competitor information is.

Organizational factor and impact on market research utilization

Zaltman (1986) notes that (1) as the organization becomes more complex, knowledge is more easily acquired and learned, and (2) the less formalized and centralized the organization is, the more easily knowledge is acquired. Organizational learning and commitment to learning as antecedent of market research use has been discussed by Day (1994), Slater (1995), Sinkula *et al* (1994), Sinkula *et al* (1997), and Santos Vijande (2005). A more positive learning orientation will directly result in an increase in market information acquisition and dissemination. In addition, stronger organizational structure variables have a particularly substantiating effect on research use. The more decentralized and less formalized companies are, the more likely the companies intend to utilize more the research. These three organizational factors including positive learning orientation, more decentralized structure and less formalized structure are all related to an organization's receptivity to market research information.

These organizational factors impacting on market research utilization leads to the following hypotheses about the influence of the organizational factors of the research users' company on market research utilization and its components: H3, H3-1, H3-2, H3-3, and H3-4.

H3: The stronger the receptivity of the research users' organization, the greater the market research utilization is.

H3-1: The stronger the receptivity of the research users' organization, the greater the utilization of strategy information is.

H3-2: The stronger the receptivity of the research users' organization, the greater the utilization of macro information is.

H3-3: The stronger the receptivity of the research users' organization, the greater the utilization of customer information is.

H3-4: The stronger the receptivity of the research users' organization, the greater the utilization of competitor information is.

Market orientation and impact on market research utilization

As discussed in literature review chapters above, the concept of market orientation is the central element of the management philosophy and is presumed to contribute to long-term profitability of a company (Webster 1988). Shapiro (1988) describes a market-oriented company as one in which strategic and tactical decisions are made inter-functionally and inter-divisionally, and divisions and functions make well-coordinated decisions.

There are three popular conceptualization directions for market orientation. In the first stream of thought, Narver and Slater (1990) conceptualize a market orientation as a three-dimensional construct consisting of (1) customer orientation, (2) competitor orientation, and (3) inter-functional coordination. Then, Kohli and Jaworski (1990) also classify a market orientation into three-dimensional construct, but suggest differently that the three components are (1) organization-wide generation of market intelligence that pertains to current and future customer needs, (2) dissemination of market intelligence across departments, and (3) organization-wide responsiveness. Instead, Day (1993) and Sinkula (1994) suggest that a market orientation may be more fittingly conceptualized as a process consisting of four stages: (1) acquisition of market information, (2) organization-wide sharing of market information, (3) a shared interpretation of market information, and (4) utilization of market information in the company's strategic planning and enacted response.

From the above conceptualization, we can see that market orientation is related closely with market information utilization. From most articles in literature review, market orientation is directly shaping companies' efforts in collecting information about target customers' needs and competitors' strategies, and these efforts are aimed at creating continuously superior customer value (Narver and Slater, 1990; Kohli and Jaworski, 1990; Jaworski and Kohli, 1993; Kohli *et al*, 1993; Harison-Walker, 2001).

More recently, given that market research is the process of planning, collecting, and analyzing customer-oriented information for use in making decisions, Aaker *et al* (2004) ascertain that the two concepts of market orientation and market research are inextricably linked. In addition, Duboff and Spaeth (2000) reconfirm that in attaining competitive

advantage and greater performance, a market orientation company will need to know the current environment and the possible actions of all key players, from customers to competitors. Again we can see that market orientation companies would facilitate the generation and dissemination of information, thus would positively related to the utilization of market research.

Therefore, market orientation can be considered as one of the important conditions of market research information utilization. We can have possible ground to consider market orientation as one of the antecedents to market research utilization in the conceptual framework.

Consequently, we have the following hypotheses about the influence of market orientation of research users' company on market research utilization and its components: H4, H4-1, H4-2, H4-3, and H4-4.

H4: The stronger the market orientation of the research users' organization, the greater the market research utilization is.

H4-1: The stronger the market orientation of the research users' organization, the greater the utilization of strategy information is.

H4-2: The stronger the market orientation of the research users' organization, the greater the utilization of macro information is.

H4-3: The stronger the market orientation of the research users' organization, the greater the utilization of customer information is.

H4-4: The stronger the market orientation of the research users' organization, the greater the utilization of competitor information is.

3.2.2 Marketing performance constructs

From literature review, marketing performance has two dimensions named marketing efficiency and marketing effectiveness (Walker and Ruekert, 1987). Marketing effectiveness is the degree of desired market based goals achieved (Morgan, Clark and Gooner, 2002) and marketing efficiency is the ratio of marketing expenses/gross revenue.

In marketing literature, it has also been highlighted that the use of marketing research is not only related with business performance but also some other areas of marketing such as

innovation and product design (Takeuchi and Quelch, 1983), success of new products (Hill, 1988), and marketing communication productivity and product decisions (Low and Mohr, 2001). According to Moorman (1995), Han *et al* (1998), O’Cass and Ngo (2011), and Harmancioglu *et al* (2010), innovation is particularly important indicator of company performance.

Therefore, in addition to the two main constructs (effectiveness and efficiency), marketing innovation will be included as the third construct of marketing performance. This is also because fast moving consumer goods industry with fast and ever changing demands needs more innovation. Marketing innovation here reflects the “typology of performance” in terms of the ability to generate, translate market intelligence into marketing innovations (beside efficiency and effectiveness).

3.2.3 Market research utilization impact on marketing performance and its components

In articles of Hurley *et al* (1998), Keskin (2006), and Xie *et al* (2007), we see close inter-relationship between market orientation, learning orientation, market information utilization, innovation, marketing/ business performance. There are unresolved differences in literature, but mostly market orientation, learning orientation are conditions for market information utilization, then subsequently for marketing/business performance.

As argued by Hart and Diamantopoulos (1993) and Morgan and Piercy (1996) utilization of various types of marketing research information has impacts on marketing performance. Thus market research utilization can be considered as a condition to marketing performance in my proposed conceptual framework.

Therefore, we can have hypotheses about the impact of market research utilization (overall and its four components) on marketing performance (overall and its three components).

Hypotheses about the impact of strategy information utilization on marketing performance and its components: H5, H5-1, H5-2, and H5-3.

H5: The greater the utilization of strategy information, the greater the marketing performance is.

H5-1: The greater the utilization of strategy information, the greater the marketing effectiveness is.

H5-2: The greater the utilization of strategy information, the greater the marketing efficiency is.

H5-3: The greater the utilization of strategy information, the greater the marketing innovation is.

Hypotheses about the impact of macro information utilization on marketing performance and its components: H6, H6-1, H6-2, and H6-3.

H6: The greater the utilization of macro information, the greater the marketing performance is.

H6-1: The greater the utilization of macro information, the greater the marketing effectiveness is.

H6-2: The greater the utilization of macro information, the greater the marketing efficiency is.

H6-3: The greater the utilization of macro information, the greater the marketing innovation is.

Hypotheses about the impact of customer information utilization on marketing performance and its components: H7, H7-1, H7-2, and H7-3.

H7: The greater the utilization of customer information, the greater the marketing performance is.

H7-1: The greater the utilization of customer information, the greater the marketing effectiveness is.

H7-2: The greater the utilization of customer information, the greater the marketing efficiency is.

H7-3: The greater the utilization of customer information, the greater the marketing innovation is.

Hypotheses about the impact of competitor information utilization on marketing performance and its components: H8, H8-1, H8-2, and H8-3.

H8: The greater the utilization of competitor information, the greater the marketing performance is.

H8-1: The greater the utilization of competitor information, the greater the marketing effectiveness is.

H8-2: The greater the utilization of competitor information, the greater the marketing efficiency is.

H8-3: The greater the utilization of competitor information, the greater the marketing innovation is.

Hypotheses about the impact of overall market research utilization on marketing performance: H9.

H9: The greater the utilization of market research, the greater the marketing performance is.

The total thirty seven (37) hypotheses can be found in the summary in Table 5 below.

Table 5: Summary of hypotheses

Source: Literature

Code	Hypotheses
	Hypotheses about the influence of external research agencies on market research utilization and its components
H1	The greater the influence of external research agencies, the greater the market research utilization of the user organization is.
H1-1	The greater the influence of external research agencies, the greater the utilization of strategy information is.
H1-2	The greater the influence of external research agencies, the greater the utilization of macro information is.
H1-3	The greater the influence of external research agencies, the greater the utilization of customer information is.
H1-4	The greater the influence of external research agencies, the greater the utilization of competitor information is.
	Hypotheses about the influence of the information specific factors of market research projects on market research utilization and its components
H2	The more acceptable the information specific factor of the research projects, the greater the market research utilization is.
H2-1	The more acceptable the information specific factor of the research projects, the greater the

	utilization of strategy information is.
H2-2	The more acceptable the information specific factor of the research projects, the greater the utilization of macro information is.
H2-3	The more acceptable the information specific factor of the research projects, the greater the utilization of customer information is.
H2-4	The more acceptable the information specific factor of the research projects, the greater the utilization of competitor information is.
	Hypotheses about the influence of the organizational factors of the research users' company on market research utilization and its components
H3	The stronger the receptivity of the research users' organization, the greater the market research utilization is.
H3-1	The stronger the receptivity of the research users' organization, the greater the utilization of strategy information is.
H3-2	The stronger the receptivity of the research users' organization, the greater the utilization of macro information is.
H3-3	The stronger the receptivity of the research users' organization, the greater the utilization of customer information is.
H3-4	The stronger the receptivity of the research users' organization, the greater the utilization of competitor information is.
	Hypotheses about the influence of market orientation of research users' company on market research utilization and its components
H4	The stronger the market orientation of the research users' organization, the greater the market research utilization is.
H4-1	The stronger the market orientation of the research users' organization, the greater the utilization of strategy information is.
H4-2	The stronger the market orientation of the research users' organization, the greater the utilization of macro information is.
H4-3	The stronger the market orientation of the research users' organization, the greater the utilization of customer information is.
H4-4	The stronger the market orientation of the research users' organization, the greater the utilization of competitor information is.
	Hypotheses about the impact of strategy information utilization on marketing performance and its components
H5	The greater the utilization of strategy information, the greater the marketing performance is.
H5-1	The greater the utilization of strategy information, the greater the marketing effectiveness is.
H5-2	The greater the utilization of strategy information, the greater the marketing efficiency is.
H5-3	The greater the utilization of strategy information, the greater the marketing innovation is.

	Hypotheses about the impact of macro information utilization on marketing performance and its components
H6	The greater the utilization of macro information, the greater the marketing performance is.
H6-1	The greater the utilization of macro information, the greater the marketing effectiveness is.
H6-2	The greater the utilization of macro information, the greater the marketing efficiency is.
H6-3	The greater the utilization of macro information, the greater the marketing innovation is.
	Hypotheses about the impact of customer information utilization on marketing performance and its components
H7	The greater the utilization of customer information, the greater the marketing performance is.
H7-1	The greater the utilization of customer information, the greater the marketing effectiveness is.
H7-2	The greater the utilization of customer information, the greater the marketing efficiency is.
H7-3	The greater the utilization of customer information, the greater the marketing innovation is.
	Hypotheses about the impact of competitor information utilization on marketing performance and its components
H8	The greater the utilization of competitor information, the greater the marketing performance is.
H8-1	The greater the utilization of competitor information, the greater the marketing effectiveness is.
H8-2	The greater the utilization of competitor information, the greater the marketing efficiency is.
H8-3	The greater the utilization of competitor information, the greater the marketing innovation is.
	Hypotheses about the impact of overall market research utilization on marketing performance
H9	The greater the utilization of market research, the greater the marketing performance is.

Part 2: Empirical study

In part one, we have gone through literature about market research utilization constructs, we have identified possible antecedents to market research utilization and we also have assumed the impact of market research utilization upon marketing performance. These literature reviews lead us to an initial conceptual research framework and related hypotheses.

In this part, we will discuss about our paradigmatic framework and our empirical research studies to test the above conceptual model in emerging market context. In our study, we

choose to focus on Vietnam as it is an emerging market and becoming economically significant. Its market research industry is still developing and local companies starts becoming more market oriented.

Chapter 4: Paradigmatic framework

Paradigmatic framework refers to specifying scientific research framework used by the researchers. There are three dimensions in a paradigmatic framework needed to be clarified before establishing a research framework: the Ontological question, the Epistemological question, and the Methodological question (Kuhn, 1962; Guba, 1990; Guba and Lincoln, 1994).

The ontological question: “What is the form and nature of reality and, therefore, what is there that can be known about it?” (Guba and Lincoln, 1994)

The epistemological question: “What is the nature of the relationship between the knower or would-be knower and what can be known?” The answer that can be given to this question is constrained by the answer already given to the ontological question, (Guba and Lincoln, 1994)

The methodological question: “How can the inquirer (would-be knower) go about finding out whatever he or she believes can be known?” Again, the answer that can be given to this question is constrained by answers already given to the first two questions, (Guba and Lincoln, 1994)

4.1 Key paradigmatic postures

Depending on the answers to the above questions, there are three key positions for a scientific research framework:

Positivism

From ontology perspective, positivists view reality as universal, objective, and quantifiable. Therefore from this perspective, it is argued that reality is the same for everyone and through

the application of science we can identify and see that shared reality. By adopting the positivist orientation, the individual is often reduced to the status of a passive holder.

Therefore, in terms of epistemology, the investigator and the investigated object are considered as independent entities, and the investigator should study the object without influencing it or being influenced by it. Consequently, in term of methodology, positivists' questions and/or hypotheses are stated in propositional form and subjected to empirical test to validate them.

Constructivism

From ontology perspective, the basic contention of the constructionist argument is that reality is socially constructed by and between the persons who experience it (Gergen, 1999). It is a consequence of the context in which the action occurs and is shaped by the cultural, historical, political, and social norms that operate within that context and time. And that reality can be dissimilar for each of us based on our unique understandings of the world and our experience of it. Reality in this case is completely subjective and need not be something that can be shared by anyone else but at the same time it is independent of the person living it. Epistemologically, in constructivism, the investigator and the object of investigation are interactive and the "findings" are literally created as the investigation proceeds. In terms of methodology, individual constructions can be elicited and refined only through interaction between and among investigator and respondents. These varying constructions are interpreted using conventional hermeneutical techniques. The purpose is to refine to general construction that is more informed and sophisticated than previously constructed.

Critical realism (Relativism)

From ontology perspective, relativists' reality is assumed to be captured that was once plastic, but overtime, shaped by a series of other environmental factors, and then formed into a series of structures that are now taken as real. In critical realism's epistemology, the investigator and the investigated object are interactively linked, with the values of the investigator inevitably influencing the inquiry. Findings are therefore value mediated. This shows that critical realism seems to be a combination or bridge between constructivism and positivism. In terms of methodology, the transactional nature of inquiry requires a dialogue between the investigator and the subjects of the inquiry; that dialogue must be dialectical to transform misapprehensions into more informed facts.

The position of this thesis is more in line with the combined i.e. the critical realism paradigm. We review and validate hypotheses from literature from positivists' perspective (via a quantitative study) while also construct our own hypothesis about the role of market research agencies from constructionists' perspectives (via a qualitative exploratory study).

According to Darlaston-Jones (2007) and Gergen (1999), the relationship between the epistemological foundation of research and *the methods* employed in conducting it is critical in order for research to be truly meaningful. From the above paradigmatic frame, the method that we employ for this scientific research will be a mixed method. According to Harrison (2012), mixed methods research is the type of research in which a researcher or team of researchers combines elements of qualitative and quantitative research approaches for the broad purpose of breadth and depth of understanding and corroboration (Johnson *et al.*, 2007). Five most popular mixed methods design types include: exploratory designs, explanatory designs, embedded designs, convergent designs, and hybrid designs (Harrison, 2012).

In exploratory designs, researchers first collect qualitative data, analyze the qualitative data, and then build on the qualitative data for the quantitative follow-up. The building process can involve identifying the types of questions that might be asked, determining the items/variables/scales for instrument design, and generating theories, typologies, or classifications. Exploratory designs are useful for exploring relationships when study variables are unknown; developing new instruments, based on initial qualitative analysis; generalizing qualitative findings; and refining or testing a developing theory. The two common variants of this design type are the instrument design model and the theory development model. In instrument development designs, qualitative findings are used to develop scale items for a quantitative survey instrument. In this variant, the qualitative data plays a secondary role (Creswell and Plano Clark, 2011). In theory development designs, qualitative results play a more primary role and are used to develop hypotheses or propositions, or taxonomies (or classifications systems), and the secondary, quantitative phase tests or develops the emergent theory, or tests or studies the quantitative results in more detail.

In explanatory designs, researchers first collect and analyze quantitative data, then build on those findings in a qualitative follow up, which seeks to provide a better understanding of the quantitative results. Building can involve either using the quantitative data to select cases or to identify questions that need further explorations in the qualitative phase (Creswell *et al.*, 2003).

In embedded designs, researchers collect both quantitative and qualitative data either sequentially or concurrently with one form of data playing a supporting role, or both forms of data playing a supporting role in a larger design (Creswell and Plano Clark, 2011).

In convergent designs, researchers collect both qualitative and quantitative data simultaneously, analyze both data strands separately, and then mix the databases by merging the data (Creswell and Plano Clark, 2011).

4.2 Research methodology and procedures

The method for this thesis empirical research will be *mixed method* as we combine elements of qualitative and quantitative research approaches for the broad purpose of breadth and depth of understanding and corroboration. Our mixed method is in the form of *exploratory design* because we first collect qualitative data, analyze the qualitative data, and then build on the qualitative data for the quantitative follow-up.

The procedure/ protocol of research:

We conducted qualitative round first (study one), using Grounded Theory, to explore factors from external research providers to support limited and out of date, and developed countries focused literature. And also, for Vietnamese local companies, research agencies have been established first to serve multinational companies, and then they educate local companies the usage of market research information and methodology. Therefore, qualitatively, the role of external research agencies is assumed to be important to market research utilization of local Vietnamese companies.

Then we will use this qualitative round to adjust the conceptual model, particularly on the impact of external research agencies on companies' utilization of market research. In

addition, this qualitative round will be also used to develop variables for the external research agency factors.

Together with variables for other factors for the conceptual model from literature, we build questionnaire for second round of research (study two), a quantitative study with the purpose of quantifying the relationship in the model and testing hypotheses by the use of structural equation modeling (SEM).

Chapter 5: Study one - The qualitative study

This qualitative study will try to explore and elaborate on the market research agencies' role in encouraging market research utilization from companies. The result of this study will be expected to supplement the initial conceptual framework constructed previously and possibly pose a revised new conceptual model.

5.1 Research objectives of study one

The key research objectives of this exploratory round of study are:

- Explore the role of external market research agencies in the utilization of market research information from Vietnamese FMCGs companies given the context of the pre-mature stage of market research usage in the country.
- Identify key factors via which external research agencies influence companies (their clients) to educate and raise the awareness and the utilization of market research information.
- Identify specific elements/items which contribute and drive these factors qualitatively.

5.2 Methodology of study one

With its exploratory nature, this round of research adopts 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.

In depth interview is best in this case for its intimacy and privacy. Focus group is not suitable as these respondents (the marketing managers, research managers). They might not be comfortable discussing about their works in front of others.

These in depth interviews are conducted face to face and at café out of office working hours. Via face to face interviews, emotions, gestures of the respondents will be better observed and interpreted by moderators. 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.

5.3 Research design of study one

The in depth interviews (IDIs) are designed as below to include 30 respondents. These respondents are from client sides (the research users) and also 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 market research background and (2) research managers – those who manage market research or market intelligence department within the company. These people usually have prior technical market research 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 market research agency in Vietnam).

Respondents from market research agency side (they are research directors, research managers level) are split between local market research agencies (100% Vietnamese owned) and international market research agencies (the multinational companies). In Vietnam, in general, multinational market research 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.

Sample size and structure are as below:

Sample size: N = 30 IDIs, split between client side (24) and agency side (6)

Client side: N = 24 IDIs

- Position: both respondent types, those with more functional role (research manager of client side) and those with final decision making role and end users (marketing manager, company director/owner)
- Type/size of business: Vietnamese FMCG (fast moving consumer goods)
- Heavy users (more than 100,000 USD/ year) versus light users of market research (from none to less than 100,000 USD/year) in the last 2 years. (Rationale for this threshold: the average spending among FMCG companies in FTA survey is 100,000 USD/ year).

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

Agency side: N = 6 IDIs

- Position: research directors/managers in market research agencies
- Company: local research agencies and international research agencies

Agency side	Sample size
Local agency	3 IDIs
Multinational agency	3 IDI

To determine the role of external research services in companies' market research utilization, the research design involves both market research clients (FMCG companies) and market research services providers (market research agencies). We believe that the design with both professionals should define the domain of the phenomenon more appropriately than one sided design. Both companies *and* market agencies selected allow good triangulation of sources of information.

5.4 Data collection of study one

- Face to face in depth interviews (IDIs) for their intimacy and privacy.
- In coffee shops, out of office working hours, to allow and facilitate a neutral place of interviewing.
- In Vietnamese, audiotaped and transcribed verbatim.
- Average length of interview is about 90 minutes.
- Fieldwork time: from June to December 2012.

5.5 The research process of study one

5.5.1 Research discussion guideline

Discussion guide (DG) for the in depth interviews lasts approximately ninety minutes. It 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 market research services
- Barriers among those who are non/light users

- Recent usage of market research services
- Drivers for market research utilization
- Perceived role/influence of external market research agencies
- Most impactful activities of market research agencies which encourage more utilization
- Story telling about research adoption and utilization experience (using the existential phenomenon as base for story telling projective technique - Craig J. Thompson, William B. Locander, Howard R. Pollio 1989). Moderator try not to ask why to avoid rational responses
- Identify differences in market research utilization by the degree of project complication
- Observe differences in market research utilization between light and heavy research users
- Observe differences between marketing managers and research managers (both are from client side but have different roles)
- Suggestions for higher usage of market research in the future and how market research agencies can facilitate this utilization better

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 market research utilization of Vietnamese companies via story telling techniques.

5.5.2 The recruitment and profile of the respondents

Purposive sampling was employed, which we 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.

There are 30 respondents in total joining our in depth interviews. 24 respondents are from client side in which 12 are working marketing department at manager level and 12 are research managers in FMCG companies. Half of these respondents are working in companies with marketing research budget higher than 100,000 USD and the other half are working in companies with marketing research budget lower than 100,000 USD.

The other 6 respondents are working in market research agencies. Their positions are also at manager level. Three of them are from international research agencies and three of them are from local research agencies.

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).

5.5.3 Preparation and works in the Grounded Theory

The thirty (N = 30) in depth interviews were conducted in a 6 month period. Learning and analyses however were not waived at the end of the data collection period. Instead, analyses 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 preparing the field data support the line-by-line coding. Same words and subjects were noted and highlighted if they are more significant in volume or frequency of appearance.

The whole process is 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.

Similarly with Easterby-Smith (2002), several main questions were considered and answered, including:

- Do the findings support existing knowledge?
- Do they challenge it?
- Do they answer previously unanswered questions?
- What is different?
- Is it different?

Grounded theory also suggested doubling-back-and-forth process (Strauss 1987; Strauss and Corbin, 1998). The analysis was based on overlapping processes of:

- Open coding: here the evidence was broken open and each data piece (line) is attributed a free node
- Communicative validation: the line-by-line transcripts with their free nodes attributed were mirrored back to the interviewees and their feedback processed
- Conceptualizing: resembling, recurring ideas were grouped into concepts
- 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
- Axial coding, linking: here the concepts were verified, refined, possibly developed; relations and patterns between concepts were sought. Concepts were abstracted into categories
- 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

Thirty IDIs transcripts were written down in Vietnamese, then were coded and translated into English with back translation (Usunier, 1998) to identify probable translation errors. The

questionnaire were then triangulated with 2 research directors (respondents in the IDIs, they are from agency side).

5.6 Key concepts and categories identified

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. The first one involved predominantly technical competence (T), the second covered the issues pertaining to the relationship (R) between the client and MR agency. Following are the codes and title of the concepts and dimensions:

Dimension T with 9 concepts as below:

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.

T2: Researchers' ability to raise local companies' low awareness of what market research is and how it could be used.

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

T4: Researchers should also be in the role of marketing consultant.

T5: Researchers' ability to identify and provide new insights, challenge and manage research users' surprise and solve the “grey” area.

T6: Research agency ability to provide research tools with users' oriented benefits.

T7: Researchers' ability to show and prove accuracy of data.

T8: Project timing management and delivery commitment.

T9: Brand name of the approaching market research agency.

Dimension R with 8 concepts as below:

R1: Corporate package rate provision from market research agencies.

R2: Ability to actively connect with the local business network and understand local business practices.

R3: Ability to network via practical market research training exposure.

R4: Ability to participate in the restructuring process of local companies.

R5: Ability to build good network with government initiatives and programs supporting local companies.

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

R7: Problem solving using non – research skills.

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

5.7 Detailed findings and analyses

As discussed above, we have identified 17 statements along the two dimensions which are technical competence and relation competence of market research agency. We will examine in details how these statements are supported from the verbatim in our in depth interviews and how they may affect market research utilization.

5.7.1 Technical competence analysis

Technical competence concept 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.

During the in depth interviews with respondents, there were strong concerns about the cost of market research from local companies. Some of the local companies do not have or plan for

a substantial research budget. This is simply coming from short term and tactical perspective of the market.

“My company do not have budget for research at all. We have to collect data ourselves. In some cases, when we are really in doubt, we will cut back some marketing spending to do ad hoc research” (verbatim from light research users and marketing managers).

According to marketing managers in the in depth interviews, research agencies with the ability to showcase the linkage between success or failure of business with market research will be favored. This comes from previous experience of the researcher in providing research services to other businesses in the same category or other similar categories. Researchers need to actually link brand, sales and financial performance of these cases to justify a certain appropriate amount of budget reserved for market research. Research budget ratio in the Fast Moving Consumer Goods industry in Vietnam reveals an average of 3-5% of marketing budget which is considered appropriate and ideal for market research. Some of the companies in this qualitative research round do benchmark their research budget with the suggestion and benchmark provided from market research agency.

“Our market research agency offers added value by providing our client companies who have no prior experience in using market research, with norms of spending from other competitors. They therefore could justify research budget given their relative share with competitors” (verbatim from researchers in research agency).

In addition, researchers need to approach and propose research design or research mix which address most critical areas of client business; not the “nice to have” research. Some of these researches were discussed in the in depth interviews as critical researches which could be linked best to business performance and easier to justify for budget investment:

- Market feasibility and potentiality
- Pre-launch product and positioning concept test
- Diagnostic research (brand performance and distribution audit)
- Media research

“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).

These projects are very often considered much more strategic and complicated; client companies cannot do it themselves; and failure to conduct properly can lead to business disaster which results in much higher financial loss than the research cost itself.

This competence of the researcher is requested mostly and in reality happens particularly among light users of market research and among marketing managers. These companies do not have huge research budget and strong market research department. Much of the information used in the companies is from secondary sources, internal estimate/ guessing or from internal sales data.

Technical competence concept T2: Researchers’ ability to raise local companies’ low awareness of what market research is and how it could be used.

In Vietnam, from the in depth interviews particularly with marketing managers of light amount of research usage companies and also from research directors in research agencies, it is found out that even normal technical terms of market research such as qualitative, quantitative, usage and attitude survey, concept test, price sensitivity, retail audit could be hard for local companies (with no research background, little marketing background and even no formal business training background) to understand.

“There was time when I first met a Vietnamese business owner to introduce my company’s credential; I was really surprised with what he and his staff were asking. All that they were aware of market research was statistics. He had no idea about qualitative research or focus group discussion... I had to explain every term into normal language and tried to avoid jargon as much as possible” (verbatim from research director of a local market research agency).

The ability to absorb and know how to use is really something that hinders local companies from adopting research. From this qualitative research round, it is revealed that research agencies that can provide technical guidance on “market research introduction”, “market

research for decision makers” or “research process and tools in different stages of product life cycle” would be able to influence local Vietnamese companies’ utilization of market research.

“Our company was offered a free session when research director from the research agency explained what market research 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).

Secondly, free trial is also considered important for awareness and getting exposed to market research. Some research agencies in Vietnam are sending free monthly market information on Vietnamese consumers to potential clients. Some others are giving part of their syndicated data, usually historical data to tease local companies on the readily available information which could be helpful and could be used. There are other agencies that provide annual fact book and key information about Vietnam market and Vietnamese consumers to local marketers.

“I often receive free data from research agencies. Sometimes, they even tailored data to what I need for my internal reporting. In the future, I am surely using more market research and will be in favor for this agency” (verbatim from research manager of a local beverage company).

Then, PR articles with case study in using market research can also impact awareness and initial adoption of market research of local companies.

In addition, local companies would be requiring very practical and relevant research products. These research products should be simple and specific to their day to day tasks. If market research products could be seen as helping generate Sales reports, Consumer feedbacks reports, Promotion preference reports, Product rating reports..., then local companies could link these to the immediate benefits of utilization.

Technical competence concept T3: Researchers’ ability to understand local companies’ and provide feasible and actionable recommendation.

There are particular differences in Vietnamese Fast Moving Consumer Goods companies. Many of these companies are growing from small family businesses. Therefore, one of the core competencies for researchers is still the ability to understand local companies' business, their business background, their organizational structure, their people, and their financial resources in order to encourage them to utilize more market research. This is important for designing appropriate research design (thus cost implication for the suitable budget) and in recommending appropriate market actions to be feasible to local companies' resources and marketing capabilities.

“I met an agency who quoted 100,000 USD for a market size and distribution channel understanding. This is really shocked and way out of range for our local company budget. On this similar request, another local agency provides smaller, tailored made design which cost us 20,000 USD while giving similar result with acceptable margin of errors” (verbatim from marketing manager of a local dairy company).

Researchers in Vietnam are mostly coming from working for foreign research agencies; those in turn mostly service multinational corporations. As a fact, they tend to bring models from these multinational cases into local companies in Vietnam. However, research products and models which could be applied in MNCs (multinational corporations) might not be appropriate here. Some models are just too complicated and seem to be within a black box which makes them very hard to be explained and understood for Vietnamese companies.

“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).

To really raise the demand and appreciation for market research utilization of these local companies, researchers therefore need to well set action standard for research in advance based on full understanding of the local companies' internal Research & Development capabilities, marketing capabilities, sales force policies and capabilities, people, structure,

and even politics. Without well set action standards at the beginning, the research result for local companies can easily fall into “no use”.

“Dealing with Vietnamese companies, sometimes requires you to understand who the owner is and whether or not this is a family run company. Business running style can actually shape decisions in sales and marketing departments. Your conclusion and recommendation should take into account these relationship, otherwise would offend certain important persons and you are considered as being not business oriented” (verbatim from research director of a local market research agency).

In addition, researchers need to conduct comprehensive pre-research discussions and should find a role of acting as or assisting internal research department by providing proper annual research planning, market information database maintaining, and norm/standard for action.

Technical competence concept T4: Researchers should also be in the role of marketing consultant. There is an expectation that researchers should identify clearly local companies’ strategic and winning direction and also how to reach the end goal – the destination of success. This requires case study availability, benchmark within category and from other categories as market validation is important.

From this qualitative round, it is revealed that Local Fast Moving Consumer Goods companies in Vietnam in many cases expect to see the research result presenter’s ability to act as a business and marketing consultant. Researchers just cannot simply show data and tell how high or low the data is. Researchers need to recommend possible market actions for optimal business and marketing performance. This would enable researchers to win the confidence of potential research users and encourage them to utilize more market research information.

“I am very often frustrated with market research 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 market research, 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).

In addition, in the depth interviews, not only do local companies expect to receive the answers on questions of “what to do”, they also want to get “how others did”. This happens mostly among marketing managers those who are light users of market research in strategic and complicated projects. They would trust and highly appreciate the researchers who can showcase experience from servicing other big multinational clients and cascade to them what and how the big fishes did.

“I remember an excellent market research agency. The guy, the research manager, has very good experience in market research for beverage for a multinational company in Vietnam. My company is actually medium size and wants to challenge that market leader. However, from the market competition analysis, the researcher recommended not to confront head to head with that giant for their economies of scale from current market volume and share. He pointed out the niche segment and we found that it was much more feasible to be in” (verbatim from marketing managers and light users of market research).

The market benchmark or industry norm is really important in this case. Researchers who have intensive database of action standard would be able to recommend “go” or “no go” decisions to research users.

In the long term, to build high and sustainable market research usage rate, researchers are expected to follow up and conduct market validation for better recommendation in the next project. In many case, other factors in the marketplace affect the result of marketing activities recommended from research. Therefore, researchers need to validate recommendation by revisiting these factors (which were not usually addressed in the initial research project).

“It is very hard or even impossible to be right all the time at your recommendation. There are many variables in the market that would affect marketing strategy when it is in implementation stage. Research can show the way for now, but in just 6 months later, particularly in fast moving consumer goods market, things do change”.(verbatim from research director of a market research agency).

From in depth interviews with research directors from research agencies in Vietnam, there is no such secret for the validity and success of research recommendation. It actually comes from long and steadily built experience, action standard norms and intensive market validation.

In short, market research service is normally perceived and considered as a fact based business solution, thus research agencies must and are expected show how it could actually solve the business issue.

Technical competence concept T5: Researchers' ability to identify and provide new insights, challenge and manage research users' surprise and solve the "grey" area.

From the in depth interviews, most of respondents in Fast Moving Consumer Goods companies highly expect research reports to help generate new insights about consumers, thus new opportunities for marketing and branding. In fact, very often, marketing managers and research managers get disappointed with an "already known" report, with nothing new.

"If someone asks me about what I expect more from market research, my first wish would be insights. So many times I had to go through the density of data to really understand what they mean. There are many research reports with no story behind at all; simply a list of information. I would love to see a report with only 20 slides but clearly indicate a new insight and have sufficient and relevant data to support" (verbatim from a research manager).

On the other hand, "new thing" found by external market research agencies can be quite a surprise to marketers. This can eventually lead to the situation where researchers need to defend and prove that the finding is concrete.

"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 market research agency).

In some other cases, external market researchers are expected to give experience into the “unclear” areas. Researchers should be bold enough to add his previous experience, his interpretation, his assumption to provide initial solution for clearing these areas. Researchers cannot simply claim the approved questionnaire did not contain sufficient support for this. Also, researchers are not supposed to simply suggest another research to find the relevant information to support decisions in those areas.

“Some researchers really impressed me with their ability to tell more than just the figures. Very often, when looking at some figures, I would have some other things in my mind, usually a new idea for marketing. Immediately, I would ask for something else which can support and even reject what I think. Readily available data might not be at hands, but these experienced researchers can suggest from their experience or past data in similar category or brands he or she has. This really shows he or she is a practical master. Some other researchers just cannot get out of their list of data tables” (verbatim from a marketing manager).

This requires market research agencies to go beyond the research result, avoid getting stuck into too much research techniques.

“Ability to provide clients with insights, actions beyond the data does require intensive research experience and accumulating client service skills. This comes with practice and hard work in preparing and analyzing data in advance. Senior researchers might not necessarily rely on the information within the research project itself, but need also relate with other information sources to build a meaningful story for the research report or presentation” (verbatim from research director of a market research agency).

Research agency that possesses service directors possessing the above ability would be at tremendous in getting Vietnamese companies to try utilizing market research and to repeat using market research services. The research result is usually very well organized and smartly presented. Marketing managers or research managers sitting in these presentation usually get strong impression and the discussion is very interesting and motivating, for business and marketing solution and also for good impression about market research benefit.

Technical competence concept T6: Research agency ability to provide research tools with users' oriented benefits.

From our in depth interviews, it is found that in local company case, marketing managers look for mostly an integrated research tools for “straight to action” results. This should help local companies with day to day decisions (Monday weekly meeting, Month end meeting, Quarterly review, Annual review).

“I have worked with a research agency that provides us with key performance indicators for both brand team and sales team. We receive topline result monthly and full report quarterly. The research is designed in a way that is relevant to our system and our definition. I have experienced other standard brand tracking and retail audit before but not as good as this tailor made approach. Now, company performance and review system also uses these indicators from market research” (verbatim from a marketing manager of a food company).

Local companies also would like to systemize their marketing information system. Currently they feel that they could not handle both internal and external information, and not being able to keep track of the market. Market research products should be able to feed this marketing information system periodically.

“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, market research 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).

To be more relevant for utilization, research products should be shifted from research language based tools to business language based tools. Not only just the research product name, research tools need to be relevant to local companies’ day to day business. These are what local companies can understand and want to see:

- Sales Report
- Distribution Update
- Sales intelligence
- Consumption trends
- Product benchmarking
- Price intelligence
- Promotion plan
- Investment maximization
- Growth maximization
- New market / product development (associated with new risks, far away from experience and core expertise)

“There are quite a lot of jargons in market research. These terms are not so friendly to us, particularly when they are in English. So, we really want to see something down to earth, tell us simply what it does from its name. I am sure that many other marketing managers would encounter secondary reports with many difficult terms to think about. Imagine research as a car, you need to have user friendly functions for new people to adapt and learn how to drive easily” (verbatim from a marketing manager of a local company).

While market research agencies try to make their product sound scientific and try to create black box with advanced statistics on it, research users and potential research users in Vietnam are actually looking for something else which is the other way around.

Technical competence concept T7: Ability to show and prove accuracy of data.

From the in depth interviews in this qualitative research, data accuracy was mentioned top of mind by most marketing managers and research managers. This is considered as the most essential part of a market research project success.

“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).

Data sometimes looks strange and surprising to research users. This requires researchers’ ability to clarify how and where the data comes out and also supportive fact for why it is so.

“Different sample designs and different interviewing methods can greatly affect the figures. There will be cases when research users find the data and figures are totally shocking and unbelievable. However, if researchers know where the data comes from and manage well the research users’ way of thinking, he or she can support the validity of the data. In some other cases, more data from other sources other than the data in the project can also be used to validate the accuracy” (Verbatim from a research director of a local research agency).

In many cases, data is interpreted differently, thus would affect the research users credibility on the data and thus limit them from future use and reliance on market research information. Researchers need to understand and manage users’ interpretation and advise how data should be viewed and its limitation if any.

“The accuracy of data is also perceived low due to the misunderstanding of data collection method. Unfortunately, research users are not always aware of how the data was collected and its limitation. For example, average coffee consumption frequency data shows 3 times a day, this can look surprising to Vietnamese research

users. However, if they study the research design carefully, this figure is meant for heavy users in the light coffee segment where people drink coffee as a “delicious” beverage, not “stimulating” beverage” (Verbatim from a research director of a local research agency).

Technical competence concept T8: Project timing management and delivery commitment

A good plan with resourceful timing is always perfect for a research project to assure best quality. However, in reality, not all research projects are well planned. In addition, sometimes it is crucial to have research results as soon as possible tackle competitor’s reaction or to support a strategic direction in bidding, especially in Fast Moving Consumer Good categories. Thus, the shortest research timing and strong commitment in delivering quality result in proposal stage is one of the most important factors in delegating an external research agency to perform a research project. Research timing includes not only the delivery timing in general, but also research detailed schedule, when to have the project approval, when to complete Field Work, Data Processing, Report, etc.

The shortest research timing requires minimum timing in each research phases as mentioned above and it is obviously the same in research design phases when optimum solutions are required to meet research objectives, budget and timing at the same time. Research agency ability and capability are strongly proven starting from this first phases. Those who are able to provide the best research designs will get strong impression which will help them get the agreement of using market research from companies, as agreed by most of the respondents.

It is also normal that research top lines or summary is required before full report delivery. In some exceptional cases, top lines and summary of one phase is necessary to prepare for the consecutive phase or to have additional analysis with short notice or even without notice in advance.

Commitment of market research agency is proven through its ability to deliver its promises from the beginning, on agreed schedule with all required data or full analysis, without any delay as well as to deliver extra request from clients, agreed by all respondents. In case there is delay due to some problems, solutions are to be provided by research agency quickly by itself not to affect the project timing or to have a discussion with client to have solutions.

To a research manager, they are more conscious in project detailed timing. Any change in timing of a specific phase need to be informed or discussed. Thus, day- to-day project timing communication needs to be done. Sometimes, a research manager can suggest a better solution to secure the timing.

“Solutions on timing are highly appreciated to get the project done on time. Not all research agencies can provide such solutions due to their ability and also their capacity” (verbatim from a research manager).

To a marketing manager, they are more conscious about the end result for taking action. Timing in most of cases is extremely important to win the battle. Thus, the stronger timing commitment a research agency is, the more confidence and higher willing to utilize market research a marketing manager would have.

“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 market research in this case. It was incredible!” (verbatim from a marketing manager).

In summary, timing commitment proves ability and capability of market research agency in project management. In many cases, good timing would facilitate higher market research usage from fast moving consumer goods companies for which time or fast turn-around is a luxury concept.

Technical competence concept T9: Brand name of the approaching agency.

Research agency brand name has been considered one of the key factors in providing a certain perception about quality and utilization confidence to users. Quality perception could refer to competence of the persons in charge, the company’s process, quality control, products or models in use.

Research adoption favors those agencies with credible brand names that can help Vietnamese Fast Moving Consumer Goods companies not only provide trustful research results but also support business decision making process or simply improve partner's brand names in communication.

“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).

International or big local research companies receive higher credibility through their established brand names. Accordingly, their products or models are perceived to have the same level of credibility. When these agencies approach potential research users, there will be higher chance that market research utilization can take place.

Thus, complicated big scale project or specific research projects requiring specific research tool/channel are commissioned to international or credible local research agency. Brand name of research and product brand name would create more credibility for research findings.

According to in depth interviews, research brand name gives credit the most to the following elements:

Research resources competence:

The resources or persons client service and other departments such as field-work, who are exposed to research users in different research stages, are the ones who give most of impression and perception of that research agency to research users. Brand name would help research users to feel and perceive better about a person of a research agency. He/she could be perceived as more professional, more credible and sometimes even more associated with that research company unique culture, for example, more diligent or proactive.

“I always feel trustful to work with big research brand. Their resources are more trustful since big company always selects good people with continuous training and development” (Verbatim of a Research Manager of an international Fast Consumer Goods Company).

Internal process and quality control

Credible research brand name is believed by most of respondents to have strict internal process and quality control to ensure research quality as well as to protect their brand name.

“I felt assured that there would be no problem with my research projects when I worked with a trust worthy research agency. They must have professional process and strict quality control, as the reasons that help them to gain credibility so far, to give solutions to problem if any” (verbatim from a brand manager).

From in depth interview, most of respondents were telling their cases about how they gain confidence and start utilizing market information from external market research company. It could be a process starting from first trials or just right from the beginning when research brand name is already trusted. Thus, it would be favorable for research companies with more popular and credible brand names in the efforts of encouraging more market research usage from local Vietnamese companies.

5.7.2 Relation competence analysis

Relation competence concept R1: Corporate package rate provision from market research agencies.

From this qualitative round, interestingly it is found that local Vietnamese companies might not be open to small value market research projects but they might consider a large scale on a total package deal. They perceive this as saving (for buying large, buying in bulk).

“We work with several local agencies at the same time. Every time I submit their quotation to management and purchasing department, costs were negotiated all the time and this took us a lot of time going back and forth. Sometimes it is too late for decisions to be made and we end up not using market research in these case. After a while I request my company to approve rate card for research agencies. We were fine, working more smoothly and more market research projects were commissioned to an external market research agency with aggressive corporate deal. There was argument for the resource capability of one agency who works on all projects, but as we do not have huge projects, this is acceptable from my perspective” (verbatim from a research manager of a local personal care product company).

From a research agency perspectives, it is very hard to get individual approval and not worthy of getting separate small projects at one time. In order to get easier and faster approval for market research commission, market research agencies should also approach potential research users by offering price package with corporate deal rate from top management.

“Knocking 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 market research 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 market research 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).

Research agencies with corporate deal ability need to prove sufficient resource and sufficient attention. As sole agency is vulnerable to monopoly perception of different people in the client, it is very important the research agency get away and prove they know client business well and can work more effectively with client than any other agencies.

“Our company uses only one research agency with very good corporate rate. I am generally happy with this as they know our category well; so I do not need to brief them over and over again. The only thing which I repeatedly request them is that they must pay attention to our projects. Some time, the research director from the agency is not focusing because they have already had the deal. Junior level from research agencies in many cases makes us unhappy and we feel that we are not an important account” (verbatim from a marketing manager of a local company).

Corporate deal is sensitive and requires senior level of market research agency to involve. Personal relationship with top management and the ability to persuade are key to success.

With corporate deal, budget reserve for market research utilization is ensured for at least one year without any interruptions.

Relation competence concept R2: Ability to actively connect with the local business network and understand local business practices.

From our interviews with local companies' marketing managers, it is revealed that successful research agencies often have good relationship with the local business and marketing circles. This connection is informal but helps marketers build trust with the key person (usually director level) from research agencies and gain more knowledge and confidence about market research utilization. This network also accelerates word of mouth recommendation for the researchers who are widely exposed and well known.

“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 market research or about market updates. In return, I usually recommend these researchers to my friends who might have needs for market research 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).

Mixing well the local network is important, but understanding how the local business practices differ regionally is even more important. Local practices, particularly in the North of Vietnam require researchers in Vietnam to understand well in order to pitch and to work successfully with clients. There are many stakeholders in these Northern, mostly government companies (named as the assessment committee) which may ask and challenge researchers with non-research related questions and dilute attention of the research proposal or research report presentation; in some cases, this happens due to many political reasons. This requires researchers to work well and prepare well with the key contact from client to preempt for such diversions for winning clients' confidence in using market research services.

“I was shocked with clients from government companies in Hanoi. My first time seeing these officials with no knowledge of market research but speak like a minister and demand us to do this and that. After the meeting, however, the research manager

from this company, who did not talk much at the meeting, told me that this is just the way that they had to show in front of people to exercise their power. Fortunately, at the meeting I did not react so aggressively” (verbatim from a research manager of a multinational research agency).

It is showed in many cases and confirmed in our interviews that local senior researchers are needed for both local or multinational research agencies in Vietnam.

“I prefer working with senior researchers who are Vietnamese. These researchers possess both local insights and local business practices and knowledge of market research methodology. This is much better than the combination of a foreign senior researcher with a local junior Vietnamese staff. This gives us the impression of getting more benefits from market research companies and would allow us to maximize our research utilization ” (verbatim from a research manager of a food and beverage company).

Relation competence concept R3: Ability to network via practical market research training exposure.

There is growing trend of marketing training classes in Vietnam. Local companies often send marketing department personnel to these training courses. Within marketing course, there are always market research sessions. Usually, local companies’ marketing managers talk to the trainers at market research training course for advice and also seek marketing consultant from this source. In many cases, research utilization starts from these training courses.

“I met the research director of a research agency at the marketing training course in Vietnam Marcom Training School. I was impressed how market research 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 market research and are using the trainers’ research agency most often” (verbatim from a marketing manager of a food and beverage company).

There are several well-known practical marketing training schools in Vietnam (mostly located in Ho Chi Minh City). Most of the marketing consultants, business consultants, and brand building consultants are invited to give lectures at these training courses. Researchers training the market research course in these schools, not only have the chance to meet local marketers but also have good networking with these consultants. These consultants are in many cases referring potential users of market research to market research agencies.

“In Pace Institute of Management, I am giving lecture on practical market research to class of about 30 participants. Most of these are marketers from local Vietnamese companies. This is the course of CMO – Chief Marketing Officer. In the course, a part from market research, there are 8 more modules for marketing. These 8 trainers are also very famous marketing consultants in Vietnam. I had a chance to work with and talk with these, we formed a good network. After 8 years teaching here, I got many projects from such colleagues” (verbatim from a research director of a local research agency).

Relation competence concept R4: Ability to participate in the restructuring process of local companies.

There are many Vietnamese local companies which previously were more focusing on raw material selling, processing, and exporting. Now they are focusing more on domestic market which require serious brand building efforts. They are seeing opportunities in the domestic growth but also seeing strong competition from multinational companies (MNCs). Feeling that the risk is high, they are now pulled out of their comfort zone and realize that their own experience simply cannot help.

In most of these local companies, the restructuring processes to cope with growth are usually resulting in the employment of experienced marketing seniors (used to work for multinational companies). These marketing seniors are either hired to be marketing directors or marketing consultant. These people are the ones who initiate research needs for the company and also the decision makers on market research agency.

“I joint my company and started the marketing department from zero. I had to set up the whole marketing system and train the whole company the role of marketing and branding. Luckily, the big boss who hired me was really supportive and actually

pushed other departments to be professional and cooperative. There was no such market information and database in the company, everything was decided by gut feeling or guessing. I have told my big boss that this is not acceptable, the risk is so high in fast moving consumer goods; consumers are changing very fast. Thus we started to employ the external services for professional market research and base on this to design marketing strategy and execute marketing activities” (verbatim from a marketing director of a local company).

Researchers or research agencies who can partner or network with these marketing seniors would have more chance to get approval for market research utilization of Vietnamese companies. These marketing seniors usually prefer familiar research partners to be fast and effective in the market research relationship.

“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).

Relation competence concept R5: Ability to build good network with government initiatives and programs supporting local companies.

Local Vietnamese enterprises’ awareness of benefits of building brands and doing appropriate research for business and marketing risks reduction are facilitated by NGOs, Vietnam Chamber of Commerce and Industry (VCCI) and Industry and Trade Promotion Centre (ITPC). This affects the utilization decision of management for market research.

Market research agency or researchers who built good networking with these organizations would be invited to participate in research facilitating programs.

“We are one of the 20 seeded brands chosen by the Industry and Trade Promotion Center to join the supportive market research 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).

In Vietnam, the government is a good source for networking with businesses, particularly in Hanoi and the North of Vietnam.

“Our research agency won a pitch of Vietnam Chamber of Commerce and Industry in 2010 for a research project to identify top 500 strong brands in Vietnam. This is a great opportunities for us to make our agency brand name public and also get approach these 500 strong brands to raise their awareness and usage for more market research information and external market research services” (verbatim from a research director of a local research agency).

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

One of the most interesting findings from this qualitative in depth interview research round with respondents is the non-research related finding. It is actually the relationship between external market researcher and the users (either research manager or marketing manager) in the Vietnamese Fast Moving Consumer Goods Companies. Though it is personal relationship, it does influence the decision of which the companies will adopt and utilizing more market research.

Personal relationship of respondents from Vietnamese Consumer Good Companies is previous relationship with researchers who used to be their colleagues in previous companies (often, an international research company, or a multinational Fast Consumer Good Company) or friendship during their university time or just simply from their social networking. The more they know about each other, the more trustful they would feel. This is in many cases leading to the current partnership and business dealings.

“It seems to be easier and faster to work with researchers that I know since we have the same understanding about expectation and benchmark” (verbatim from a research manager of a local company).

“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).

This relationship seems to be more important for a newly set up marketing department of Vietnamese companies where they need to build organizational confidence in utilizing market research. The current fact in Vietnam is that quite a few local research agencies rely on friendship to maintain their core business. This implies that personal relation is effective in re-creating and maintaining strong and sustainable market research partnership connection, and thus utilization.

However, it is admitted by Marketing Manager/Director, Research Manager that it also depends on the importance level of a decision that they would decide if personal relationship would be part of their decision in utilizing market research. This is usually a collective decision of the company board of management, therefore, personal relationship might be considered risky for the recommender as he or she has to bear ultimate responsibility for the market research performance later.

Qualitative research projects are more often assigned to local research agencies bases on relationship with researcher who is the one conducting that qualitative research, as moderator for in depth interview, home visit or focus group interview. These qualitative research projects require timing and effort of the researcher mostly, does not require big resources like that of an international research company. Thus, research utilization in these cases can be based on personal relationship. These research utilization decisions are skewed towards more qualitative research or simple research such as product test or concept test.

“Unlike international research agencies, we’ve built market research usage and loyalty through good connection and friendship with Vietnamese Consumer Good Companies via mostly qualitative projects” (verbatim from local research agency).

Relation competence concept R7: Problem solving using non – research skills

Along the relationship between research users and researcher, problem solving and disagreement management are very critical to maintain the positive impression and sustainably positive attitude towards utilizing market research information.

“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).

It is revealed from marketing managers and research managers in this round of in depth interviews that during such problematic occasions, technical focusing does not play a key role in resolving, sometimes, too much technical argument may worsen the tension.

“Over my 10 years of servicing clients in market research industry in Vietnam, I found interestingly that the more you focus on technical aspect of the problem, the more you worsen it. This sounds strange but it does happen. Client in many cases, does not look for technical reason why things go wrong, what client wants to see is how we are taking from there. Inexperienced researchers usually try to hide or defend on the technical side by confronting with client. This would severely worsen clients’ problems and make the relationship damaged more seriously” (verbatim from a research director of a local research agency).

In fact, what really drives the relationship over the crisis time was the ability to clarify grass root causes, to understand expectation and to propose concrete actions for overcoming the issues. This is considered most important skill of the researcher, contended by both research users and researchers.

“I have met excellent service people from market research. As you know, market research service is easily facing data inconsistency or not meeting research users’ expectation or assumption. This, if not properly addressed and managed, trust would be ruined. The good service researchers usually have good perspectives of actions to take. They should quickly get out of being much focusing on the problem itself and think more about the consequence of this problem on the research users. If researchers identify correctly the way the problem affects research users and research users’ benefits, then he or she can design appropriate actions to manage the problem in a way that best deliver research users’ expectation” (verbatim from a marketing director of a local company).

Relation competence concept R8: Teamwork, ability to fit into client team, being not too “alienating” but not too “compromising”.

One surprise element which had not been expected came out of the in depth interview as one of the most interesting findings. It is the ability to fit into research users’ team which decides level of success and fruitfulness of a research project and thus a company’s future utilization of market research services.

According to respondents who are both light and heavy research users, researchers’ ability to give advice, consultancy at a right time and in a right manner will give researchers more credit. Ideally, they would have ability not only to listen to different requests of research users, but also to suggest solutions not to compromise research design, field work quality, or research recommendation.

“Trying too much to get more information coverage as a way to utilize research budget has sometimes driven us into a wrong direction, away from the very first objective. If a market researcher understands and is conscious of client’s concern about cost, she could recommend solutions without losing client’s research objective” (verbatim of a research manager from a local company).

“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).*

From the above sharing, the ability to teamwork with clients is greatly appreciated. It would not only contribute to the end research result but also strengthen relationship with clients and enhance continuous usage of market research.

On the other hand, being arrogant to evaluate client’s requests or being too listening to client’s request without questioning, challenging may give client feeling of unsatisfied, doubtful of researchers’ competency and even worse, break relationship with researchers if any and generate negative impression for market research usage intention in the future.

5.7.1 Core dimensions of external research agency factor (further grouping)

As discussed above, we organize the 17 statements along 2 core dimensions. The first one involves predominantly technical competence (T), the second covers the issues pertaining to the relationship (R) between the client and MR agency. Finally, within each of these 2 dimensions, axial coding is done again to organize the 9 (8) statements into 5 (3) underlying core factors. 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 factor influence on market research utilization. These would be used in the adjusted model for the quantitative phase and also serve as measures of the external research agency influence.

Table 6: Core dimensions of external market research agency factor

Source: Study one

CORE DIMENSIONS OF DETERMINANTS OF MR UTILIZATION BY LOCAL FMCGS IN VIETNAM	COMPONENTS (Number of companies citing / Number of companies in the sample)

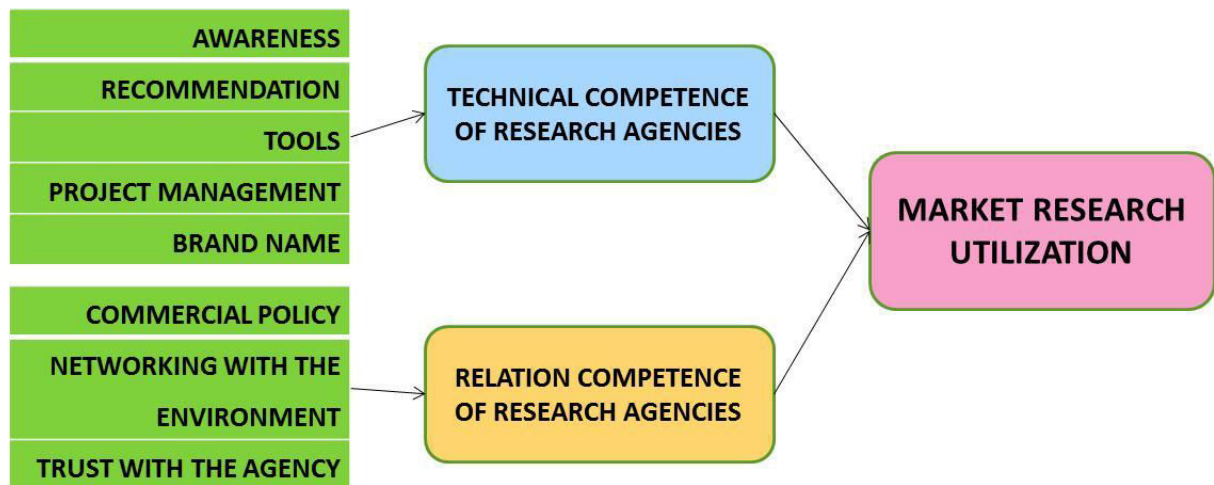
1- TECHNICAL COMPETENCE	
AWARENESS	T1: Shift of MR perception: from cost to investment (28/30) T2: Raising MR awareness and usage (16/30)
RECOMMENDATION	T3: Providing relevant and actionable recommendation (25/30) T4: Acting as a knowledgeable marketing consultant (15/30) T5: Providing and defending 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 ENVIRONMENT	R2: Connecting with the local business environment (17/30) 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)

5.8 The proposed model from this qualitative round of research

There are two key factors directly affecting the market research adoption and selection in this model: The Technical competence factor and the Relationship factor. Technical competence factor comprises of five attributes which contribute to research users' overall impression about the researcher/research agency technical competence. Relationship factor comprises of three attributes which together account for relationship generated between research users and researcher/research agency (Figure 19).

Figure 19: External market research agencies affecting market research utilization

Source: Study one



Chapter 6: The revised research model and measures

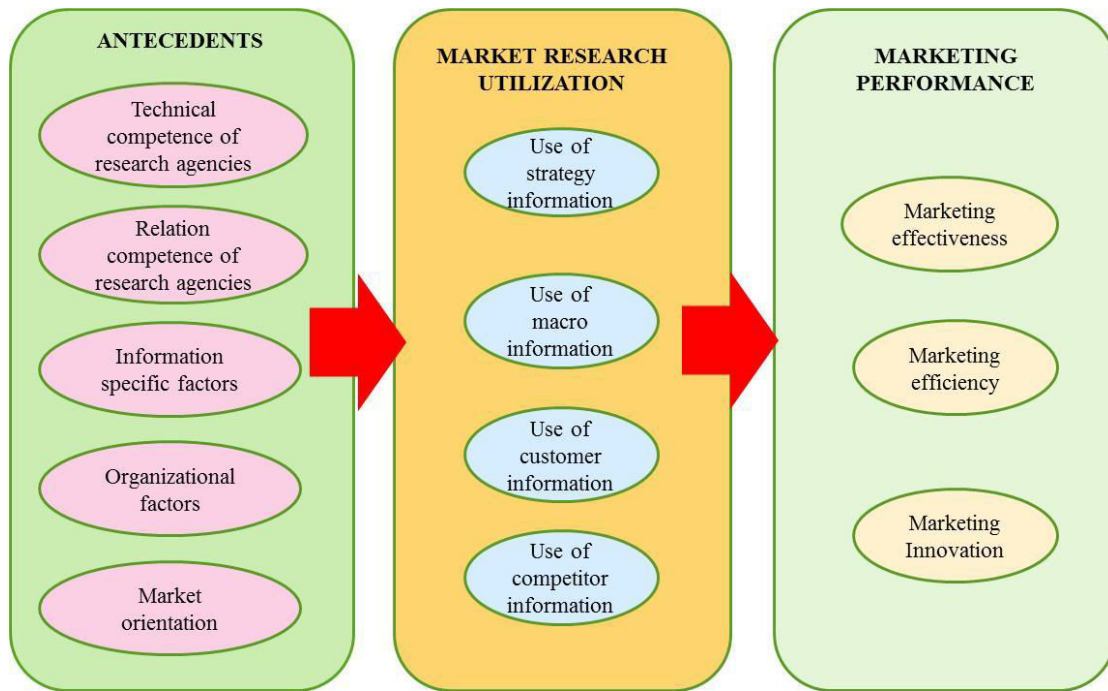
From qualitative phase, “external market research agency role” antecedent is split into two factors: technical competence and relation competence. Therefore, we will have an adjusted research model as in the section below.

6.1 Adjusted research model for the quantitative study

From initial research model built from literature and from the qualitative round, we come up with the adjusted conceptual framework as in Figure 20.

Figure 20: Adjusted conceptual framework

Source: Literature review and study one



6.2 New hypotheses from the adjusted conceptual framework

There are forty two (42) hypotheses arisen from the adjusted framework as in Figure 21 and 22 below (compared to 37 hypotheses from the original framework). This is the result of splitting the “role external market research agencies” factor into two factors: technical competence and relationship competence of market research agencies. Therefore, hypotheses H1, H1-1, H1-2, H1-3, H1-4 and H1-5 will be adjusted (split) accordingly as below:

Hypotheses about the influence of the technical competence of research agencies on market research utilization and its components: H1T, H1T-1, H1T-2, H1T-3, and H1T-4.

H1T: The greater the technical competence of research agencies, the greater the market research utilization of the user organization is.

H1T-1: The greater the technical competence of research agencies, the greater the utilization of strategy information is.

H1T-2: The greater the technical competence of research agencies, the greater the utilization of macro information is.

H1T-3: The greater the technical competence of research agencies, the greater the utilization of customer information is.

H1T-4: The greater the technical competence of research agencies, the greater the utilization of competitor information is.

Hypotheses about the influence of the relationship competence of research agencies on market research utilization and its components: H1R, H1R-1, H1R-2, H1R-3, and H1R-4.

H1R: The greater the relationship competence of research agencies, the greater the market research utilization of the user organization is.

H1R-1: The greater the relationship competence of research agencies, the greater the utilization of strategy information is.

H1R-2: The greater the relationship competence of research agencies, the greater the utilization of macro information is.

H1R-3: The greater the relationship competence of research agencies, the greater the utilization of customer information is.

H1R-4: The greater the relationship competence of research agencies, the greater the utilization of competitor information is.

Figure 21: Adjusted model for the overall hypotheses

Source: Literature and study one

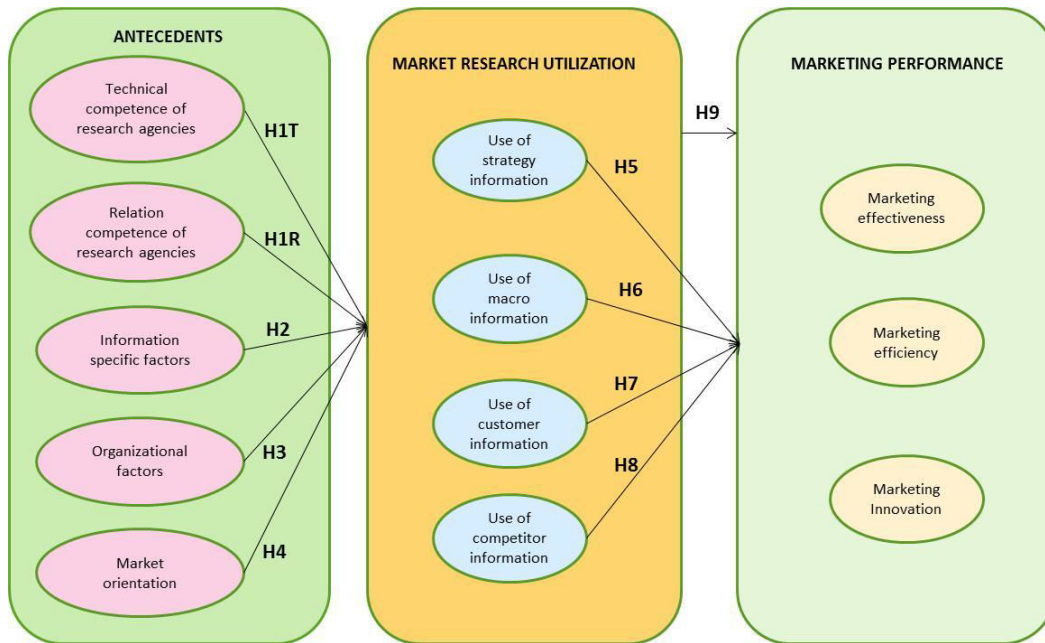
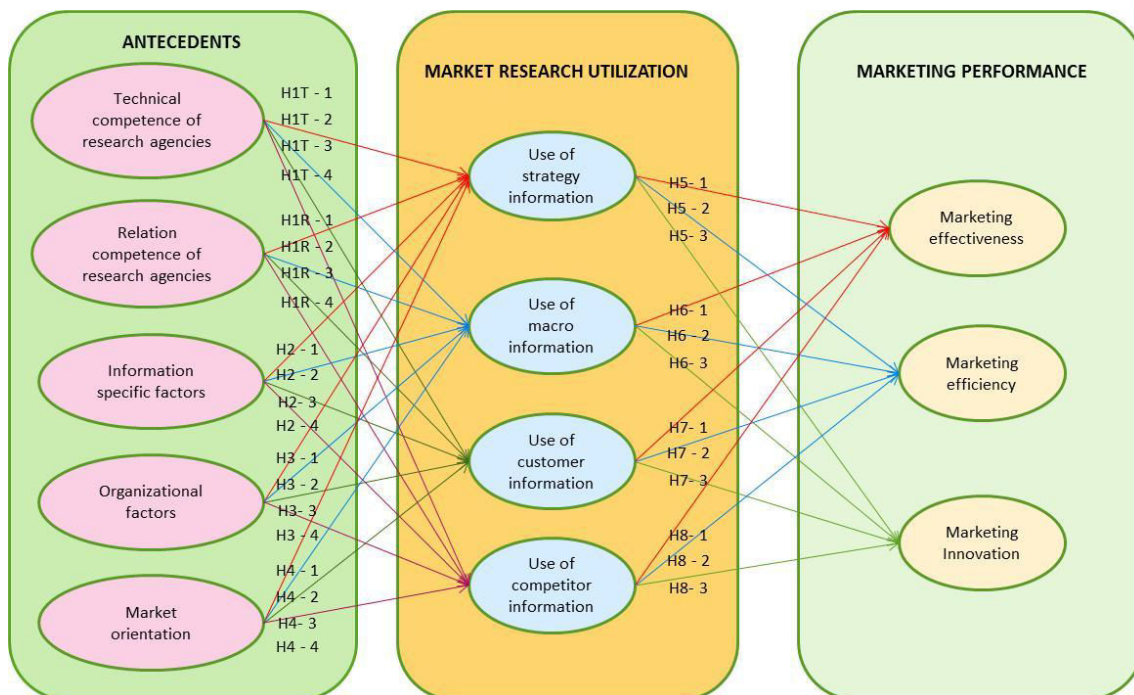


Figure 22: Adjusted model for the sub factor hypotheses

Source: Literature and study one



6.3 The conceptual framework detailed constructs and measures

The below section will discuss how we build the measure scales for the constructs of Antecedents, Market research utilization and Marketing performance in our final conceptual research model.

6.3.1 Antecedents (A)

(A1) – Technical competence of external market research agencies

Technical competence of external market research agencies as found in qualitative round of research is affecting companies' utilization of market research. The specific measures for technical competence are the five items from qualitative round of research as below (questioned based on 5 point scale from 1 – strongly disagree to 5 – strongly agree):

	Technical competence of external market research suppliers
R1	My company is well aware of external market research service benefit.
R2	Market research agencies usually provide relevant recommendation for us to make decision.
R3	Market research agencies usually provide user friendly research tools to us.
R4	Research agencies usually deliver smooth project management.
R5	We prefer using market research services from famous research agencies.

In literature about service quality (Parasuraman *et al*, 1985), there are determinants of service quality mentioning about competence of the service provider including knowledge and skill of the personnel performing the service. However, this serves as just reference for us because the competence of Parasuraman *et al* (1985) is used for service selection from the users. The technical competence we use in our conceptual framework is to justify the role of service provider (market research agency) in encouraging more service usage from the user (research user).

More specific about market research utilization, apart from Sinkula (1990) who studies the characteristics of external research supplier which organizations base on to adopt external research service for usage (rather than in house), no other studies in literature discusses the direct effect of external market research suppliers upon the utilization of market research information. However, again, this research is also conducted from the perspectives of research users' assessment criteria for external research services.

Therefore, we decided to adopt the whole qualitative findings for measuring this factor – the technical competence of external market research agencies as antecedents to market research utilization.

(A2) Relation competence of external market research agencies

The relationship competence of researcher is measured only for external researchers. When a relationship involves an internal user and an external researcher, the relationship is inter-organizational, whereas if the relationship involves an internal user and an internal researcher, the relationship is interdepartmental (Moorman, Zaltman, and Deshpande, 1992). We need to separate external relationship as they have distinctive impact on the information utilization (qualitative round has been conducted to clarify this assumption). We decided to focus on the relationship between users and researchers from external perspectives instead of internal perspectives because in Vietnam, companies using more research are mostly using external research services, thus relationship with researchers are much more expected to affect the utilization of market research, rather than internal research.

We use the three items below for relationship competence of external research agencies from qualitative round. These are questioned based on also a 5 point scale from (1) strongly disagree to (5) strongly agree.

	Relationship competence of external market research suppliers
R1	Our company usually has annual corporate deal with market research agencies.
R2	Market research agencies are often involved closely in our company business.
R3	Market research agencies are able to generate trust for our company.

From literature, particularly Singh and Sirdeshmukh (2000), Bergen *et al* (1992), we can see that trust and agency theory both have significant role in researching marketing relationship. We therefore will apply users’ trust for external relation competence of market research agencies (providers of market research) as one of the important variables for market research utilization of the users’ companies. In addition, one of the important findings from literature (Moorman, Zaltman, and Deshpande 1992 and 1993) shows that trust is a more important measure of the relationship between researchers and users from two different organizations

rather than within one organization. Therefore, trust in our framework is placed under relationship between external research agencies and research users' companies rather than the internal relationship between researchers and users of the same company.

(A3) Informational specific factor

Information specific factor is adopted (the whole scale) from Deshpande and Zaltman 1982. This is the most comprehensive scale from the already limited literature. The significant five constructs found within this factor are: actionability of research projects, quality of content, quality of form, conformity and political acceptability. The items measuring these constructs can be found below (also questioned based on 5 point scale from 1 – strongly disagree to 5 – strongly agree):

	Actionability of most of the research projects
R1	The presentation provides data with explicit recommendations for action.
R2	There are recommendations that could practically be implemented.
R3	The information is on time for appending decision.
R4	All recommendations are implemented.

	Quality of the content of most of the research projects
R1	The technical quality of the research is high.
R2	There are no contradictory statements or findings.
R3	The conclusions/ recommendations of the presentation follow from the data.
R4	The statistics are screened for useful findings only.
R5	Information is gathered in the right way.
R6	The results address very well the problems we have to solve.
R7	The information provided is not available elsewhere.
R8	The information provided is worth the money spent on it.

	Quality of the presentation form of most of research projects
R1	The language of the presentation is clear.

R2	There are sufficient numbers of supportive visual (tables/ graphs).
R3	There is enough interpretation or explanation of the findings.
R4	The analysis of the data is simple and straight forward.
R5	We do not need someone within the company to summarize the information before it can be used.

	Conformity of research information (to what your company has assumed) of most of the research projects
R1	The results are what we anticipated.
R2	The findings are intuitive.
R3	The results from research study support decisions made on other grounds.

	Political acceptability of information of most of the research projects
R1	The implications of the findings are politically acceptable.
R2	The report reflects that the researchers and marketing management are in touch with each other.
R3	Some of the more negative results are softened in the presentation.
R4	The research results do not challenge existing institutional arrangements.
R5	The recommendations do not challenge the budget or resource allocations of the department.

(A4) Organizational factor

(A3.1) Organizational commitment to learning

Organizational learning as antecedent of market research use has been discussed by Day (1994), Slater (1995), Sinkula *et al* (1994), Sinkula *et al* (1997), and Santos Vijande (2005). We can see that learning process is quite similar to that of market research in the stages of information acquisition, dissemination and interpretation sharing. Thus strong organizational learning should facilitate the use of market research and information. There is strong evidence that organizational learning is the condition of market information utilization. A more positive learning orientation will directly result in an increase in market information acquisition and dissemination.

Organizational learning concept is usually measured via organizational learning orientation with three constructs: organizational commitment to learning, open-mindedness and shared vision (Sinkula *et al* 1994, Sinkula *et al* 1997). We decided to use the first construct, organizational commitment to learning to include in the organizational factor as antecedent to market research utilization. The latter are more about organizational structure and are overlapped with organizational formalization and centralization constructs which we have already included in the concept “organizational factor” together with organizational commitment to learning. Open minded ness is about order of things and how events occur, thus is similar to the concept of formalization whereas shared vision is about sharing views from management down to staff, and thus is similar to the concept of centralization.

So, the measures of organizational commitment to learning together with formalization and centralization can be considered as equivalent to organizational learning concept measures. In other words, organizational factor in my study can be considered as organizational learning.

However, we decided to treat formalization and centralization as separate constructs, not to be included under organizational learning because these two constructs under organizational culture have been found significant in affecting market research use in many studies.

Fully adopted from Sinkula *et al* 1994 and 1997, the items of *organizational commitment to learning* can be seen as below, also on a 5 point scale with (1) is strongly disagree and (5) is strongly agree:

	Organizational commitment to learning
R1	Our management assumes that the capacity for learning is essential to the achievement of competitive advantage.
R2	In this company, the appreciation of learning is shared at all levels.
R3	We think that the employees' learning is an investment, not an expense.
R4	We assume that organizational learning is a condition of the company's survival in the long term.

(A4.2 and A4.3) Formalization and centralization

Deshpande and Zaltman (1982) identify important organizational factors affecting market research use including the degree of formalization and degree of centralization of an organization. Christine Moorman, Gerald Zaltman, and Rohit Deshpande (1993) continue to reconfirm these two organizational constructs' role in affecting the trust of research users for research providers and classify them under organizational structure. Therefore we will adopt these two constructs and measure them accordingly using the all the items of the scale (from the above authors' study).

We have the below seven items for organizational formalization of the research users' companies. These items are questioned based on a 5 point scale ranging from strongly disagree (1) to strongly agree (5).

	Organizational formalization
R1	How things are done around here are not left up to employees.
R2	Employees are constantly being checked on for rule violations.
R3	There is usually a complete written job description for going about a task.
R4	Whatever situation arises, we have procedures to follow in dealing with it.
R5	Everyone has a specific job to do.
R6	The organization keeps a written record of everyone's performance.
R7	We have to follow strict operational procedures at all times.

Similarly, we have the below three items for organizational centralization of the research users' companies adopted from Deshpande and Zaltman (1982). These items are questioned based on a 5 point scale, ranging from strongly disagree (1) to strongly agree (5):

	Organizational centralization
R1	There can be little action taken on a project until a superior approves a decision.
R2	If someone in our company wishes to make my own decisions, they would be quickly discouraged.
R3	We have to ask our boss before we did almost anything.

(A5) Market orientation

Market orientation can be considered as one of the important conditions of market research utilization in Javalgi (2006), and Slater and Narver (1995). In fact, according to these authors, market orientation shapes companies' efforts on collecting information about target customers' needs and competitors' capabilities and then, using this information to provide superior customer value. This is very much the utilization of market research in its definition (Deshpande 1982; Menon and Varadarajan 1992). Literature mentions about environmental factor in relation to knowledge utilization (Menon and Varadarajan 1992), that greater environmental instability will lead to greater use of information. Then, Davis *et al.* (1991) examine the consequence of environmental turbulence on marketing and organizational characteristics of the company and categorize two interpretable dimensions: information gathering activities and market orientation. Therefore, connecting all these, market orientation and market research information utilization are assumed to be closely related. Our study is the first to examine the direct effect of market orientation upon a company's degree of utilizing market research.

For measuring market orientation, empirical studies are based on the "traditional" measures of market orientation, i.e. Ruekert's scale (1992), the MKTOR scale (Narver and Slater, 1990), the MARKOR scale (Kohli *et al.*, 1993) or some modified form of them, thereby focusing on a responsive market orientation. We prefer Kohli's approach (behavioral) than Narver and Slater (cultural) to measure market orientation as antecedent to market research utilization (which is more related to the market information use behavior). However, we also combine them (information acquisition for both customer and competitor; information dissemination and responsive also for both). Recently O'Cass and Ngo 2011 in their broad study on innovation in Australia and Vietnam develop concise items for Intelligence generation, Dissemination and Responsiveness across customer, competitor and supplier sources. Our empirical study also has broad spectrum coverage and is also conducted in Vietnam; therefore we will use this approach and focus on customer and competitor (as these are the two most important sources of information for market oriented companies).

Below are the items measuring market orientation, based on a 5 point scale with (1) is strongly disagree and (5) is strongly agree:

	Market orientation
R1	We generate information about our customers.
R2	We generate information about our competitors.
R3	We disseminate information about customers.
R4	We disseminate information about competitors.
R5	We respond to information about customers that is generated and/or disseminated.
R6	We respond to information about competitors that is generated and/or disseminated.

6.3.2 Market research utilization (MRU)

Literature (Deshpande 1982, Menon and Varadarajan 1992) reveal that the various classification of market information utilization or market knowledge utilization differs in their type, focus, scope, process, and scale characteristics. The two most popular groupings are: (1) instrumental use – conceptual use – symbolic use and (2) action oriented use – knowledge enhancement use – affective use. We will apply instrumental use (also a form of actionable use) of market information into my conceptual framework for the ease of measurement and the fact that is more tangible, easier to observe, thus more practical and relevant to companies in Vietnam. It is the direct application of research findings and conclusions to solve a policy problem and in the marketing discipline the term "research use" is employed in reference to instrumental use. It is also the most popular application in measuring information utilization in literature.

Specifically, on the instrumental use dimension, we will adopt market research information types which were discussed in the studies of Bulut (2013), Xu and Kaye (1995), Köksal (2008) and Hart and Diamantopoulos (1993). The above four types of market research information use above: strategy information use, macro information use, customer information use and competitor information use. These are similar to both literature and practices in Vietnam. The items measuring each of the above four uses are also applied from the above authors.

(U1) Strategy information (Bulut 2013)

	Strategy information
R1	Management pays attention to using information about market size.
R2	Management pays attention to using information about price trends.
R3	Management pays attention to using information about market share.
R4	Management pays attention to using information about production adaptation.
R5	Management pays attention to using information about market growth rate.

(U2) Macro information (Xu and Kaye 1995)

	Macro environment information
R1	Management pays attention to using information about political information.
R2	Management pays attention to using information about economical information.
R3	Management pays attention to using information about socio-cultural information.
R4	Management pays attention to using information about technological information.
R5	Management pays attention to using information about legal information.
R6	Management pays attention to using information about environmental information.

(U3) Customer information (Koksal 2008, Xu and Kaye 1995)

	Customer information
R1	Management pays attention to using information about who our customers are.
R2	Management pays attention to using information about what our customers buy.
R3	Management pays attention to using information about when our customers buy.
R4	Management pays attention to using information about where our customers buy.
R5	Management pays attention to using information about why our customers buy.
R6	Management pays attention to using information about how our customers use products.

(U4) Competitor information: (Xu and Kaye 1995; Hart and Diamantopoulos 1993)

	Competitor information
R1	Management pays attention to using information about competitors' prices.
R2	Management pays attention to using information about competitors' product attributes.
R3	Management pays attention to using information about competitors' promotion.
R4	Management pays attention to using information about competitors' distribution.

6.3.3 Marketing performance (MP)

Marketing performance can be measured by multidimensional measures (Clark, 1999) and has two dimensions named marketing efficiency and marketing effectiveness (Walker and Ruekert, 1987). Marketing effectiveness is the degrees of desired market based goals are achieved (Morgan, Clark and Gooner, 2002) and marketing efficiency is the ratio of marketing expenses/gross revenue.

In marketing literature, it has been highlighted that the use of marketing research is not only related with business performance but also some other areas of marketing such as innovation and product design (Takeuchi and Quelch, 1983), success of new products (Hill, 1988), and marketing communication productivity and product decisions (Low and Mohr, 2001).

Therefore, in addition to the above two main factors (effectiveness and efficiency), marketing innovation will be included in my empirical study as the third factor of marketing performance. This is also because fast moving consumer goods industry with fast and ever changing demands needs more innovation. Marketing innovation here reflects the “typology of performance” in terms of the ability to generate, translate market intelligence into marketing innovations (beside efficiency and effectiveness). This is also similar to “adaptive-ness” (innovative new ways of doing things in changing environment – Ruekert *et al* 1985) an accepted dimension of marketing performance as in Morgan *et al* (2002) normative Marketing Performance Assessment system which includes: adaptive ness, effectiveness and efficiency. To measure marketing innovation, I adopt scale from Gunday *et al* (2011).

(P1) Marketing effectiveness (Clark 1999, Walker and Ruekert, 1987)

	Marketing effectiveness
R1	We achieve the market share growth target.
R2	We achieve the sales growth target.
R3	We achieve the target for enhancing market position.

(P2) Marketing efficiency (Clark 1999, Walker and Ruekert, 1987)

	Marketing efficiency
--	-----------------------------

R1	We achieve the target for controlling marketing expenses/gross revenue.
R2	We achieve the target for controlling expenses for acquiring new customers.
R3	We achieve the target for controlling expenses for increasing sales to existing customers.

(P3) Marketing innovation/ adaptive-ness: Gunday *et al* (2011)

	Marketing innovation/adaptive-ness
R1	We achieve the target for innovation on the product design.
R2	We achieve the target for innovation on the distribution channel.
R3	We achieve the target for innovation on the product promotion.
R4	We achieve the target for innovation on the pricing strategy.

Chapter 7: The quantitative study – study two

Literature review and qualitative research results have established a comprehensive framework of antecedents and consequences of market research utilization. Literature review helps build up the initial conceptual framework and initial hypotheses. Subsequently, the qualitative study assists with the adjusted research framework by including the factors of market research agency influence. Adjusted hypotheses are also established from the revised research model. Chapter 7 will discuss details of study two – the quantitative research which is conducted for testing the research model built and related hypotheses.

7.1 Research objectives of study two

The overall objectives of this quantitative study are:

- Purify the scales adopted from qualitative round and literature
- Quantify and test the fitness of the proposed conceptual model
- Test the proposed forty two (42) hypotheses raised

The specific research objectives can be split in three groups as follows.

(1) About the Antecedents of Market Research Utilization:

- Investigate the relationship of the proposed antecedents and market research utilization
- Measure the degree of importance of these factors to market research utilization

(2) About the Impact of Antecedents on different Types of Market Research Utilization:

- Measure the impact of the above factors on each type of market research information

(3) About the effect of Market Research Utilization on Marketing Performance:

- Investigate the impact of market research utilization on marketing performance
- Measure the effect and degree of importance of different market research information types on marketing performance in overall and for each of the constructs of marketing performance

7.2 Research design and data collection of study two

Random sampling method was used. Respondents were selected randomly from the exhaustive list of 1,500 market research users in FMCG companies in Vietnam. This list of companies is compiled by ADARCO Index Book 2013 and includes the advertising and marketing users in Vietnam. The final questionnaire after piloted, back translated from English into Vietnamese and back to English was designed in QuestionPro format and was sent with an online link to Vietnamese FMCG companies through the respondents' e-mail addresses. After screening and cleaning the list, there were 1,220 emails sent to respondents. These respondents are senior level market executives, head of research department, and head of business management or sales department currently working for these companies.

Fieldwork time of conducting the research was in last six months of 2014. Each company is contacted by telephone by CATI interviewers of FTA/Intage Vietnam research agency to get the name of the senior level marketing executives, and verify the mailing address. In order to ensure high response rate in a shortest possible period, during the time on field, phone calls to respondents were again made to remind them to participate. Eventually, the survey was completed by 476 respondents and all of the response can be usable. The response rate is

therefore 39%. This sample is treated as final sample for confirmatory factor analysis (CFA) and structural equation modeling (SEM) analyses later.

With respect to non-response bias, we followed the procedures suggested by Armstrong and Overton (1977). Chi-square tests show no significant differences between those firms who responded early and those who responded late with respect to measures of our hypothesized constructs at the 5% significance level. Further, a test was conducted to see if there were differences between early respondents and late respondents in terms of variables relevant to the hypothesis. The average values found by the survey of the first 10% of respondents were compared with those of the last 10% of respondents using a t-test. The results of the t-test showed no statistical significance between the two groups in terms of the means for items. As such both tests indicate that nonresponse bias should not be a concern in this study.

In addition, another 225 independent and smaller sample for exploratory factor analysis (EFA) for purifying the scales used in our questionnaire were achieved also in 2014 with the same sampling method and the same questionnaire. This is conducted after the suggestion from the pre-defense committee of this thesis. The rationale for performing EFA and CFA on independent samples, not the same sample has been recommended by Hair et al (2009). This is because a factor structure derived from an EFA will almost always fit very well in a CFA using the same data. EFA and CFA are closely related; therefore this case can happen. CFA when being justified on the same data as was performed an EFA to demonstrate model fitness would be a very weak test. The logic is that a model is likely to fit the data set it was created from better than any other random sample from the same population. On this basis, if we want an honest test of how well our model fits the data, we need to formulate and test it on different data sets. Building and testing on the same sample will bias our assessment of model fit upwards. Cross validation with independent sample should therefore be the way to go around this (Cudeck and Brown, 1983).

7.3 Questionnaire construction

The research instrument was designed based on a review of relevant literature and qualitative research. Questionnaire was pre-tested by in-depth interviews with academicians and managers who were the experts of marketing research. Then after this, the questionnaire was translated into Vietnamese and back translated into English by a different translator to double check on the translation quality.

The questionnaire was developed into five sections:

- (1) First section is related to the demographic information of respondents and the respondents' companies.
- (2) Second section is to measure the antecedents of market research utilization. The five-point Likert type scale was used to measure these items (1-Strongly disagree to 5-Strongly agree).
- (3) In the third section, usage of marketing research information types were assessed using five-point Likert type scale (1–Never to 5-Always).
- (4) In the fourth section, a five-point Likert type scale (1-Not achieved at all to 5-Achieved very well) was used to measure the marketing performance of companies.
- (5) In the last session, the two sensitive questions were asked to identify the ratio of internal vs. external market research spending and the annual budget for market research.

The survey questionnaire

Dear colleagues, friends and clients

Our company, FTA - INTAGE, one of the leading market research agencies in Vietnam, would like to ask for your support in carrying out a study of “market research use and impact on marketing performance”. Your opinion as research users and marketers are valuable to us. Please take some time to click on the link in this email and give your responses to the pre-coded questions (15 minute length approximately). The result of this study will be sent back to you (who have joined and completed the survey) for your reference and interest in the way marketers in Vietnam are using and evaluating market research role.

PART S: RESPONDENT INFORMATION

S1.	What is your name?
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	Please let us know your company's name?
	Please let us know your title in the company

S2	Please let us know the role which you are undertaking currently	Code
	Research department	1
	Marketing or brand department	2
	Others (general business management/commercial/sales department)	3

S3	How long have you been in this role for?	Code
	Less than 1 year	1
	1 – 4 years	2
	5 – 9 years	3
	10–14 years	4
	15–19 years	5
	More than 20 years	6

S4	How long has your company been established?	Code
	Less than 5 years	1
	5 – 9 years	2
	10–14 years	3
	15–19 years	4
	More than 20 years	5

S5	How many employees are there in your company at this point in time?	Code
	Less than 50	1
	51–100	2
	101–200	3
	201–300	4
	301–500	5
	501–1000	6
	1001–2000	7
	More than 2001	8

S6	Please let us know the type of market research projects/activities which you have mostly been dealing with over the last 12 months	Code
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	More straightforward, simply designed research projects (general market information, product test, concept test...)	1
	More complicatedly designed research projects (usage and attitude, brand health, brand tracking, price sensitivity...)	2

PART 1: FACTORS AFFECTING MARKET RESEARCH USE

Considering the market research projects you were in charge of last year, please let us know your opinion for the following statements (on the factors which would affect your company use of market research). There is a 5 point scale for your choice, so please select (circle or tick) from 1, if you strongly disagree, to 5, if you strongly agreed.

Q1	Technical competence of external market research suppliers	Strongly disagree	Disagree	Neither	Agree	Strongly agree
R1	My company is well aware of external market research service benefit.	1	2	3	4	5
R2	Market research agencies usually provide relevant recommendation for us to make decision.	1	2	3	4	5
R3	Market research agencies usually provide user friendly research tools to us.	1	2	3	4	5
R4	Research agencies usually deliver smooth project management.	1	2	3	4	5
R5	We prefer using market research services from famous research agencies.	1	2	3	4	5

Q2	Relationship competence of external market research suppliers	Strongly disagree	Disagree	Neither	Agree	Strongly agree
R1	Our company usually has annual corporate deal with market research agencies.	1	2	3	4	5
R2	Market research agencies are often involved closely in our company business.	1	2	3	4	5
R3	Market research agencies are able to generate trust for our company.	1	2	3	4	5

Q3	Actionability of most of the research projects	Strongly disagree	Disagree	Neither	Agree	Strongly agree
R1	The presentation provides data with explicit recommendations for action.	1	2	3	4	5
R2	There are recommendations that could practically be implemented.	1	2	3	4	5
R3	The information is on time for appending decision.	1	2	3	4	5
R4	All recommendations are implemented.	1	2	3	4	5

Q4	Quality of most of the research projects	Strongly disagree	Disagree	Neither	Agree	Strongly agree
Q4a	Quality of the content of most of the research projects					
R1	The technical quality of the research is high.	1	2	3	4	5
R2	There are no contradictory statements or findings.	1	2	3	4	5
R3	The conclusions/ recommendations of the presentation follow from the data.	1	2	3	4	5
R4	The statistics are screened for useful findings only.	1	2	3	4	5
R5	Information is gathered in the right way.	1	2	3	4	5
R6	The results address very well the problems we have to solve.	1	2	3	4	5
R7	The information provided is not available elsewhere.	1	2	3	4	5
R8	The information provided is worth the money spent on it.	1	2	3	4	5

Q4b	Quality of the presentation form of most of research projects	Strongly disagree	Disagree	Neither	Agree	Strongly agree
R1	The language of the presentation is clear.	1	2	3	4	5
R2	There are sufficient numbers of supportive visual (tables/ graphs).	1	2	3	4	5

R3	There is enough interpretation or explanation of the findings.	1	2	3	4	5
R4	The analysis of the data is simple and straight forward.	1	2	3	4	5
R5	We do not need someone within the company to summarize the information before it can be used.	1	2	3	4	5

Q5	Conformity of research information (to what your company has assumed) of most of the research projects	Strongly disagree	Disagree	Neither	Agree	Strongly agree
R1	The results are what we anticipated.	1	2	3	4	5
R2	The findings are intuitive.	1	2	3	4	5
R3	The results from research study support decisions made on other grounds.	1	2	3	4	5

Q6	Political acceptability of information of most of the research projects	Strongly disagree	Disagree	Neither	Agree	Strongly agree
R1	The implications of the findings are politically acceptable.	1	2	3	4	5
R2	The report reflects that the researchers and marketing management are in touch with each other.	1	2	3	4	5
R3	Some of the more negative results are softened in the presentation.	1	2	3	4	5
R4	The research results do not challenge existing institutional arrangements.	1	2	3	4	5
R5	The recommendations do not challenge the budget or resource allocations of the department.	1	2	3	4	5

For next 4 questions, considering the organization of your company, please let us know your opinion for the following statements. There is a 5 point scale for your choice, so please select (circle or tick) from 1, if you strongly disagree, to 5, if you strongly agreed.

Q7	Organizational commitment to learning	Strongly disagree	Disagree	Neither	Agree	Strongly agree
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R1	Our management assumes that the capacity for learning is essential to the achievement of competitive advantage.	1	2	3	4	5
R2	In this company, the appreciation of learning is shared at all levels.	1	2	3	4	5
R3	We think that the employees' learning is an investment, not an expense.	1	2	3	4	5
R4	We assume that organizational learning is a condition of the company's survival in the long term.	1	2	3	4	5

Q8	Organizational formalization	Strongly disagree	Disagree	Neither	Agree	Strongly Agree
R1	How things are done around here are not left up to employees.	1	2	3	4	5
R2	Employees are constantly being checked on for rule violations.	1	2	3	4	5
R3	There is usually a complete written job description for going about a task.	1	2	3	4	5
R4	Whatever situation arises, we have procedures to follow in dealing with it.	1	2	3	4	5
R5	Everyone has a specific job to do.	1	2	3	4	5
R6	The organization keep a written record of everyone's performance.	1	2	3	4	5
R7	We have to follow strict operational procedures at all times.	1	2	3	4	5

Q9	Organizational centralization	Strongly disagree	Disagree	Neither	Agree	Strongly Agree
R1	There can be little action taken on a project until a superior approves a decision.	1	2	3	4	5
R2	If someone in our company wishes to make my own decisions, they would be quickly discouraged.	1	2	3	4	5
R3	We have to ask our boss before we did almost anything.	1	2	3	4	5

Q10	Market orientation	Strongly disagree	Disagree	Neither	Agree	Strongly agree
R1	We generate information about our customers.	1	2	3	4	5
R2	We generate information about our competitors.	1	2	3	4	5
R3	We disseminate information about customers.	1	2	3	4	5
R4	We disseminate information about competitors.	1	2	3	4	5
R5	We respond to information about customers that is generated and/or disseminated.	1	2	3	4	5
R6	We respond to information about competitors that is generated and/or disseminated.	1	2	3	4	5

PART 2: MARKETING RESEARCH UTILIZATION

Please let us know your opinion for the following statements regarding information types which your company usually uses. There is a 5 point scale for your choice, so please select (circle or tick) 1 for “never” to 5 for “always”.

Q11	Strategy information In our company, management pays attention to using information about:	Never	Sometimes	Often	Very often	Always
R1	Market size	1	2	3	4	5
R2	Price trends	1	2	3	4	5
R3	Market share	1	2	3	4	5
R4	Production adaptation	1	2	3	4	5
R5	Market growth rate	1	2	3	4	5

Q12	Macro environment information In our company, management pays attention to using:	Never	Sometimes	Often	Very often	Always
R1	Political information	1	2	3	4	5
R2	Economical information	1	2	3	4	5
R3	Socio-cultural information	1	2	3	4	5
R4	Technological information	1	2	3	4	5

R5	Legal information	1	2	3	4	5
R6	Environmental information	1	2	3	4	5

Q13	Customer information In our company, management pays attention to using information about:	Never	Sometimes	Often	Very often	Always
R1	Who our customers are	1	2	3	4	5
R2	What our customers buy	1	2	3	4	5
R3	When our customers buy	1	2	3	4	5
R4	Where our customers buy	1	2	3	4	5
R5	Why our customers buy	1	2	3	4	5
R6	How our customers use products	1	2	3	4	5

Q.14	Competitor information in your company, management pays attention to using information about:	Never	Sometimes	Often	Very often	Always
R1	Competitors' prices	1	2	3	4	5
R2	Competitors' product attributes	1	2	3	4	5
R3	Competitors' promotion	1	2	3	4	5
R4	Competitors' distribution	1	2	3	4	5

PART 3: MARKETING PERFORMANCE

Please let us know your opinion for the following statements regarding how well your company achieved its goal in marketing performance last year. There is a 5 point scale for your choice. Please tick or circle 1 if your company did not achieve at all to 5 if you your company achieved very well.

Q15	Marketing effectiveness	Not achieved at all	Not achieved	Just achieved	Achieved quite well	Achieved very well
R1	Market share growth of company	1	2	3	4	5
R2	Sales growth of company	1	2	3	4	5
R3	Enhancing market position	1	2	3	4	5

Q16	Marketing efficiency	Not achieved at all	Not achieved	Just achieved	Achieved quite well	Achieved very well
R1	Controlling marketing expenses/gross revenue	1	2	3	4	5
R2	Controlling expenses for acquiring new customers	1	2	3	4	5
R3	Controlling expenses for increasing sales to existing customers	1	2	3	4	5

Q17	Marketing innovation/adaptive-ness	Not achieved at all	Not achieved	Just achieved	Achieved quite well	Achieved very well
R1	Innovation on the product design	1	2	3	4	5
R2	Innovation on the distribution channel	1	2	3	4	5
R3	Innovation on the product promotion	1	2	3	4	5
R4	Innovation on the pricing strategy	1	2	3	4	5

Q18	Please indicate your company average research expenditure ratio between in house and external currently	Code
	Much more in house than external	1
	More in house than external	2
	Equal between in house and external	3
	More external than in house	4
	Much more external than in house	5

Q19	Please indicate or estimate your company's average budget (both in house and external) for market research for last year 2013	Code
	Less than 10,000 USD/ year	1
	11,000 – 30,000 USD/ year	2
	31,000 – 50,000 USD/ year	3
	51,000 – 100,000 USD/ year	4
	101,000 – 200,000 USD/ year	5
	201,000 – 500,000 USD/ year	6
	501,000 USD/ year or more	7

THANK YOUR VERY MUCH FOR YOUR SUPPORT.

7.4 Quantitative data processing

Prior to the data analysis stage of the final sample, questionnaires from a smaller independent sample of N = 225 respondents was collected to verify the constructs found in conceptual framework by applying exploratory factor analysis which involves the method of principal components followed by varimax orthogonal rotation. Cronbach's alpha is also used to verify the reliability of the factors identified.

Then the second phase involves the application of confirmatory factor analysis on the final sample of N = 476, according to the criteria suggested by Jöreskog (1979) and Fornell and Larcker (1981) for purifying the scales for Structural Equation Modeling phase.

7.4.1 Exploratory Factor Analysis

Factor analysis provides the tools for analyzing the structure of interrelationships (correlations) among a large number of variables or items. However, it is helpful to reduce unnecessary information by Exploratory Factor Analysis. In Hair *et al* (2006), this process is based on a statistically significant Barlett's test of Sphericity and Kaiser-Meyer-Olkin's measure of sampling adequacy (MSA). The first is the Bartlett Test of Sphericity, in which it is examined if the subscales of the scale are inter-independent, and the latter is KMO (Kaiser-Meyer Olkin Measure of Sampling Adequacy) which examines sample sufficiency.

Before the explanatory factor analysis, we need to determine if the sample data are suitable for the analysis. To determine if the subscales are suitable for factor analysis, the Bartlett Test of Sphericity and KMO (Kaiser-Meyer Olkin Measure of Sampling Adequacy) tests are used. The first test examines if the subscales of the scale are inter-independent, and the latter examines sample sufficiency. According to Hair *et al* (2006), the Bartlett's Test of Sphericity (Bartlett's Test) is significant at $p < 0.05$ for the exploratory factor analysis to be considered appropriate and KMO is lower than 0.5 is not suitable, KMO with a value between 0.5 and 0.7 is mediocre, 0.7 and 0.8 is good, 0.8 and 0.9 is great and above 0.9 is excellent.

According to Hair *et al* (2006), although both component and common factor analysis models yield similar results in common research settings, any decision on the number of factors to be retained should be based on several consideration: (1) factors with eigenvalues greater than 1.0; (2) a predetermined number of factors based on research objectives and/or prior research; (3) enough factors to meet a specified percentage of variance explained, usually 60% or higher; (4) factor shown by the scree test to have substantial amounts of common variance (i.e., factors before inflection point; (5) more factors when heterogeneity is present among sample subgroups.

To cluster these factors, factor orthogonal rotation method of varimax is applied. It is the preferred method when the research goal is data reduction to either a smaller number of variables or a set of uncorrelated measures for subsequent use in other multivariate technique.

As depicted in the research model, exploratory factor analysis will be conducted on three dimensions: antecedents (A), market research utilization (MRU) and marketing performance (MP) on the independent sample of 225 respondents.

For antecedents (A):

Fifty three (53) observed variables of the sample of 225 respondents are recruited in EFA, but only forty seven (47) of them are sufficient for requirements of EFA, e.g. their communalities and factor loading values are greater than 0.5. *This means there are 6 items being dropped out before further EFA analysis.* As shown in Table 7, Kaiser-Meyer-Olkin Measure of Sampling Adequacy is 0.912 and Bartlett's Test of Sphericity is significant at $p < 0.05$ level, so further steps can be executed for EFA. According to table 8, eleven factors are extracted, due to their Eigenvalue above 1. As resulted in Table 8, the value of total variance explained of these eleven factors is 81.581; it means those eleven factors account for 81.58% of total variance explained.

Based on the method of Varimax rotation, we can see the eleven factors formed by the eleven clusters of the items (Table 9). Then, further examination of the meaning of items in these eleven factors, *we exclude 4 more items.* Therefore, in total, we drop 10 items of antecedents, from 53 items down to 43 items. This can be seen in the discussion below.

Table 7: EFA results of Antecedents (A)

Source: study two

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.912
Bartlett's Test of Sphericity	Approx. Chi-Square	33896.492
	Df	1081
	Sig.	.000

Communalities		
	Initial	Extraction
Q1_R1	1.000	.980
Q1_R2	1.000	.977
Q1_R3	1.000	.983
Q1_R4	1.000	.791
Q1_R5	1.000	.987
Q2_R1	1.000	.891
Q2_R2	1.000	.905
Q2_R3	1.000	.684
Q3_R1	1.000	.977
Q3_R2	1.000	.955
Q3_R3	1.000	.964
Q3_R4	1.000	.981
Q4a_R2	1.000	.992
Q4a_R4	1.000	.988
Q4a_R5	1.000	.975
Q4a_R6	1.000	.981
Q4a_R7	1.000	.598
Q4a_R8	1.000	.535
Q4b_R1	1.000	.750
Q4b_R2	1.000	.756
Q4b_R3	1.000	.643
Q4b_R4	1.000	.846
Q4b_R5	1.000	.799
Q5_R1	1.000	.726
Q5_R2	1.000	.649
Q5_R3	1.000	.688
Q6_R1	1.000	.606
Q6_R2	1.000	.551
Q6_R3	1.000	.604
Q6_R4	1.000	.737

Q6_R5	1.000	.679
Q7_R1	1.000	.753
Q7_R2	1.000	.757
Q7_R3	1.000	.796
Q7_R4	1.000	.790
Q8_R5	1.000	.934
Q8_R6	1.000	.939
Q8_R7	1.000	.938
Q9_R1	1.000	.882
Q9_R2	1.000	.920
Q9_R3	1.000	.902
Q10_R1	1.000	.825
Q10_R2	1.000	.829
Q10_R3	1.000	.785
Q10_R4	1.000	.768
Q10_R5	1.000	.679
Q10_R6	1.000	.669

Extraction Method: Principal Component Analysis.

Table 8: Total variance explained of Antecedents

Source: study two

Compon ent	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	16.640	35.405	35.405	16.640	35.405	35.405	5.190	11.042	11.042
2	4.784	10.179	45.584	4.784	10.179	45.584	4.767	10.143	21.184
3	3.683	7.836	53.420	3.683	7.836	53.420	4.249	9.041	30.226
4	2.620	5.574	58.993	2.620	5.574	58.993	4.134	8.795	39.021
5	2.171	4.619	63.612	2.171	4.619	63.612	3.226	6.863	45.884
6	1.909	4.062	67.674	1.909	4.062	67.674	2.997	6.376	52.260
7	1.754	3.732	71.407	1.754	3.732	71.407	2.979	6.339	58.599
8	1.442	3.068	74.475	1.442	3.068	74.475	2.795	5.946	64.545
9	1.225	2.607	77.082	1.225	2.607	77.082	2.737	5.823	70.368
10	1.108	2.358	79.440	1.108	2.358	79.440	2.736	5.822	76.190
11	1.006	2.141	81.581	1.006	2.141	81.581	2.534	5.391	81.581
12	.924	1.965	83.546						
13	.786	1.672	85.218						
14	.741	1.577	86.795						
15	.686	1.460	88.255						

16	.577	1.227	89.482							
17	.528	1.123	90.605							
18	.471	1.002	91.606							
19	.425	.905	92.512							
20	.415	.883	93.394							
21	.387	.823	94.218							
22	.362	.770	94.988							
23	.332	.706	95.694							
24	.282	.600	96.294							
25	.258	.548	96.842							
26	.235	.501	97.343							
27	.217	.461	97.804							
28	.171	.365	98.169							
29	.162	.344	98.513							
30	.134	.286	98.799							
31	.114	.242	99.041							
32	.074	.158	99.200							
33	.067	.143	99.343							
34	.052	.111	99.454							
35	.045	.095	99.549							
36	.035	.075	99.624							
37	.032	.069	99.693							
38	.029	.062	99.755							
39	.024	.050	99.805							
40	.019	.041	99.845							
41	.017	.036	99.882							
42	.016	.033	99.915							
43	.012	.025	99.940							
44	.011	.023	99.964							
45	.008	.016	99.980							
46	.005	.011	99.990							
47	.005	.010	100.000							

Extraction Method: Principal Component Analysis.

Table 9: Factors and its items of Antecedents - by Varimax rotation

Source: study two

	Component										
	1	2	3	4	5	6	7	8	9	10	11
Q1_R5	.967	.070	.079	.058	.047	.106	.081	.067	.021	.104	.045

Q1_R3	.964	.081	.084	.058	.055	.096	.083	.064	.020	.098	.045
Q1_R1	.963	.075	.081	.057	.048	.101	.085	.068	.026	.103	.046
Q1_R2	.961	.059	.084	.060	.052	.111	.082	.072	.026	.108	.035
Q4b_R5	.826	.026	.036	.113	.032	.161	.203	.139	.039	.116	-.002
Q10_R1	.047	.835	.193	.111	.086	.008	.085	.137	.194	.064	.028
Q10_R2	.039	.815	.223	.104	.146	.052	.098	.176	.171	.088	.024
Q10_R3	.118	.814	.067	.121	.126	.176	.078	.061	.122	.120	.053
Q10_R4	.070	.812	.066	.125	.144	.157	.060	.008	.120	.123	.072
Q10_R5	.032	.672	.212	.083	.010	.157	.198	.094	.192	.113	.228
Q10_R6	.101	.636	.262	.045	.072	.174	.153	.149	.139	.083	.277
Q3_R4	.113	.214	.895	.020	.169	.087	.145	.076	.189	.057	.138
Q3_R1	.100	.218	.892	.019	.186	.085	.147	.071	.182	.073	.131
Q3_R3	.112	.202	.890	.021	.177	.076	.143	.074	.190	.076	.118
Q3_R2	.094	.229	.881	.040	.186	.093	.136	.088	.165	.059	.127
Q4a_R2	.079	.118	.020	.961	.055	.120	.080	.111	.039	.073	.067
Q4a_R4	.079	.116	.021	.960	.047	.123	.079	.111	.042	.068	.063
Q4a_R6	.074	.123	.023	.955	.053	.130	.075	.114	.040	.072	.046
Q4a_R5	.093	.111	.034	.950	.054	.117	.074	.106	.056	.082	.086
Q8_R6	.085	.172	.216	.084	.853	.139	.127	.088	.132	-.011	.244
Q8_R7	.081	.171	.225	.069	.853	.138	.133	.060	.136	-.013	.247
Q8_R5	.057	.169	.248	.050	.841	.141	.142	.082	.160	.010	.244
Q5_R1	.024	.185	.169	.203	.132	.710	.159	.232	-.019	.144	.027
Q5_R2	.179	.195	.100	.160	.099	.662	.127	.202	.079	.179	.000
Q5_R3	.184	.178	.134	.182	.110	.627	.168	.269	-.046	.249	.037
Q4a_R7	.216	.082	-.057	.074	.139	.599	.052	.135	.311	.089	.180
Q4a_R8	.243	.097	.067	.098	.041	.551	.160	.156	.302	.070	.040
Q4b_R2	.072	.115	.159	.104	.246	.071	.737	.015	.118	.243	-.138
Q4b_R4	.326	.139	.154	.054	-.046	.283	.708	.173	.067	.000	.275
Q4b_R1	.044	.181	.179	.200	.198	.061	.681	.101	.178	.275	-.135
Q4b_R3	.208	.154	.133	.091	.119	.156	.639	.146	.070	.188	.204
Q1_R4	.378	.152	.166	.009	-.024	.255	.607	.190	.101	-.044	.338
Q6_R4	.094	.141	.070	.104	.023	.167	.085	.799	.068	-.034	.117
Q6_R5	.127	.145	.208	.147	-.066	.221	.098	.696	.127	-.041	.104
Q6_R3	.038	.137	-.081	.209	.180	.060	.219	.596	.095	.286	.053
Q6_R1	.135	.064	.091	.080	.126	.328	.122	.582	.196	.231	-.013
Q6_R2	.168	.095	.044	.068	.137	.297	-.055	.509	.136	.346	-.015
Q7_R3	-.010	.267	.229	.095	.095	.214	.193	.085	.741	.044	.116
Q7_R4	.030	.215	.320	.033	.142	.211	.220	.068	.699	.049	.176
Q7_R2	.004	.373	.187	.047	.157	.065	.034	.238	.686	.144	.056
Q7_R1	.104	.336	.261	.045	.186	.009	.032	.221	.666	.168	.055
Q2_R2	.184	.165	.113	.080	.020	.160	.183	.086	.098	.860	.094
Q2_R1	.173	.168	.103	.084	.016	.162	.188	.081	.099	.853	.097
Q2_R3	.202	.166	.006	.156	-.065	.234	.145	.190	.081	.648	.220
Q9_R3	.063	.200	.203	.127	.413	.075	.063	.097	.120	.169	.754

Q9_R2	.065	.196	.235	.135	.410	.060	.078	.091	.140	.177	.753
Q9_R1	.067	.204	.228	.133	.402	.069	.086	.109	.140	.148	.735

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Of the eleven factors, factor one consists of five items of which four main items belong to the Q1-R1, R2, R3 and R5 in the following questions. Therefore, we can name factor one as “technical competence of external research agencies”. The item of Q1-R4, “smooth project management” is not included in this factor. This item might be something prerequisite, not sufficient to justify the technical competence of external market research agencies in Vietnam. In addition, there is an item in Q4b-R5 included in factor one as shown below. This is the statement: “we do not need someone within the company to summarize the information before it can be used”. This item is more about the quality of information, from either internal or external sources. Therefore, in terms of being meaningful to explain the factor, this item is excluded. Moreover, compared to other items, this item has lower factor loading score.

Antecedents - Factor one

Q1	Technical competence of external market research suppliers
R1	My company is well aware of external market research service benefit.
R2	Market research agencies usually provide relevant recommendation for us to make decision.
R3	Market research agencies usually provide user friendly research tools to us.
R4	<u>Research agencies usually deliver smooth project management.</u> (not included in this factor)
R5	We prefer using market research services from famous research agencies.
Q4b – R5	<u>We do not need someone within the company to summarize the information before it can be used.</u> (excluded for its non-supportive meaning)

Factor two has six items, belonging to the Q10-R1 to R6 as below. We can name factor two as “market orientation”.

Antecedents - Factor two

Q10	Market orientation
R1	We generate information about our customers.
R2	We generate information about our competitors.

R3	We disseminate information about customers.
R4	We disseminate information about competitors.
R5	We respond to information about customers that is generated and/or disseminated.
R6	We respond to information about competitors that is generated and/or disseminated.

Factor three includes four items from Q3-R1 to R4. We can name them as “action-ability” of the research projects.

Antecedents - Factor three

Q3	Action-ability of most of the research projects
R1	The presentation provides data with explicit recommendations for action.
R2	There are recommendations that could practically be implemented.
R3	The information is on time for appending decision.
R4	All recommendations are implemented.

Factor four has four items belonging to Q4a-R2, R4, R5, and R6. We can name this factor as “quality of content”. Items in Q4a-R1, R3, R7 and R8 are not included in this factor. It seems that the information collection, the findings and the solution to problem are most relevant to Vietnamese companies for the “quality of content”. These items seem to be more directly relevant to actionable users in this country.

Antecedents - Factor four

Q4a	Quality of the content of most of the research projects
R1	<u>The technical quality of the research is high.</u> <i>(not included)</i>
R2	There are no contradictory statements or findings.
R3	<u>The conclusions/ recommendations of the presentation follow from the data.</u> <i>(not included)</i>
R4	The statistics are screened for useful findings only.
R5	Information is gathered in the right way.
R6	The results address very well the problems we had to solve.
R7	<u>The information provided is not available elsewhere.</u> <i>(not included)</i>
R8	<u>The information provided is worth the money spent on it.</u> <i>(not included)</i>

Factor five has three items belonging to Q8-R5, R6 and R7; we can name them as “organizational formalization”. Q8-R1, R2, R3, and R4 are not included in this factor. It seems that the job assignment, the performance evaluation and operation compliance are measuring “organizational formalization” better than other items among Vietnamese companies. These are basic, not complicated but essential to relatively young companies in emerging markets. Things such as rule violation and low decision making role seem to be a given fact in the hierarchical companies in Vietnam. Other things such as task specific written description and problem handling procedures are currently not considered as key to an organizational formalization structure in Vietnam.

Antecedents - Factor five

Q8	Organizational formalization
R1	<u>How things are done around here is not left up to employees.</u> <i>(not included)</i>
R2	<u>Employees are constantly being checked on for rule violations.</u> <i>(not included)</i>
R3	<u>There is usually a complete written job description for going about a task.</u> <i>(not included)</i>
R4	<u>Whatever situation arises, we have procedures to follow in dealing with it.</u> <i>(not included)</i>
R5	Everyone has a specific job to do.
R6	The organization keeps a written record of everyone's performance.
R7	We have to follow strict operational procedures at all times.

Factor six includes five items of which three main items belong to Q5-R1 to R3. Therefore, we can name this factor as “conformity of research information”. There are two items Q4a-R7 and Q4a-R8 also fall within this factor. However, we decided to exclude these two as they are not supporting the meaning of this factor and their loadings are also much lower than the other three items.

Antecedents - Factor six

Q5	Conformity of research information (to what your company has assumed) of most of
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the research projects	
R1	The results are what we anticipated.
R2	The findings are intuitive.
R3	The results from research study support decisions made on other grounds.
Q4a-R7	<u>The information provided is not available elsewhere.</u> (excluded)
Q4a-R8	<u>The information provided is worth the money spent on it.</u> (excluded)

Factor seven includes five items of which four items belong to Q4bR1 to R4, thus we may name this factor as “quality of form”. The item on “information summary” is not included in this factor. This is not so relevant and clear as a measure of form to Vietnamese companies as most of them do not have a functional market researcher. In addition, there is one item of Q1-R4 belonging to this factor with loading above 0.5 but has been excluded due to its non-supportive meaning.

Antecedents - Factor seven

Q4b	Quality of the presentation form of most of research projects
R1	The language of the presentation is clear.
R2	There are sufficient numbers of supportive visual (tables/ graphs).
R3	There is enough interpretation or explanation of the findings.
R4	The analysis of the data is simple and straight forward.
R5	<u>We do not need someone within the company to summarize the information before it can be used.</u> (not included)
Q1-R4	<u>Research agencies usually deliver smooth project management.</u> (excluded)

Factor eight has five items all belonging to Q6-R1 to R5, thus we can name this factor as “political acceptability”.

Antecedents - Factor eight

Q6	Political acceptability of information of most of the research projects
R1	The implications of the findings are politically acceptable

R2	The report reflects that the researchers and marketing management are in touch with each other
R3	Some of the more negative results are softened in the presentation
R4	The research results do not challenge existing institutional arrangements
R5	The recommendations do not challenge the budget or resource allocations of the department

Factor nine has four items, belonging to Q7-R1 to R4, thus we name this factor as “organizational commitment to learning”.

Antecedents - Factor nine

Q7	Organizational commitment to learning
R1	Our management assumes that the capacity for learning is essential to the achievement of competitive advantage.
R2	In this company, the appreciation of learning is shared at all levels.
R3	We think that the employees’ learning is an investment, not an expense.
R4	We assume that organizational learning is a condition of the company’s survival in the long term

Factor ten has three items; all belong to Q2-R1 to R3. Therefore, we name this factor as “relationship competence of market research agencies”

Antecedents - Factor ten

Q2	Relationship competence of external market research suppliers
R1	Our company usually had annual corporate deal with market research agencies
R2	Market research agencies were often involved closely in our company business
R3	Market research agencies were able to generate trust for our company

Factor eleven of the antecedents has three items and all of these belong to Q9-R1 to R3. We can name this factor as “organizational centralization”.

Antecedents - Factor eleven

Q9	Organizational centralization
R1	There can be little action taken on a project until a superior approves a decision
R2	If someone in our company wishes to make my own decisions, they would be quickly discouraged
R3	We have to ask our boss before we do almost anything

The above eleven antecedents of market research utilization is further grouped (as in the conceptual framework) into second order factors as below. These will be tested for fitness in later SEM section.

- (1) the factor of technical competence of external suppliers (A1)
- (2) the factor of relationship competence of external suppliers (A2)
- (3) the factor information specific factor (A3) includes the five sub-factors, in which
 1. the first sub-factor as actionability (A3.1)
 2. the second sub-factor as quality of content (A3.2)
 3. the third sub-factor as quality of form (A3.3)
 4. the fourth sub-factor as political acceptability (A3.4)
 5. the fifth sub-factor as conformity (A3.5)
- (4) the organizational factor (A4) includes the three sub-factors, in which
 1. the first sub-factor as organizational commitment to learning (A4.1)
 2. the second sub-factor as organizational formalization (A4.2)
 3. the third sub-factor as organizational centralization (A4.3)
- (5) the factor of market orientation (A5)

For market research utilization (MRU):

Applying the method of exploratory factor analysis for MRU is similar to what we did in the previous section. There are twenty one (21) observed variables included in MRU. All of these 21 items have communality and loadings above 0.5. However, one item is excluded for its low meaningful and useful contribution to the factor which it belongs; this will be discussed in the section below. As shown in table 10, Kaiser-Meyer-Olkin Measure of Sampling

Adequacy (KMO) is 0.898 and Bartlett's Test of Sphericity is significant at 5% level, which meet conditions of EFA, so the further step is conducted.

As resulted in Table 11, the total variance explained of these four factors is 80.608. This means these four factors account for 80.61% of total variance explained.

Based on the method of Varimax rotation, we can see the four factors formed by the four clusters of the items (Table 12).

Table 10: EFA result of Market Research Utilization (MRU)

Source: study two

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.898
Bartlett's Test of Sphericity	Approx. Chi-Square	18654.310
	Df	210
	Sig.	.000

Communalities		
	Initial	Extraction
Q11_R1	1.000	.777
Q11_R2	1.000	.852
Q11_R3	1.000	.853
Q11_R4	1.000	.812
Q11_R5	1.000	.861
Q12_R1	1.000	.721
Q12_R2	1.000	.799
Q12_R3	1.000	.833
Q12_R4	1.000	.749
Q12_R5	1.000	.864
Q12_R6	1.000	.810
Q13_R1	1.000	.771
Q13_R2	1.000	.846
Q13_R3	1.000	.840
Q13_R4	1.000	.812
Q13_R5	1.000	.855
Q13_R6	1.000	.750
Q14_R1	1.000	.871
Q14_R2	1.000	.896
Q14_R3	1.000	.879

Q14_R4	1.000	.838
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Extraction Method: Principal Component Analysis.

Table 11: Total variance explained of Market Research Utilization

Source: study two

Total Variance Explained

Compon ent	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	8.933	46.643	46.643	8.933	46.643	46.643	6.432	30.638	30.638
2	3.368	17.586	64.228	3.368	17.586	64.228	4.179	18.902	49.540
3	2.112	11.028	75.256	2.112	11.028	75.256	3.463	16.772	66.312
4	1.025	5.352	80.608	1.025	5.352	80.608	3.213	14.296	80.608
5	0.775	4.047	84.654						
6	0.494	2.579	87.234						
7	0.422	2.203	89.437						
8	0.384	2.005	91.442						
9	0.358	1.869	93.311						
10	0.302	1.577	94.888						
11	0.257	1.342	96.230						
12	0.22	1.149	97.379						
13	0.164	0.856	98.235						
14	0.125	0.653	98.888						
15	0.096	0.501	99.389						
16	0.084	0.439	99.828						
17	0.012	0.063	99.890						
18	0.010	0.052	99.943						
19	0.005	0.026	99.969						
20	0.004	0.021	99.990						
21	0.002	0.010	100.000						

Extraction Method: Principal Component Analysis.

Table 12: Factors and its items of MRU - by Varimax rotation

Source: study two

Rotated Component Matrix^a

	Component			
	1	2	3	4
Q11_R3	.789	.221	.358	.230
Q11_R4	.744	.339	.345	.159
Q11_R5	.736	.239	.342	.382
Q11_R1	.661	.278	.235	.456
Q11_R2	.629	.609	.283	.072
Q13_R3	.213	.782		.244
Q13_R4	.320	.747	.352	.169
Q13_R5	.232	.741	.351	.374
Q13_R1	.282	.662	.335	.449
Q13_R2	.608	.632	.229	.060
Q14_R1	.288	.254	.836	.155
Q14_R2	.334	.281	.829	.131
Q14_R3	.406	.151	.759	.339
Q14_R4	.401	.268	.713	.312
Q13_R6	.539	.140	.555	.363
Q12_R5	.198	.165	.233	.863
Q12_R6	.333	.142	.253	.780
Q12_R2	.262	.313	.265	.697
Q12_R3	.370	.331	.384	.695
Q12_R1	.170	.526	.320	.633
Q12_R4	.365	.497	.120	.586

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Among the four factors of MRU, factor one consists of five items. These items are all from Q11-R1 to R5. Therefore, we can name this factor as “use of strategy information”.

MRU - Factor one

Q11	Strategy information
	In our company, management pays attention to using information about:
R1	Market size
R2	Price trends
R3	Market share
R4	Production adaptation
R5	Market growth rate

Factor two has five items, found in Q13-R1, R2, R3, R4 and R5. We can name this factor as “use of customer information”. Information on “how customers use products” (Q13-R6) is not included in this factor. This seems that post purchase information is relatively less supportive for customer information factor.

MRU - Factor two

Q13	Customer information In our company, management pays attention to using information about:
R1	Who our customers are
R2	What our customers buy
R3	When our customers buy
R4	Where our customers buy
R5	Why our customers buy
R6	<u>How our customers use products</u> (<i>not included</i>)

Factor three has five items of which the four main ones are coming from Q14-R1-R4. Therefore, we consider this factor as “use of competitive information”. There is one item in this factor coming from Q13-R6 on “how our customers use products”. However, this item is excluded as it does not have meaningful and useful contribution to this factor and also its loading is much lower than the other four items.

MRU - Factor three

Q.14	Competitive information in your company, management pays attention to using information about:
R1	Competitors’ prices
R2	Competitors’ product attributes
R3	Competitors’ promotion
R4	Competitors’ distribution
Q13-R6	<u>How our customers use products</u> (<i>excluded</i>)

Factor four has six items of which all belong to Q12-R1 to R6. We can comfortably name this factor as “use of macro information”

MRU - Factor four

Q12	Macro environment information
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In our company, management pays attention to using:	
R1	Political information
R2	Economical information
R3	Socio-cultural information
R4	Technological information
R5	Legal information
R6	Environmental information

So, market research utilization (MRU) is measured based on four latent factors below:

- (1) the factor of strategy information utilization (U1)
- (2) the factor of macro-information utilization (U2)
- (3) the factor of customer information utilization (U3)
- (4) the factor of competitor information utilization (U4)

For marketing performance (MP):

Similarly, EFA is also used to confirm market performance (MP). Accordingly ten (10) observed variables are considered for MP. As resulted in Table 13, Kaiser-Meyer-Olkin Measure of Sampling Adequacy KMO and Bartlett's Test of Sphericity meet requirements of EFA. In addition, Eigenvalues of three factors are larger than 1 and accounting for 84.72% of total variance explained as in Table 14. These three factors are depicted in Table 15 below.

Table 13: EFA results of Marketing Performance (MP)

Source: study two

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.923
Bartlett's Test of Sphericity	Approx. Chi-Square	2625.235
	df	45
	Sig.	.000

Communalities		
	Initial	Extraction
Q15_R1	1.000	.782
Q15_R2	1.000	.793

Q15_R3	1.000	.831
Q16_R1	1.000	.860
Q16_R2	1.000	.869
Q16_R3	1.000	.859
Q17_R1	1.000	.760
Q17_R2	1.000	.819
Q17_R3	1.000	.854
Q17_R4	1.000	.841

Extraction Method: Principal Component Analysis.

Table 14: Total variance explained of Marketing Performance

Source: study two

Component	Total Variance Explained								
	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.210	50.514	50.514	5.210	50.514	50.514	3.527	32.612	32.612
2	2.058	19.953	70.467	2.058	19.953	70.467	2.794	27.936	60.548
3	1.470	14.252	84.720	1.470	14.252	84.720	2.417	24.172	84.720
4	.300	6.787	91.507						
5	.247	2.395	93.901						
6	.210	2.036	95.938						
7	.168	1.629	97.566						
8	.136	1.319	98.885						
9	.115	1.115	100.000						
10	.087	50.514	50.514						

Extraction Method: Principal Component Analysis.

Table 15: Factors and its items of Antecedents - by Varimax rotation

Source: study two

	Rotated Component Matrix ^a		
	Component		
	1	2	3
Q17_R3	.829	.282	.359
Q17_R1	.811	.269	.297
Q17_R2	.796	.266	.377

Q17_R4	.779	.334	.385
Q16_R1	.163	.886	.222
Q16_R3	.330	.818	.290
Q16_R2	.373	.817	.268
Q15_R2	.420	.373	.776
Q15_R1	.438	.339	.769
Q15_R3	.544	.289	.715

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser

Normalization.

Among the three latent factors of marketing performance, factor one includes four observed variables from Q17-R1 to R4, which we can label it as “marketing innovation”.

MP - Factor one

Q17	Marketing innovation/adaptive-ness
R1	Innovation on the product design
R2	Innovation on the distribution channel
R3	Innovation on the product promotion
R4	Innovation on the pricing strategy

Factor two with three items from Q16-R1 to R3 which can be labeled as “marketing efficiency”.

MP – Factor two

Q16	Marketing efficiency
R1	Controlling marketing expenses/gross revenue
R2	Controlling expenses for acquiring new customers
R3	Controlling expenses for increasing sales to existing customers

Factor three has three items from Q15-R1 to R3 which can be named as “marketing effectiveness”.

MP – Factor three

Q15	Marketing effectiveness
R1	Market share growth of company
R2	Sales growth of company
R3	Enhancing market position

So, marketing performance (MP) is based on three latent factors, as mentioned below:

- (1) the factor of marketing effectiveness (P1)
- (2) the factor of marketing efficiency (P2)
- (3) the factor of marketing innovation (P3)

Cronbach's Alpha reliability test

As argued by Hair *et al* (2006), reliability is an assessment of the degree of consistency between multiple measurements of a variable. Rules of thumb suggest that the item-to-total correlations should exceed 0.5. The generally agreed upon lower limit for factor Cronbach's Alpha is 0.7. Therefore, as resulted in table 16, all factors presented have their Cronbach's Alpha larger than 0.7, in addition, item-total correlation of the all items are greater than 0.5. Consequently, all unobserved variables are sufficient for the method of structural equation modeling (SEM).

In details, antecedent factors have lower Cronbach Alpha scores (some close to 0.7) compared to other factors in market utilization and marketing performance (all above 0.9). Perhaps, the reliability of items from different sources (literature and qualitative round) of antecedent factors is relatively lower than that of more stringent market research utilization and marketing performance.

Table 16: Cronbach's Alpha

Source: study two

Item	Corrected Item- Total Correlation	Cronbach's Alpha if Item Deleted
Technical competence (A1): Cronbach's Alpha = .817		
Q1_R1 awareness	0.703	0.719
Q1_R2 recommendation	0.648	0.722
Q1_R3 friendly tools	0.528	0.779
Q1_R5 famous agency	0.511	0.815

Relationship competence (A2): Cronbach's Alpha = .811		
Q2_R1 annual corporate deal	0.72	0.697
Q2_R2 research agency involvement	0.7	0.723
Q2_R3 research agency trust	0.62	0.81
Action-ability of information specific (A3.1) : Cronbach's Alpha = .713		
Q3_R1 explicit recommendation	0.517	0.567
Q3_R2 practical recommendation	0.554	0.561
Q3_R3 on time for decision	0.501	0.668
Q3_R4 recommendation implemented	0.502	0.638
Quality of content of information specific (A3.2): Cronbach's Alpha = .805		
Q4a_R2 no contradictory statements/findings	0.512	0.771
Q4a_R4 statistics are screened	0.568	0.724
Q4a_R5 information gathered in a right way	0.563	0.782
Q4a_R6 results address problems raised	0.636	0.704
Quality of form of information specific (A3.3): Cronbach's Alpha = .771		
Q4b_R1 language is clear	0.605	0.685
Q4b_R2 sufficient supportive visual	0.536	0.745
Q4b_R3 enough interpretation	0.587	0.736
Q4b_R4 analysis is simple/ straightforward	0.688	0.657
Conformity of information specific (A3.5): Cronbach's Alpha =.780		
Q5_R1 results are what anticipated	0.712	0.669
Q5_R2 findings are intuitive	0.608	0.764
Q5_R3 results support decision	0.613	0.778
Political acceptability of information specific (A3.4): Cronbach's Alpha = .764		
Q6_R1 findings politically accepted	0.622	0.672
Q6_R2 researcher/manager interaction	0.576	0.756
Q6_R3 some results are softened	0.57	0.758
Q6_R4 results do not challenge arrangement	0.621	0.679
Q6_R5 research does not challenge budget	0.564	0.759
Organizational commitment to learning (A4.1): Cronbach's Alpha =.825		
Q7_R1 capacity for learning essential	0.716	0.802
Q7_R2 appreciation of learning shared	0.658	0.814
Q7_R3 learning is an investment	0.722	0.785
Q7_R4 learning is a condition for survival	0.756	0.775
Organizational formalization (A4.2): Cronbach's Alpha = .893		
Q8_R5 everyone has a specific job	0.709	0.854
Q8_R6 written record of performance	0.708	0.855
Q8_R7 strict operational procedures	0.665	0.857
Organizational centralization (A4.3): Cronbach's Alpha =.928		
Q9_R1 little action till superior approval	0.876	0.84

Q9_R2 own decision discouraged	0.801	0.904
Q9_R3 asking boss before doing anything	0.816	0.908
Market orientation (A5): Cronbach's Alpha = .912		
Q10_R1 generate customer information	0.805	0.825
Q10_R2 generate competitor information	0.743	0.884
Q10_R3 disseminate customer information	0.725	0.889
Q10_R4 disseminate competitor information	0.768	0.832
Q10_R5 respond to customer information	0.72	0.897
Q10_R6 respond to competitor information	0.705	0.898
Use of strategy information (U1): Cronbach's Alpha = .910		
Q11_R1 market size	0.769	0.841
Q11_R2 price trend	0.702	0.902
Q11_R3 market share	0.777	0.891
Q11_R4 production adaptation	0.813	0.835
Q11_R5 market growth rate	0.843	0.819
Use of macro-information (U2): Cronbach's Alpha = .903		
Q12_R1 political	0.685	0.822
Q12_R2 economical	0.66	0.876
Q12_R3 social – cultural	0.724	0.869
Q12_R4 technological	0.78	0.81
Q12_R5 legal	0.725	0.896
Q12_R6 environmental	0.717	0.828
Use of customer information (U3): Cronbach's Alpha = .939		
Q13_R1 who our customers are	0.824	0.866
Q13_R2 what our customers buy	0.78	0.923
Q13_R3 when our customers buy	0.795	0.924
Q13_R4 where our customers buy	0.871	0.812
Q13_R5 why our customers buy	0.825	0.876
Use of competitive information (U4): Cronbach's Alpha = .924		
Q14_R1 competitor price	0.842	0.851
Q14_R2 competitor product	0.794	0.904
Q14_R3 competitor promotion	0.817	0.902
Q14_R4 competitor distribution	0.855	0.849
Effectiveness (P1): Cronbach's Alpha = .927		
Q15_R1 market share growth	0.852	0.829
Q15_R2 sales growth	0.803	0.9
Q15_R3 enhancing market position	0.807	0.872
Efficiency (P2): Cronbach's Alpha = .912		
Q16_R1 marketing expense/ gross revenue	0.771	0.836
Q16_R2 expense for new customers	0.775	0.835

Q16_R3 expense for increasing sales	0.783	0.831
Innovation (P3): Cronbach's Alpha = .903		
Q17_R1 product design	0.797	0.86
Q17_R2 distribution channel	0.771	0.908
Q17_R3 product promotion	0.835	0.893
Q17_R4 pricing strategy	0.878	0.838

7.4.2 Confirmatory Factor Analysis

We apply the final sample N = 476 respondents for Confirmatory Factor Analysis. Before using CFA to test the scales, we will test the multi-normality of the variables in our study.

Multi-normality of the variables

Multi-normality is verified by the skew-ness and kurtosis results (von Eye, A *et al*, 2004). Hair et al. (2006) noted that normality relates to the shape of the data distribution for an individual metric variable and its relationship to the normal distribution. Assessment of the variables levels of skew-ness and kurtosis is one of the method will determine normality. Skew-ness provides an indication of the symmetry of the distribution and Kurtosis relates to the peaked-ness or flatness of the distribution relative to the normal distribution.

In table 17 below, all the coefficients are within -1.0 and 1.0. As a rule of thumb, if the skew-ness is less than 1.0 (or more than -1.0), the skew-ness is not substantial and the distribution is close to symmetrical.

According to Mardia (1980), if kurtosis coefficients are less than 3.0, the multi-normality is accepted, when it is between 3.0 and 6.0, it has a “low violation”. As we can see in Table 17, all of the kurtosis coefficients are below 3.0. Therefore, the multi-normality of our variables is accepted.

Table 17: Skewness and Kurtosis coefficients of the research variables

Source: study two

	N	Skewness	Kurtosis
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	Valid		
Q1_R1	476	-.287	2.472
Q1_R2	476	-.183	2.295
Q1_R3	476	-.299	2.564
Q1_R4	476	-.331	2.816
Q1_R5	476	-.272	2.363
Q2_R1	476	-.146	1.762
Q2_R2	476	.387	2.098
Q2_R3	476	.036	2.721
Q3_R1	476	-.501	2.621
Q3_R2	476	-.554	2.800
Q3_R3	476	-.228	2.503
Q3_R4	476	-.316	2.772
Q4a_R1	476	-.404	2.915
Q4a_R2	476	-.549	2.824
Q4a_R3	476	-.361	3.509
Q4a_R4	476	.069	2.674
Q4a_R5	476	-.206	2.527
Q4a_R6	476	.051	2.238
Q4a_R7	476	.022	2.602
Q4a_R8	476	-.102	2.498
Q4b_R1	476	-.222	3.378
Q4b_R2	476	-.185	3.145
Q4b_R3	476	-.113	3.028
Q4b_R4	476	-.411	2.909
Q4b_R5	476	-.330	2.223
Q5_R1	476	-.244	2.137
Q5_R2	476	-.329	2.778
Q5_R3	476	-.121	2.223
Q6_R1	476	-.323	2.286
Q6_R2	476	-.237	2.003
Q6_R3	476	-.045	2.770
Q6_R4	476	-.088	2.567
Q6_R5	476	.177	2.645
Q7_R1	476	-.148	2.522
Q7_R2	476	-.267	2.768
Q7_R3	476	-.728	2.280
Q7_R4	476	-.779	2.200
Q8_R1	476	.120	1.834
Q8_R2	476	-.112	2.252
Q8_R3	476	-.287	2.654
Q8_R4	476	-.094	1.917
Q8_R5	476	-.052	2.042
Q8_R6	476	-.241	2.516
Q8_R7	476	-.326	2.777

Q9_R1	476	-.017	2.073
Q9_R2	476	-.121	2.421
Q9_R3	476	-.308	2.829
Q10_R1	476	-.299	2.822
Q10_R2	476	-.304	2.863
Q10_R3	476	-.289	2.686
Q10_R4	476	-.421	3.092
Q10_R5	476	-.414	2.993
Q10_R6	476	-.419	2.680
Q11_R1	476	-.138	2.012
Q11_R2	476	-.451	2.559
Q11_R3	476	-.390	2.118
Q11_R4	476	-.306	1.956
Q11_R5	476	-.314	2.049
Q12_R1	476	.384	2.189
Q12_R2	476	-.368	2.395
Q12_R3	476	-.230	1.906
Q12_R4	476	-.115	2.005
Q12_R5	476	.371	1.972
Q12_R6	476	.192	2.267
Q13_R1	476	-.141	2.049
Q13_R2	476	-.446	2.604
Q13_R3	476	-.376	2.168
Q13_R4	476	-.267	1.886
Q13_R5	476	-.322	2.076
Q13_R6	476	-.376	2.207
Q14_R1	476	-.126	1.999
Q14_R2	476	-.108	1.829
Q14_R3	476	-.054	1.923
Q14_R4	476	-.230	1.963
Q15_R1	476	.186	2.306
Q15_R2	476	.107	2.203
Q15_R3	476	-.073	1.994
Q16_R1	476	.105	2.698
Q16_R2	476	.067	2.169
Q16_R3	476	.015	2.593
Q17_R1	476	-.008	2.269
Q17_R2	476	-.059	2.462
Q17_R3	476	-.068	2.019
Q17_R4	476	-.043	2.056

With CFA, three important criteria for testing the validity of the conceptual model and purifying the questionnaire are: reliability, convergent validity and discriminant validity of the constructs.

Reliability test

The reliability of the Antecedent, Market research utilization and Marketing performance constructs is verified by calculating Jöreskog's ρ which must exceed 0.7 (Fornell and Larcker, 1981). Table 18 below shows that Jöreskog's ρ of these constructs ranges between 0.758 and 0.931, which indicate that the measurement reliability of these factors is good.

Table 18: Reliability and convergent test

Source: study two

Factors	ρ vc	ρ of Joreskog
A1: Technical competence	0.515	0.758
A2: Relationship competence	0.577	0.801
A3.1: Actionability	0.510	0.798
A3.2: Quality of content	0.507	0.750
A3.3: Quality of form	0.550	0.829
A3.4: Political acceptability	0.530	0.844
A3.5: Conformity	0.572	0.798
A4.1: Organizational commitment	0.510	0.802
A4.2: Organizational formalization	0.667	0.852
A4.3: Organizational centralization	0.599	0.811
A5: Market organization	0.650	0.916
U1: Strategy information	0.614	0.888
U2: Macro-information	0.551	0.879
U3: Customer information	0.573	0.888
U4: Competitor information	0.770	0.931
P1: Marketing effectiveness	0.706	0.878
P2: Marketing efficiency	0.567	0.792
P3: Marketing innovation	0.708	0.906

Convergent validity test

Convergent validity aims to check if different indicators that are supposed to measure the same phenomena are correlated. According to Fornell and Larcker (1981), we need to consider the two criteria when testing the convergent validity: 1) λ , the coefficient linking each item to its construct, must be significantly non-zero, and 2) the variance due to measurement error is less than the variance captured by the construct. This condition is

verified by calculating the coefficient ρ_{vc} that must be greater than 0.5 (Fornell and Larcker, 1981).

The examination of Table 18 above shows that the values of ρ_{vc} of all factors are higher than the minimum threshold of 0.5 established by Fornell and Larcker (1981). In addition, from Table 19 below, we can see that the loadings, which represent the coefficients linking each item to its construct, are all significantly non-zero. Therefore, the convergent validity criteria recommended by Fornell and Larcker (1981) are satisfied.

Table 19: Factor loadings for convergent validity test

Source: study two

Factors and items			Loading	P-value
Q1_R2	<---	A1	0.592	***
Q1_R3	<---	A1	0.727	***
Q1_R1	<---	A1	0.817	***
Q2_R2	<---	A2	0.872	***
Q2_R1	<---	A2	0.651	***
Q2_R3	<---	A2	0.739	***
Q3_R1	<---	A3.1	0.831	***
Q3_R3	<---	A3.1	0.878	***
Q3_R4	<---	A3.1	0.53	***
Q3_R2	<---	A3.1	0.545	***
Q4a_R4	<---	A3.2	0.856	***
Q4a_R5	<---	A3.2	0.59	***
Q4a_R6	<---	A3.2	0.663	***
Q4b_R2	<---	A3.3	0.837	***
Q4b_R1	<---	A3.3	0.793	***
Q4b_R4	<---	A3.3	0.68	***
Q4b_R3	<---	A3.3	0.64	***
Q5_R1	<---	A3.5	0.886	***
Q5_R3	<---	A3.5	0.703	***
Q5_R2	<---	A3.5	0.661	***
Q6_R2	<---	A3.4	0.851	***
Q6_R1	<---	A3.4	0.845	***
Q6_R5	<---	A3.4	0.792	***
Q6_R4	<---	A3.4	0.545	***
Q6_R3	<---	A3.4	0.537	***
Q7_R2	<---	A4.1	0.811	***
Q7_R1	<---	A4.1	0.839	***
Q7_R4	<---	A4.1	0.595	***
Q7_R3	<---	A4.1	0.569	***

Q10_R1	<---	A5	0.945	***
Q10_R2	<---	A5	0.948	***
Q10_R3	<---	A5	0.785	***
Q10_R4	<---	A5	0.762	***
Q9_R1	<---	A4.3	0.962	***
Q9_R2	<---	A4.3	0.743	***
Q9_R3	<---	A4.3	0.565	***
Q11_R2	<---	U1	0.696	***
Q11_R3	<---	U1	0.813	***
Q11_R4	<---	U1	0.822	***
Q11_R1	<---	U1	0.724	***
Q11_R5	<---	U1	0.851	***
Q13_R4	<---	U3	0.839	***
Q13_R1	<---	U3	0.729	***
Q16_R2	<---	P2	0.798	***
Q16_R3	<---	P2	0.874	***
Q12_R1	<---	U2	0.65	***
Q12_R4	<---	U2	0.794	***
Q12_R6	<---	U2	0.672	***
Q12_R5	<---	U2	0.647	***
Q12_R3	<---	U2	0.864	***
Q12_R2	<---	U2	0.797	***
Q14_R3	<---	U4	0.895	***
Q14_R4	<---	U4	0.876	***
Q14_R2	<---	U4	0.882	***
Q14_R1	<---	U4	0.857	***
Q16_R1	<---	P2	0.549	***
Q13_R6	<---	U3	0.529	***
Q15_R2	<---	P1	0.835	***
Q15_R3	<---	P1	0.864	***
Q15_R1	<---	P1	0.821	***
Q17_R2	<---	P3	0.829	***
Q17_R3	<---	P3	0.87	***
Q17_R1	<---	P3	0.782	***
Q10_R5	<---	A5	0.681	***
Q10_R6	<---	A5	0.669	***
Q13_R3	<---	U3	0.812	***
Q13_R2	<---	U3	0.735	***
Q13_R5	<---	U3	0.851	***
Q17_R4	<---	P3	0.881	***
Q8_R5	<---	A4.2	0.976	***
Q8_R6	<---	A4.2	0.844	***
Q8_R7	<---	A4.2	0.579	***

Discriminant validity test

The discriminant validity indicates the degree to which the measure of a construct differs from other constructs (Barclay, Higgins and Thompson, 1995). This means that, two discriminant latent variables that are theoretically different should be also distinct in practice. To satisfy this validity condition, a construct should share more variance with items embodying other constructs. Therefore, we must ensure that the square root of the pvc coefficient of each construct is greater than the correlations it shares with other constructs (Fornell and Larcker, 1981).

The data reported in Table 20 show that the variance shared between the latent constructs (measured by the correlations between constructs) is less than the variance shared by a construct with its indicator. Therefore, the discriminant validity of the eleven antecedent factors is good (Fornell and Larker, 1981).

Table 20: Correlation matrix and squared root of the pvc - Antecedent constructs

Source: study two

	A1	A2	A3.1	A3.2	A3.3	A3.4	A3.5	A4.1	A4.2	A4.3	A5
A1: Technical competence	0.72										
A2: Relationship competence	0.34	0.76									
A3.1: Actionability	0.49	0.43	0.71								
A3.2: Quality of content	0.44	0.45	0.47	0.71							
A3.3: Quality of form	0.43	0.37	0.41	0.51	0.76						
A3.4: Political acceptability	0.46	0.42	0.43	0.35	0.44	0.74					
A3.5: Conformity	0.40	0.39	0.35	0.56	0.43	0.43	0.73				
A4.1: Organizational commitment	0.29	0.47	0.54	0.38	0.39	0.41	0.49	0.76			
A4.2: Organizational formalization	0.49	0.43	0.32	0.40	0.35	0.46	0.43	0.37	0.82		
A4.3: Organizational centralization	0.34	0.47	0.43	0.53	0.33	0.40	0.52	0.37	0.52	0.77	
A5: Market organization	0.39	0.50	0.42	0.37	0.49	0.47	0.38	0.40	0.48	0.43	0.81

Similarly it is also proven that the discriminant validity of the four factors of Market research utilization and the three factors of Marketing Performance is good as in Table 21 and Table 22.

Table 21: Correlation matrix and squared root of the pvc - MRU constructs

Source: study two

	U1	U2	U3	U4
U1: Use of strategy information	0.78			

U2: Use of macro-information	0.43	0.74		
U3: Use of customer information	0.35	0.29	0.76	
U4: Use of competitive information	0.25	0.31	0.21	0.88

Table 22: Correlation matrix and squared root of the pvc – MP constructs

Source: study two

	P1	P2	P3
P1: Marketing effectiveness	0.84		
P2: Marketing efficiency	0.23	0.75	
P3: Marketing innovation	0.31	0.26	0.84

In conclusion, the test results of the reliability, convergent validity and divergent validity can justify the validity of the antecedents of market research, market research utilization and marketing performance constructs.

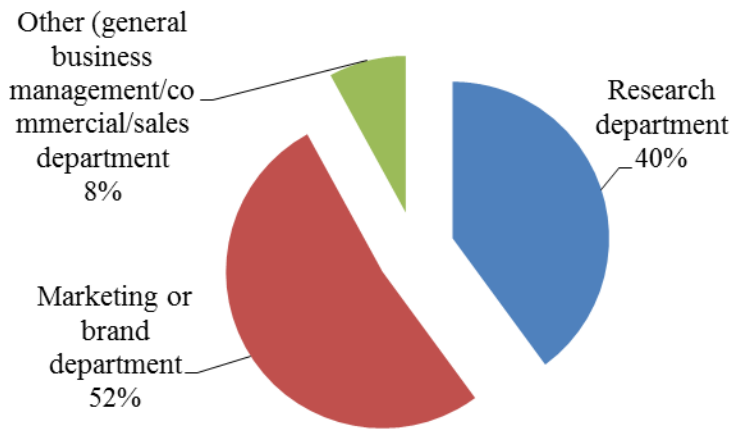
7.5 Final sample analysis and SEM

7.5.1 Preliminary sample observation

As discussed, a final sample of 476 respondents have been completed within the 1,220 emails sent out to those who are decision makers or involving in the decision making process of conducting market research. As depicted in Figure 23 below, respondents are coming from different departments, in which people working in department of marketing or brand occupy 52%, people working in research department account for 40%, the rest 8% are from other departments including: general business management, commercial department, and sales department. This sample structure gives a good mix and sufficient size of marketing/brand manager and research manager for further sub group analysis interest.

Figure 23: Role of respondents

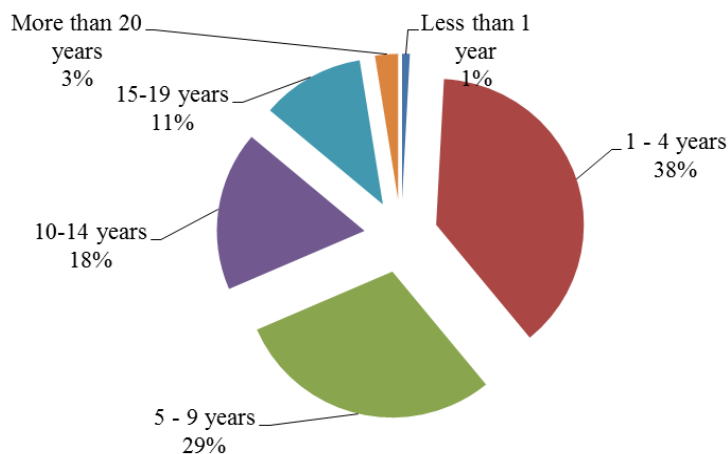
Source: Study two



Data from Figure 24 below reveals that most respondents have been working in their company for quite a long time. Length of 1 – 4 year working experience at the current company accounts for the highest share of 38%, 5-9 year working experience occupies 29%, and 10-14 year working experience account for 11%. The proportion of “less than 1 year” working is very low, just around 1% would lead to high reliability of the data as respondents’ answers would reflect well the current market research usage of the company.

Figure 24: Working experience at the current company

Source: Study two

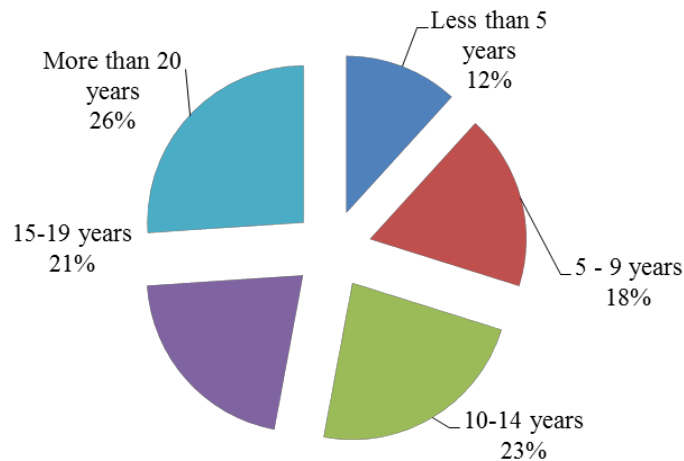


As in Figure 25 below, most of companies which the respondents are working for have been established for more than 10 years (26% more than 20 years 23% from 10-14 years, 21% from 15-19 years. This reassures that sufficient length of establishment for company to

consider research utilization. Therefore, our data would be not so biased purely on the fact that young companies are not using market research simply because they are just established.

Figure 25: Age of company

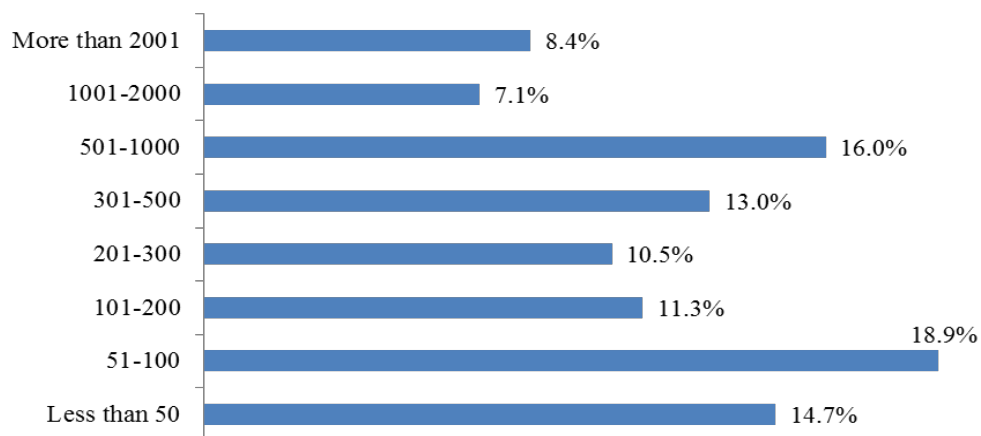
Source: Study two



As shown in Figure 26 below, there are more than 50% of the respondents companies having number of employees under 300. From the definition of VCCI, the Vietnamese Chamber of Commerce and Industry, these companies would be classified as small and medium enterprises. .

Figure 26: Number of employees

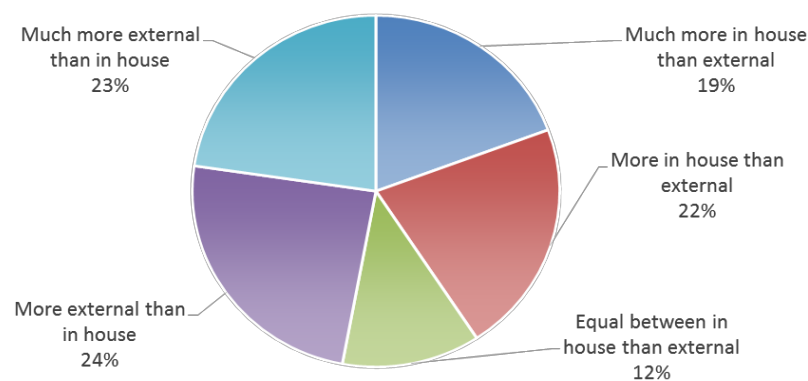
Source: Study two



From Figure 27 below, 47% of our samples consider much more and more expenditure on external research rather than in house. While the proportion of those considering much more or more expenditure for in house rather than external research is 41%. The ratio between in house and external research use therefore, can be concluded as quite equal. Also, it is revealed from these figures that more than 80% of our samples are utilizing a considerable amount of external market research services.

Figure 27: Research expenditure ratio between in house and external

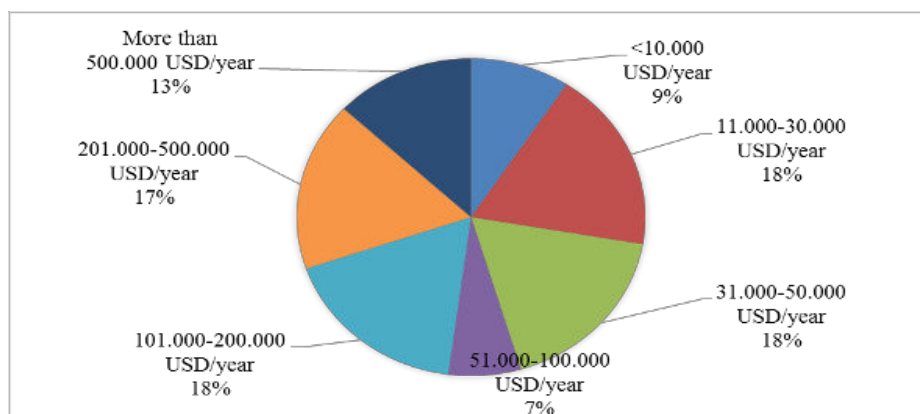
Source: Study two



Regarding research expenditure (Figure 28 below), the average cost of the company is concentrating on the range between 11.000 – 50.000 USD/year, accounting for 36%, and the range between 101.000-500.000 USD/year, occupying 35%. Nearly half of the sample claims that their company budget for research (both in house and external) is more than 100,000 USD/year.

Figure 28: Research budget including in house and external in 2013

Source: Study two



From our sample, the “sophistication of research projects conducted” by the respondents’ companies reveals strong discrimination when being cross-tabbed with other sample demographic information including company length of establishment and company size in terms of number of employees.

Two types of projects considered in this section are “simple market research projects” and “complex market research projects”. Simple market research projects consist of activities of gathering general market information, product tests, and concept tests while complex market research projects include activities of research on usage and attitude of consumers, brand health, brand tracking and price sensitivity. As shown in Table 23 below, the longer the length of establishment of a company is, the more complex market research projects they will use.

Table 23: Age of company versus type of research project

Source: Study two

			Type of research project		Total
			Simple research project	Complex research project	
Age of company	Less than 5 years	Count	52	4	56
		% within Age of company	92.9%	7.1%	100.0%
		% within Type of research project	22.0%	1.7%	11.8%
		% of Total	10.9%	.8%	11.8%
	5 - 9 years	Count	80	6	86
		% within Age of company	93.0%	7.0%	100.0%
		% within Type of research project	33.9%	2.5%	18.1%
		% of Total	16.8%	1.3%	18.1%
	10-14 years	Count	88	22	110
		% within Age of company	80.0%	20.0%	100.0%
		% within Type of research project	37.3%	9.2%	23.1%
		% of Total	18.5%	4.6%	23.1%
15-19 years	Count	6	94	100	
	% within Age of company	6.0%	94.0%	100.0%	
	% within Type of research project	2.5%	39.2%	21.0%	
	% of Total	1.3%	19.7%	21.0%	
More than 20 years	Count	10	114	124	
	% within S4. Age of company	8.1%	91.9%	100.0%	
	% within Type of research project	4.2%	47.5%	26.1%	
	% of Total	2.1%	23.9%	26.1%	
Total	Count	236	240	476	
	% within Age of company	49.6%	50.4%	100.0%	
	% within Type of research project	100.0%	100.0%	100.0%	
	% of Total	49.6%	50.4%	100.0%	

In addition, as shown in Table 24 below, the bigger the size of a company (in terms of number of employees) is the more complex research projects they will adopt.

Table 24: Number of employees in company versus type of research project

Source: Study two

			Type of research project		Total
			Simple research project	Complex research project	
Number of employees	Less than 50	Count	68	2	70
		% within Number of employees	97.1%	2.9%	100.0%
		% within Type of research project	28.8%	.8%	14.7%
		% of Total	14.3%	.4%	14.7%
51-100	51-100	Count	84	6	90
		% within Number of employees	93.3%	6.7%	100.0%
		% within Type of research project	35.6%	2.5%	18.9%
		% of Total	17.6%	1.3%	18.9%
101-200	101-200	Count	50	4	54
		% within Number of employees	92.6%	7.4%	100.0%
		% within Type of research project	21.2%	1.7%	11.3%
		% of Total	10.5%	.8%	11.3%
201-300	201-300	Count	4	46	50
		% within Number of employees	8.0%	92.0%	100.0%
		% within Type of research project	1.7%	19.2%	10.5%
		% of Total	.8%	9.7%	10.5%
301-500	301-500	Count	6	56	62
		% within Number of employees	9.7%	90.3%	100.0%
		% within Type of research project	2.5%	23.3%	13.0%
		% of Total	1.3%	11.8%	13.0%
501-1000	501-1000	Count	10	66	76
		% within Number of employees	13.2%	86.8%	100.0%
		% within Type of research project	4.2%	27.5%	16.0%
		% of Total	2.1%	13.9%	16.0%
1001-2000	1001-2000	Count	2	32	34
		% within Number of employees	5.9%	94.1%	100.0%
		% within Type of research project	.8%	13.3%	7.1%
		% of Total	.4%	6.7%	7.1%
More than 2001	More than 2001	Count	12	28	40
		% within Number of employees	30.0%	70.0%	100.0%
		% within Type of research project	5.1%	11.7%	8.4%
		% of Total	2.5%	5.9%	8.4%
Total	Total	Count	236	240	476
		% within Number of employees	49.6%	50.4%	100.0%
		% within Type of research project	100.0%	100.0%	100.0%
		% of Total	49.6%	50.4%	100.0%

7.5.2 Structural equation modeling (SEM)

SEM used is to estimate a series of separate, but interdependent, multiple regression equations simultaneously by specifying the structural model used by the statistical program. Directly, Confirmatory Factor Analysis is used in the measurement model. The most important consideration for SEM is to test the fitness between the hypothetical model and data.

In order to evaluate the model's fitness, according to Jöreskog (1979), Fornell and Larcker (1981), Jöreskog and Sörbom (1982) and Hair *et al* (2006), some important criteria are taken into account as below:

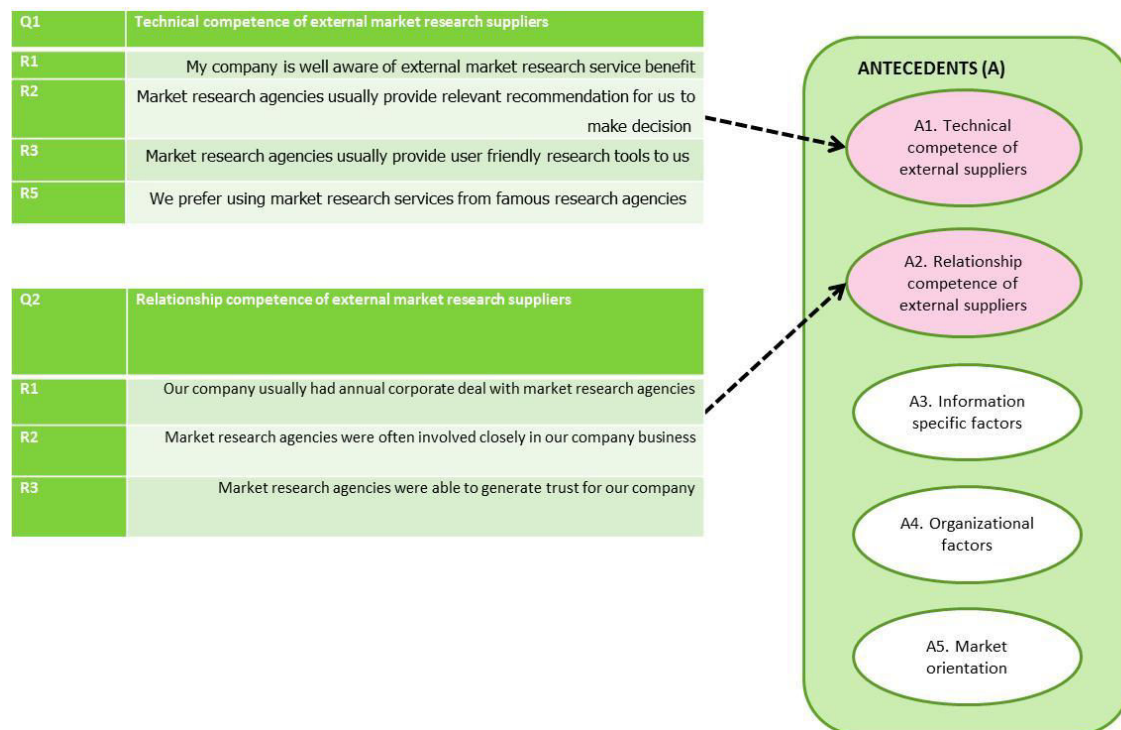
- Goodness-of-Fit Index (GFI): the GFI was an early attempt to produce a fit statistic that was less sensitive to sample size. The possible range of GFI value is 0 to 1 with higher values indicating better fit. As documented, GFI expected is greater than 0.90.
- Root Mean Square Error of Approximation (RMSEA): It better represents how well a model fits a population, not just a sample used for estimation. The question of what is a 'good' RMSEA value is debatable but typically values are below 0.07 for most acceptable models.
- Comparative Fit Index (CFI): The CFI is an incremental fit index and normed so that values range between 0 and 1, with higher values indicating better fit. CFI values less than 0.90 are not usually associated with a model that fits well.
- Tucker Lewis Index (TLI): The TLI predates the CFI and is conceptually similar in that it also involves a mathematical comparison of a specified theoretical measurement model and a baseline null model. TLI presents a good fit if a model with higher values suggests a better fit than a model with a lower value. In practice, the TLI and CFI generally provide very similar values.
- CMIN/df must be in the range of two to one or three to one, said Carmines and McIver (1981). Secondly, P-value (Probability Value of CMIN (Chi-square)) must be

greater than 0.05 - within 95% confidential interval; however the disadvantage of Chi-square is to vary depending on the sample size.

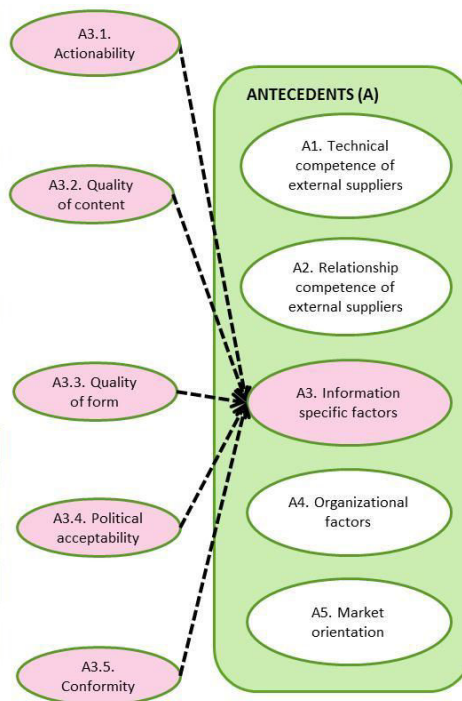
We have established the relationship of the 3 main concepts: Antecedents, Market research utilization, and Marketing performance measured by 12 main latent factors: (1) technical competence, (2) relationship competence, (3) information specific factors, (4) organizational factors, (5) market orientation,(6) use of strategy information, (7) use of macro information, (8) use of customer information, (9) use of competitor information, (10) marketing effectiveness, (11) marketing efficiency, (12) marketing innovations. These latent factors and their sub factors can be seen below in Figure 29.

Figure 29: Structure of the latent factors

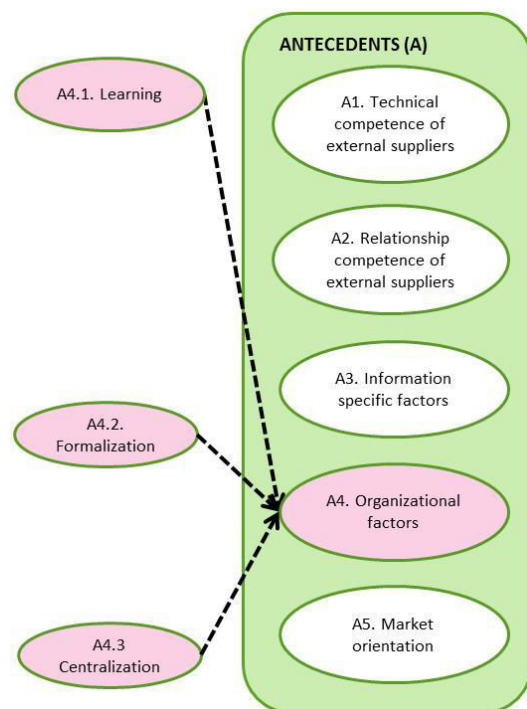
Source: Study two



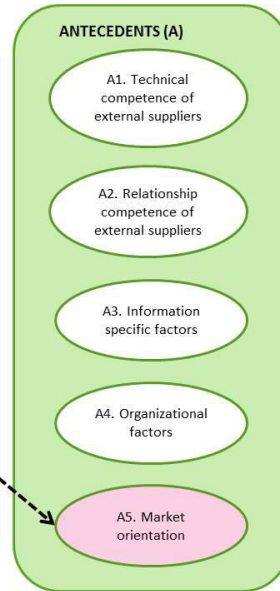
Q3	Actionability of most of the research projects
R1	The presentation provides data with explicit recommendations for action
R2	There are recommendations that could practically be implemented
R3	The information is on time for appending decision
R4	All recommendations are implemented
Q4a	Quality of the content of most of the research projects
R2	There are no contradictory statements or findings
R4	The statistics are screened for useful findings only
R5	Information is gathered in the right way
R6	The results address very well the problems we had to solve
Q4b	Quality of the presentation form of most of research projects
R1	The language of the presentation is clear
R2	There are sufficient numbers of supportive visual (tables/ graphs)
R3	There is enough interpretation or explanation of the findings
R4	The analysis of the data is simple and straight forward
Q5	Political acceptability of information of most of the research projects
R1	The implications of the findings are politically acceptable
R2	The report reflects that the researchers and marketing management are in touch with each other
R3	Some of the more negative results are softened in the presentation
R4	The research results do not challenge existing institutional arrangements
R5	The recommendations do not challenge the budget or resource allocations of the department
Q5	Conformity of research information (to what your company has assumed) Conformity of most of the research projects
R1	The results are what we anticipated
R2	The findings are intuitive
R3	The results from research study support decisions made on other grounds



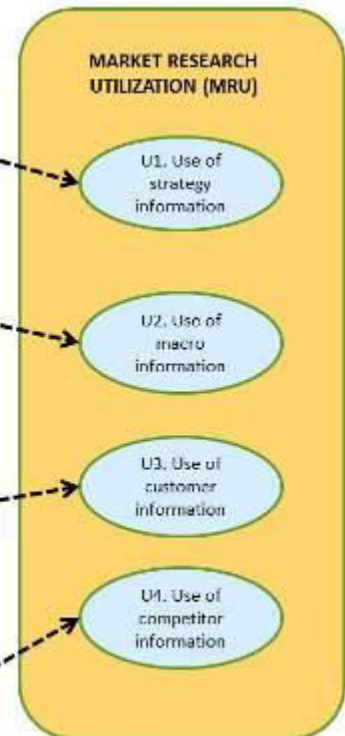
Q7	Organizational commitment to learning
R1	Our management assumes that the capacity for learning is essential to the achievement of competitive advantage.
R2	In this company, the appreciation of learning is shared at all levels.
R3	We think that the employees' learning is an investment, not an expense.
R4	We assume that organizational learning is a condition of the company's survival in the long term
Q8	Organizational formalization
R5	Everyone has a specific job to do
R6	The organization keep a written record of everyone's performance
R7	We have to follow strict operational procedures at all times
Q9	Organizational centralization
R1	There can be little action taken on a project until a superior approves a decision
R2	If someone in our company wishes to make my own decisions, they would be quickly discouraged
R3	We have to ask our boss before we do almost anything

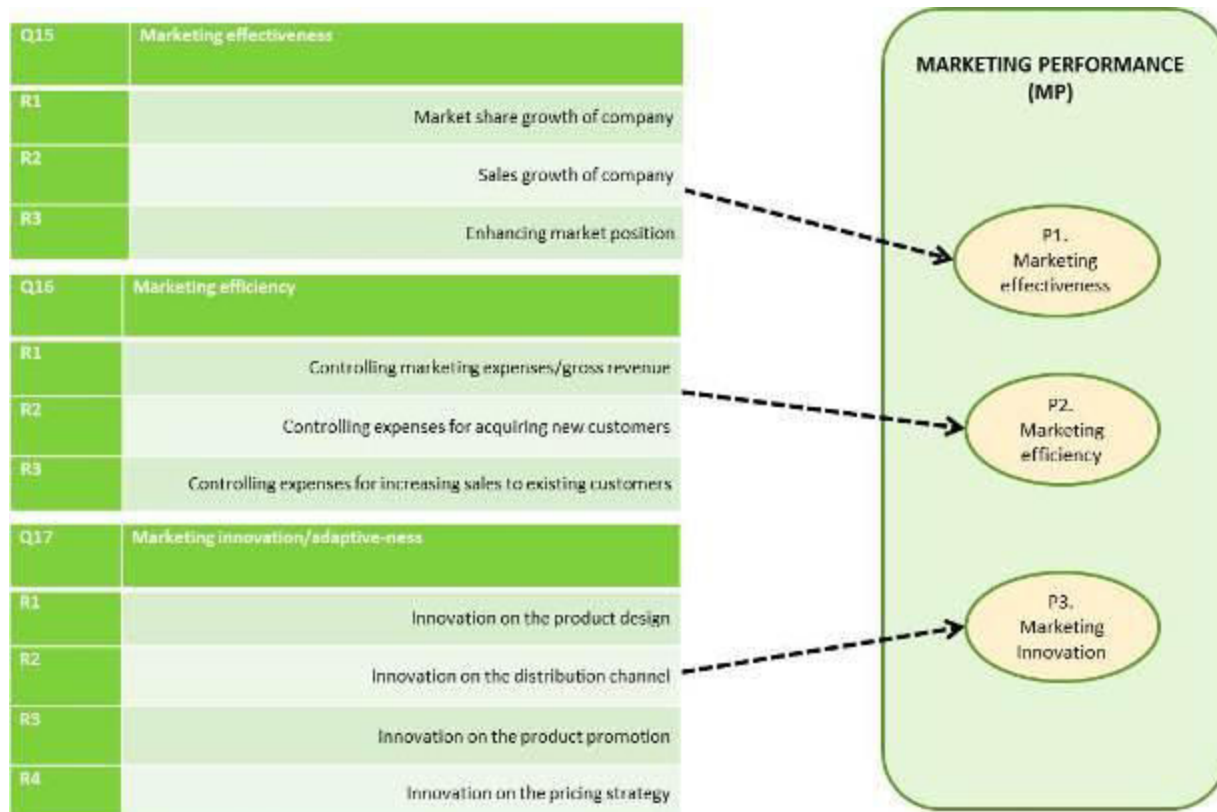


Q10	Market orientation
R1	We generate information about our customers
R2	We generate information about our competitors
R3	We disseminate information about customers
R4	We disseminate information about competitors
R5	We respond to information about customers that is generated and/or disseminated.
R6	We respond to information about competitors that is generated and/or disseminated.



Q11	Strategy information In our company, management pays attention to using information about:
R1	Market size
R2	Price trends
R3	Market share
R4	Production adaptation
R5	Market growth rate
Q12	Macro environment information In our company, management pays attention to using:
R1	Political information
R2	Economical information
R3	Socio-cultural information
R4	Technological information
R5	Legal information
R6	Environmental information
Q13	Customer information In our company, management pays attention to using information about:
R1	Who our customers are
R2	What our customers buy
R3	When our customers buy
R4	Where our customers buy
R5	Why our customers buy
R6	How our customers use products
Q.14	Competitive information In your company, management pays attention to using information about:
R1	Competitors' prices
R2	Competitors' product attributes
R3	Competitors' promotion
R4	Competitors' distribution





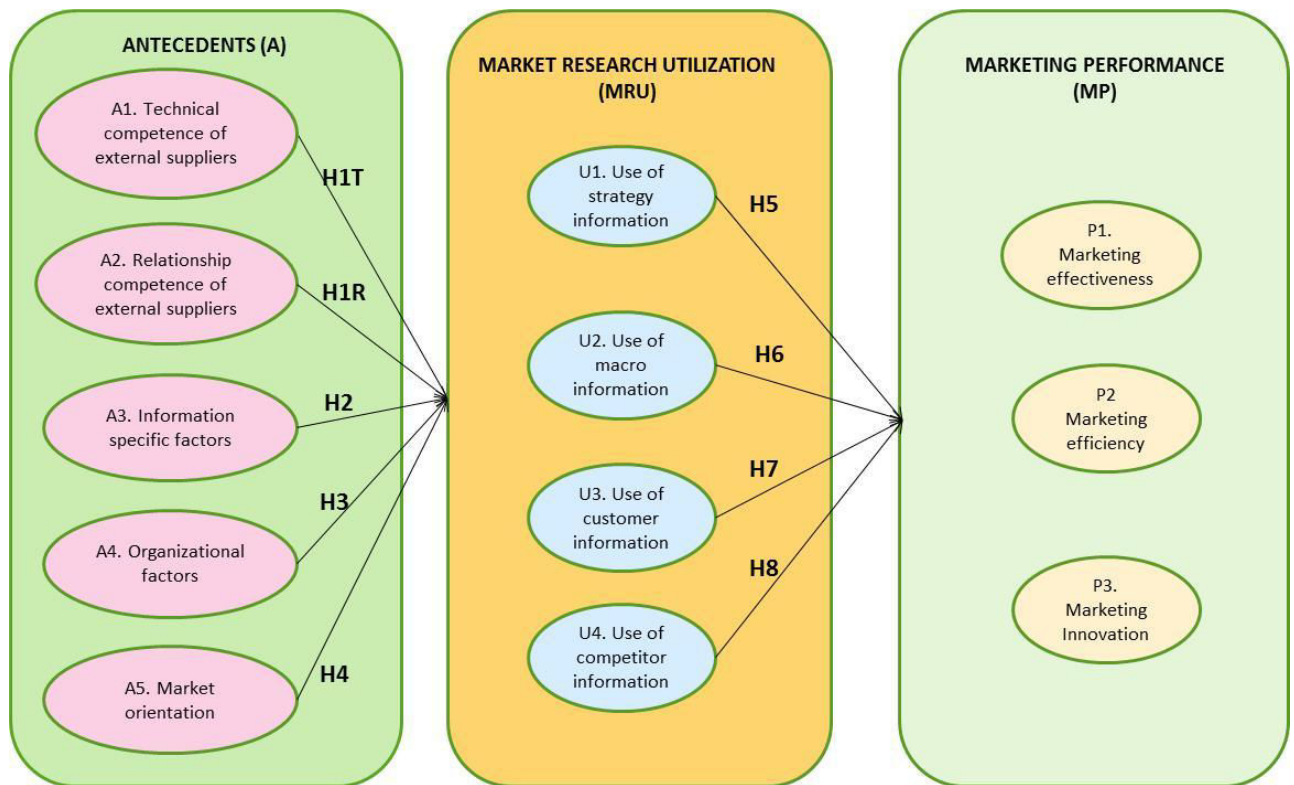
Therefore, we come up with three SEM model estimations to be discussed below:

7.5.2.1 *The first SEM model*

The first SEM model presents relationships between concepts and latent factors for hypotheses H1 – H8 as shown in Figure 30 below;

Figure 30: Hypotheses H1 – H8

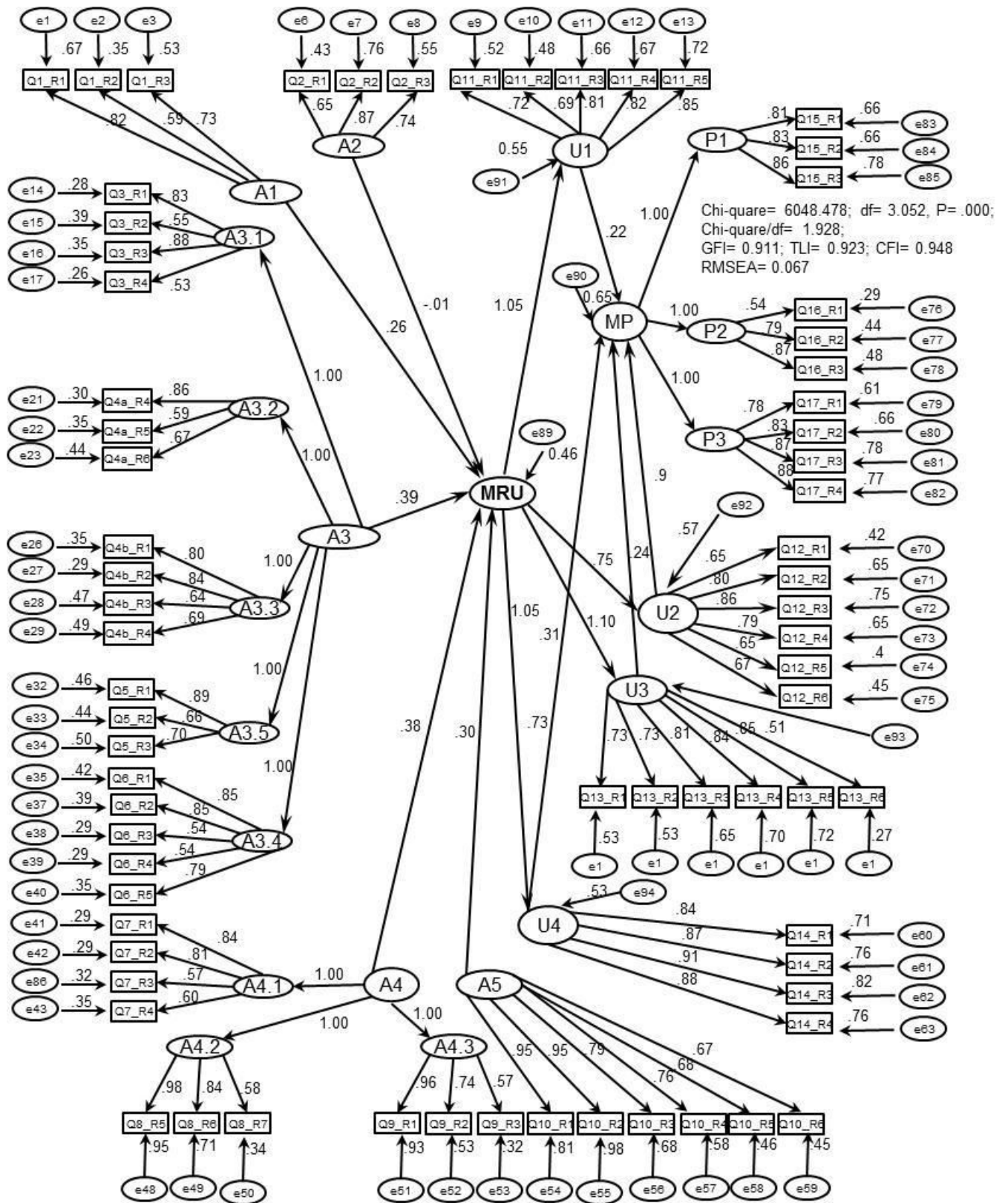
Source: Study two



The result estimated for model 1 is shown in Figure 31 below. Values of factor loading are above 0.5 and mostly significant presented in Table 25 and Table 26. In addition, indicators of GFI, TLI, and CFI are larger than 0.9, and RMSEA is less than 0.08. As a result, we can conclude that the model proves to be the measure of goodness and sufficient.

Figure 31: The first SEM model

Source: Study two



From the results estimated in Figure 31, the relationship between the concept market research utilization (MRU) and factors of technical competence of external suppliers (A1),

relationship competence of external suppliers (A2), information specific factors (A3), organizational factors (A4) and market orientation (A5) can be demonstrated as below:

$$\text{MRU/ Market research utilization} = 0.262 * \text{A1/Technical competence} + 0.001 * \text{A2/Relationship} + 0.394 * \text{A3/Informational} + 0.381 * \text{A4/Organizational} + 0.297 * \text{A5/Market Orientation} \quad (1)$$

In equation (1) above, the coefficients of A1, A3, A4, A5 are standardized weights, positive and significant at any level (can be seen in Table 25 and Table 26), but the coefficient of A2 is negative and not significant.

Therefore, we find a positive and significant relationship between the market research utilization (MRU) and the technical competence of external suppliers (A1). This means that better technical competence of external research agencies would positively raise companies' utilization of market research. Consequently, the hypothesis H1T is accepted.

Similarly, there is evidence to confirm a positive and significant relationship between the information specific factors (A3) and companies' market research utilization (MRU). This means that hypothesis H2 is accepted. Similarly, organizational factors and market orientation (A4 and A5) are positively affecting market research utilization (MRU). Thus, H3 and H4 are accepted.

Conversely, we could not find evidence to accept the hypothesis H1R. This signals that external relationship with market research supplier is not quantitatively significant to Vietnamese companies' market research utilization.

Based on the weights of standardized coefficients (Table 26) and as also revealed in equation (1), for the Vietnamese companies, the information specific factor has strongest effect on market research utilization, then organizational factor, market orientation, and technical competence of external research suppliers respectively.

Also, from results revealed in Figure 31, we can estimate the relationship between the four constructs of the market research utilization concept (MRU) including: strategy information use (U1), macro information use (U2), customer information use (U3), and competitor information use (U4) and the marketing performance concept (MP).

The equation below presents the above mentioned relationship, determines how each of the four MRU constructs affects marketing performance:

$$\text{MP/ Marketing Performance} = 0.221*U1/\text{Strategy} + 0.094*U2/\text{Macro} + 0.240*U3/\text{Customer} + 0.312*U4/\text{Competitor} \quad (2)$$

The significance and value of the coefficients of U1, U2, U3 and U4 can be seen in Table 25 and 26. Because coefficients of U1, U3, and U4 are positive and significant, the hypotheses H5, H7, and H8 are accepted. This means that the higher the use of strategy information, customer information and competitor information of companies, the better their marketing performance will be.

However, hypothesis H6 is not supported as the coefficient of U2 is not significant.

Therefore, it can be concluded that the use of macro information in Vietnamese companies would not impact much on their marketing performance.

As revealed from the ranking based on the weights of standardized coefficients in Table 26, and as also seen in equation (2), the use of competitive information (U4) has strongest impact on companies' marketing performance (MP), then customer information (U3) and strategy information (U1) respectively.

Table 25: Regression Weights (First SEM model)

Source: Study two

Regression weights	Estimate	S.E (Standard Error)	C.R (Critical Ratio)	P-value
MRU <--- A2	.001	.030	.030	.976
MRU <--- A1	.234	.038	6.130	***
MRU <--- A3	.619	.077	8.043	***
MRU <--- A4	.664	.082	8.121	***
MRU <--- A5	.426	.058	7.379	***
U2 <--- MRU	.630	.050	12.588	***
U3 <--- MRU	1.310	.056	23.321	***
U4 <--- MRU	.667	.044	15.334	***
U1 <--- MRU	1.000			
MP <--- U1	.235	.040	5.847	***
MP <--- U2	.114	.067	1.699	.089
MP <--- U3	.195	.032	6.048	***
MP <--- U4	.345	.057	6.042	***
A3.1 <--- A3	1.000			
A3.2 <--- A3	.930	.098	9.529	***
A3.3 <--- A3	.912	.091	9.983	***
A3.4 <--- A3	1.483	.136	10.874	***

Regression weights		Estimate	S.E (Standard Error)	C.R (Critical Ratio)	P-value
A3.5	<--- A3	1.328	.126	10.524	***
A4.1	<--- A4	1.000			
A4.2	<--- A4	1.897	.140	13.600	***
A4.3	<--- A4	1.858	.137	13.531	***
P1	<--- MP	1.000			
P2	<--- MP	.594	.048	12.385	***
P3	<--- MP	.962	.049	19.574	***
Q1_R2	<--- A1	.765	.072	10.691	***
Q1_R3	<--- A1	.843	.072	11.684	***
Q1_R1	<--- A1	1.000			
Q2_R2	<--- A2	1.068	.086	12.475	***
Q2_R1	<--- A2	1.000			
Q2_R3	<--- A2	.745	.058	12.859	***
Q3_R1	<--- A3.1	1.000			
Q3_R3	<--- A3.1	1.005	.103	9.757	***
Q3_R4	<--- A3.1	1.106	.120	9.207	***
Q3_R2	<--- A3.1	.956	.101	9.478	***
Q4a_R4	<--- A3.2	1.000			
Q4a_R5	<--- A3.2	1.277	.125	10.243	***
Q4a_R6	<--- A3.2	1.499	.135	11.078	***
Q4b_R2	<--- A3.3	.890	.089	10.051	***
Q4b_R1	<--- A3.3	1.000			
Q4b_R4	<--- A3.3	1.408	.116	12.145	***
Q4b_R3	<--- A3.3	1.098	.095	11.534	***
Q5_R1	<--- A3.5	1.000			
Q5_R3	<--- A3.5	1.044	.074	14.084	***
Q5_R2	<--- A3.5	.901	.068	13.317	***
Q6_R2	<--- A3.4	.839	.077	10.853	***
Q6_R1	<--- A3.4	1.000			
Q6_R5	<--- A3.4	.876	.076	11.483	***
Q6_R4	<--- A3.4	.722	.068	10.664	***
Q6_R3	<--- A3.4	.819	.078	10.557	***
Q7_R2	<--- A4.1	.958	.102	9.371	***
Q7_R1	<--- A4.1	1.000			
Q7_R4	<--- A4.1	1.378	.132	10.419	***
Q7_R3	<--- A4.1	1.266	.125	10.107	***
Q10_R1	<--- A5	1.448	.079	18.221	***
Q10_R2	<--- A5	1.444	.079	18.258	***
Q10_R3	<--- A5	1.228	.079	15.621	***
Q10_R4	<--- A5	1.210	.080	15.213	***
Q9_R1	<--- A4.3	1.000			
Q9_R2	<--- A4.3	.782	.034	22.767	***
Q9_R3	<--- A4.3	.696	.048	14.469	***
Q11_R2	<--- U1	.898	.050	17.823	***
Q11_R3	<--- U1	1.066	.052	20.457	***
Q11_R4	<--- U1	1.177	.057	20.688	***
Q11_R1	<--- U1	1.000			
Q11_R5	<--- U1	1.324	.062	21.385	***
Q13_R4	<--- U3	.897	.034	26.072	***
Q13_R1	<--- U3	.758	.035	21.514	***
Q16_R2	<--- P2	1.548	.137	11.321	***
Q16_R3	<--- P2	1.415	.128	11.085	***
Q12_R1	<--- U2	1.000			

Regression weights			Estimate	S.E (Standard Error)	C.R (Critical Ratio)	P-value
Q12_R4	<---	U2	1.262	.086	14.671	***
Q12_R6	<---	U2	1.194	.093	12.795	***
Q12_R5	<---	U2	1.058	.085	12.401	***
Q12_R3	<---	U2	1.520	.097	15.620	***
Q12_R2	<---	U2	1.224	.083	14.697	***
Q14_R3	<---	U4	1.347	.052	26.057	***
Q14_R4	<---	U4	1.296	.052	24.953	***
Q14_R2	<---	U4	1.064	.044	24.369	***
Q14_R1	<---	U4	1.000			
Q16_R1	<---	P2	1.000			
Q13_R6	<---	U3	.681	.045	14.989	***
Q15_R2	<---	P1	1.030	.048	21.306	***
Q15_R3	<---	P1	1.340	.059	22.524	***
Q15_R1	<---	P1	1.000			
Q17_R2	<---	P3	1.047	.052	20.018	***
Q17_R3	<---	P3	1.296	.060	21.469	***
Q17_R1	<---	P3	1.000			
Q10_R5	<---	A5	1.027	.075	13.771	***
Q10_R6	<---	A5	1.000			
Q13_R3	<---	U3	.801	.032	24.787	***
Q13_R2	<---	U3	.707	.033	21.723	***
Q13_R5	<---	U3	1.000			
Q17_R4	<---	P3	1.261	.058	21.774	***
Q8_R5	<---	A4.2	1.000			
Q8_R6	<---	A4.2	.866	.027	31.662	***
Q8_R7	<---	A4.2	.714	.047	15.066	***

Table 26: Standardized Regression Weights (First SEM model)

Source: Study two

Standardized regression weights			Estimate
MRU	<---	A2	.001
MRU	<---	A1	.262
MRU	<---	A3	.394
MRU	<---	A4	.381
MRU	<---	A5	.297
U2	<---	MRU	.754
U3	<---	MRU	1.051
U4	<---	MRU	.728
U1	<---	MRU	1.052
MP	<---	U1	.221
MP	<---	U2	.094
MP	<---	U3	.240
MP	<---	U4	.312
A3.1	<---	A3	1.000

Standardized regression weights			Estimate
A3.2	<---	A3	1.000
A3.3	<---	A3	1.000
A3.4	<---	A3	1.000
A3.5	<---	A3	1.000
A4.1	<---	A4	1.000
A4.2	<---	A4	1.000
A4.3	<---	A4	1.000
P1	<---	MP	1.000
P2	<---	MP	1.000
P3	<---	MP	1.000
Q1_R2	<---	A1	.592
Q1_R3	<---	A1	.726
Q1_R1	<---	A1	.817
Q2_R2	<---	A2	.871
Q2_R1	<---	A2	.652
Q2_R3	<---	A2	.740
Q3_R1	<---	A3.1	.833
Q3_R3	<---	A3.1	.872
Q3_R4	<---	A3.1	.525
Q3_R2	<---	A3.1	.548
Q4a_R4	<---	A3.2	.852
Q4a_R5	<---	A3.2	.591
Q4a_R6	<---	A3.2	.665
Q4b_R2	<---	A3.3	.838
Q4b_R1	<---	A3.3	.792
Q4b_R4	<---	A3.3	.692
Q4b_R3	<---	A3.3	.644
Q5_R1	<---	A3.5	.881
Q5_R3	<---	A3.5	.704
Q5_R2	<---	A3.5	.662
Q6_R2	<---	A3.4	.852
Q6_R1	<---	A3.4	.844
Q6_R5	<---	A3.4	.789
Q6_R4	<---	A3.4	.541
Q6_R3	<---	A3.4	.535
Q7_R2	<---	A4.1	.811
Q7_R1	<---	A4.1	.839
Q7_R4	<---	A4.1	.596
Q7_R3	<---	A4.1	.569
Q10_R1	<---	A5	.945
Q10_R2	<---	A5	.948
Q10_R3	<---	A5	.785
Q10_R4	<---	A5	.762
Q9_R1	<---	A4.3	.962
Q9_R2	<---	A4.3	.744
Q9_R3	<---	A4.3	.565
Q11_R2	<---	U1	.693
Q11_R3	<---	U1	.810
Q11_R4	<---	U1	.820
Q11_R1	<---	U1	.721
Q11_R5	<---	U1	.850

Standardized regression weights		Estimate
Q13_R4 <---	U3	.836
Q13_R1 <---	U3	.727
Q16_R2 <---	P2	.790
Q16_R3 <---	P2	.866
Q12_R1 <---	U2	.650
Q12_R4 <---	U2	.794
Q12_R6 <---	U2	.670
Q12_R5 <---	U2	.646
Q12_R3 <---	U2	.864
Q12_R2 <---	U2	.795
Q14_R3 <---	U4	.905
Q14_R4 <---	U4	.883
Q14_R2 <---	U4	.870
Q14_R1 <---	U4	.844
Q16_R1 <---	P2	.540
Q13_R6 <---	U3	.521
Q15_R2 <---	P1	.826
Q15_R3 <---	P1	.857
Q15_R1 <---	P1	.811
Q17_R2 <---	P3	.825
Q17_R3 <---	P3	.870
Q17_R1 <---	P3	.778
Q10_R5 <---	A5	.681
Q10_R6 <---	A5	.669
Q13_R3 <---	U3	.809
Q13_R2 <---	U3	.733
Q13_R5 <---	U3	.850
Q17_R4 <---	P3	.879
Q8_R5 <---	A4.2	.976
Q8_R6 <---	A4.2	.844
Q8_R7 <---	A4.2	.579

Table 27: Squared Multiple Correlations – the first SEM

Squared Multiple Correlations	Estimate
MRU	.457
U4	.530
U2	.569
U3	.510
U1	.550
MP	.651
Q17_R4	.773
Q10_R6	.448
Q17_R3	.757
Q17_R2	.681
Q17_R1	.606
Q15_R3	.735

Squared Multiple Correlations	Estimate
Q15_R2	.682
Q15_R1	.657
Q13_R6	.272
Q14_R4	.779
Q14_R3	.819
Q14_R2	.758
Q14_R1	.712
Q12_R6	.450
Q12_R5	.418
Q12_R4	.630
Q12_R3	.747
Q12_R2	.633
Q12_R1	.422
Q16_R3	.443
Q16_R2	.476
Q16_R1	.292
Q13_R1	.529
Q13_R2	.537
Q13_R3	.654
Q13_R4	.700
Q13_R5	.722
Q11_R5	.722
Q11_R4	.672
Q11_R3	.656
Q11_R2	.480
Q11_R1	.520
Q9_R3	.320
Q9_R2	.553
Q9_R1	.926
Q10_R5	.464
Q10_R4	.581
Q10_R3	.617
Q10_R2	.898
Q10_R1	.893
Q8_R7	.335
Q8_R6	.713
Q8_R5	.952
Q7_R4	.355
Q7_R3	.324
Q7_R2	.261
Q7_R1	.290
Q6_R5	.347
Q6_R4	.293
Q6_R3	.287
Q6_R2	.305
Q6_R1	.415
Q5_R2	.439
Q5_R3	.496
Q5_R1	.463
Q4b_R4	.479
Q4b_R3	.415

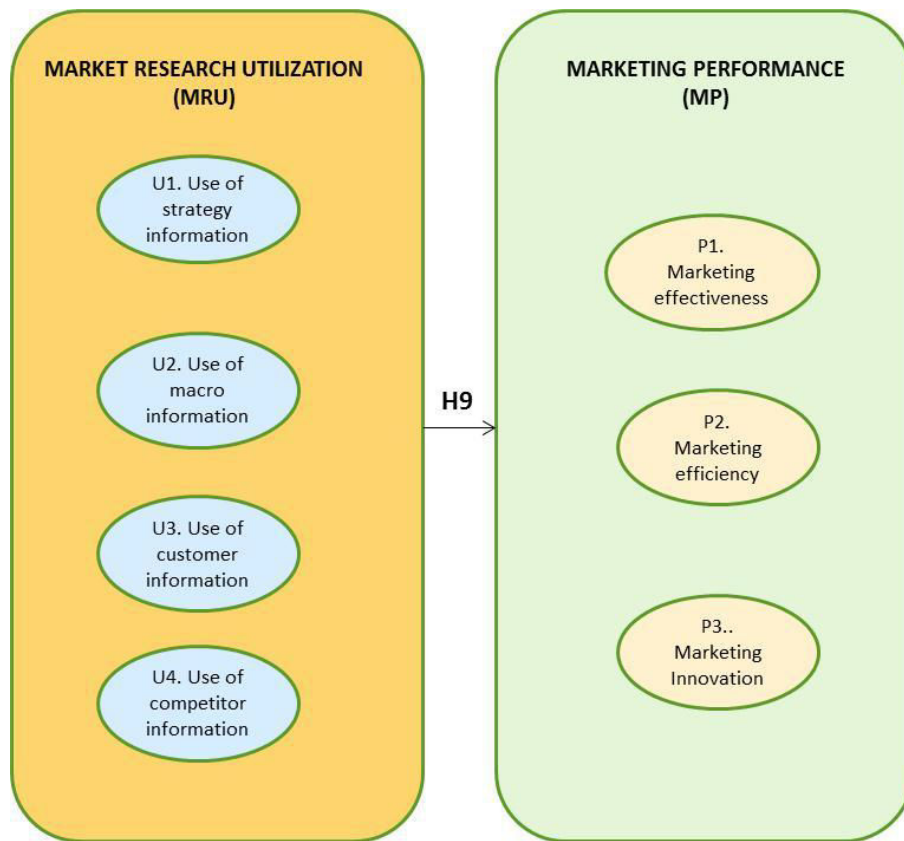
Squared Multiple Correlations	Estimate
Q4b_R2	.289
Q4b_R1	.351
Q4a_R6	.443
Q4a_R5	.349
Q4a_R4	.305
Q3_R2	.300
Q3_R4	.276
Q3_R3	.327
Q3_R1	.285
Q2_R3	.547
Q2_R2	.759
Q2_R1	.425
Q1_R3	.528
Q1_R2	.350
Q1_R1	.668

7.5.2.2 *The second SEM model*

The second SEM model presents the relationship between the two concepts for hypothesis H9 as shown in Figure 32 below:

Figure 32: Hypothesis H9

Source: Study two



The second model estimated result is seen in Figure 33 below. Values of factor loading are above 0.5 and mostly significant presented in Table 28 and 29. In addition, indicators of GFI, TLI, and CFI are larger than 0.9, and RMSEA is less than 0.08. As a result, the model is the measure of goodness and considered sufficient.

Figure 33: The second SEM model

Source: Study two

As shown in Table 29, there is a positive and significant relationship between MRU and MP. As a result, the important hypothesis H9 is accepted. This means that a higher rate of the market research utilization would result in better marketing performance of Vietnamese companies.

Table 28: Regression Weights (the second SEM model)

Source: Study two

Regression weights	Estimate	S.E (Standard Error)	C.R (Critical Ratio)	P-value
MP <--- MRU	.775	.050	15.610	***
U2 <--- MRU	.630	.050	12.638	***
U3 <--- MRU	1.309	.056	23.424	***
U4 <--- MRU	.673	.043	15.509	***
U1 <--- MRU	1.000			
P1 <--- MP	1.000			
P2 <--- MP	.592	.047	12.703	***
P3 <--- MP	.956	.048	20.044	***
Q11_R2 <--- U1	.899	.050	17.910	***
Q11_R3 <--- U1	1.067	.052	20.584	***
Q11_R4 <--- U1	1.178	.057	20.802	***
Q11_R1 <--- U1	1.000			
Q11_R5 <--- U1	1.324	.062	21.489	***
Q13_R4 <--- U3	.898	.034	26.234	***
Q13_R1 <--- U3	.758	.035	21.598	***
Q16_R2 <--- P2	1.547	.134	11.586	***
Q16_R3 <--- P2	1.413	.125	11.335	***
Q12_R1 <--- U2	1.000			
Q12_R4 <--- U2	1.262	.086	14.705	***
Q12_R6 <--- U2	1.195	.093	12.831	***
Q12_R5 <--- U2	1.058	.085	12.431	***
Q12_R3 <--- U2	1.519	.097	15.649	***
Q12_R2 <--- U2	1.225	.083	14.744	***
Q14_R3 <--- U4	1.320	.050	26.321	***
Q14_R4 <--- U4	1.273	.050	25.301	***
Q14_R2 <--- U4	1.062	.041	25.620	***
Q14_R1 <--- U4	1.000			
Q16_R1 <--- P2	1.000			
Q13_R6 <--- U3	.687	.045	15.185	***
Q15_R2 <--- P1	1.030	.047	22.078	***
Q15_R3 <--- P1	1.337	.057	23.295	***
Q15_R1 <--- P1	1.000			
Q17_R2 <--- P3	1.048	.052	20.311	***
Q17_R3 <--- P3	1.294	.060	21.674	***
Q17_R1 <--- P3	1.000			
Q13_R3 <--- U3	.802	.032	24.973	***
Q13_R2 <--- U3	.707	.032	21.816	***
Q13_R5 <--- U3	1.000			
Q17_R4 <--- P3	1.261	.057	22.026	***

Table 29: Standardized Regression Weights (the second SEM model)

Source: Study two

Standardized regression weights			Estimate
MP	<---	MRU	.751
U2	<---	MRU	.757
U3	<---	MRU	1.050
U4	<---	MRU	.728
U1	<---	MRU	1.051
P1	<---	MP	1.000
P2	<---	MP	1.000
P3	<---	MP	1.000
Q11_R2	<---	U1	.696
Q11_R3	<---	U1	.813
Q11_R4	<---	U1	.822
Q11_R1	<---	U1	.724
Q11_R5	<---	U1	.851
Q13_R4	<---	U3	.839
Q13_R1	<---	U3	.729
Q16_R2	<---	P2	.798
Q16_R3	<---	P2	.874
Q12_R1	<---	U2	.650
Q12_R4	<---	U2	.794
Q12_R6	<---	U2	.672
Q12_R5	<---	U2	.647
Q12_R3	<---	U2	.864
Q12_R2	<---	U2	.797
Q14_R3	<---	U4	.895
Q14_R4	<---	U4	.876
Q14_R2	<---	U4	.882
Q14_R1	<---	U4	.857
Q16_R1	<---	P2	.549
Q13_R6	<---	U3	.529
Q15_R2	<---	P1	.835
Q15_R3	<---	P1	.864
Q15_R1	<---	P1	.821
Q17_R2	<---	P3	.829
Q17_R3	<---	P3	.870
Q17_R1	<---	P3	.782
Q13_R3	<---	U3	.812
Q13_R2	<---	U3	.735
Q13_R5	<---	U3	.851
Q17_R4	<---	P3	.881

Table 30: Squared Multiple Correlations – the second SEM

Squared Multiple Correlations	Estimate
MRU	.451
MP	.564
U4	.530
U2	.573
U3	.510
U1	.550
Q17_R4	.776
Q10_R6	.448
Q17_R3	.758
Q17_R2	.688
Q17_R1	.612
Q15_R3	.746
Q15_R2	.697
Q15_R1	.674
Q13_R6	.281
Q14_R4	.768
Q14_R3	.802
Q14_R2	.778
Q14_R1	.734
Q12_R6	.452
Q12_R5	.419
Q12_R4	.631
Q12_R3	.747
Q12_R2	.636
Q12_R1	.423
Q16_R3	.454
Q16_R2	.487
Q16_R1	.302
Q13_R1	.533
Q13_R2	.541
Q13_R3	.660
Q13_R4	.704
Q13_R5	.725
Q11_R5	.725
Q11_R4	.677
Q11_R3	.662
Q11_R2	.485
Q11_R1	.524

7.5.2.3 *The third SEM model*

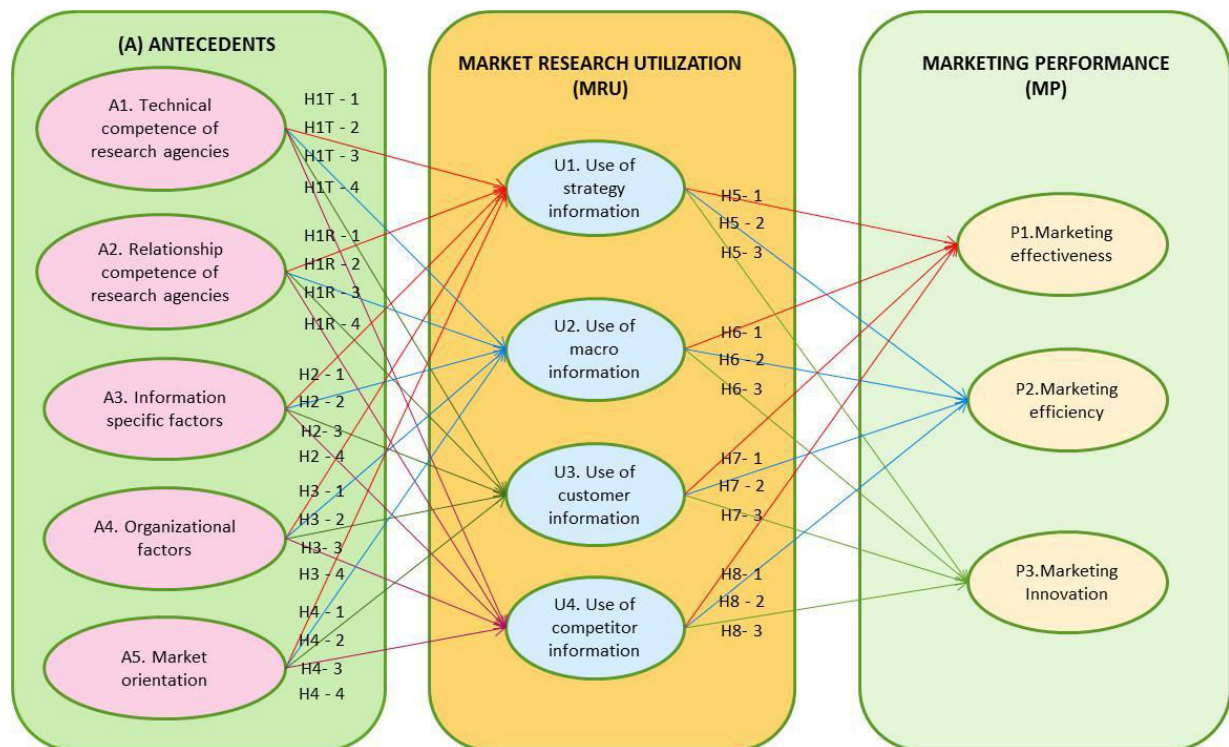
The third SEM model presents the relationship between factors in the three concepts for hypotheses H1T-1 to H8-3

As shown in Figure 34, each of the four factors (U1, U2, U3 and U4) of the market research utilization (MRU) plays a role as a dependent variable. Each of these four factors will be explained by five factors (A1, A2, A3, A4 and A5) of antecedents (A) playing the role of independent variables.

Similarly, each of the three factors (P1, P2 and P3) of marketing performance (MP) plays a dependent variable role, while four factors (U1, U2, U3 and U4) of market research utilization (MRU) are independent variables.

Figure 34: Hypothesis H1T-1 to H8-3

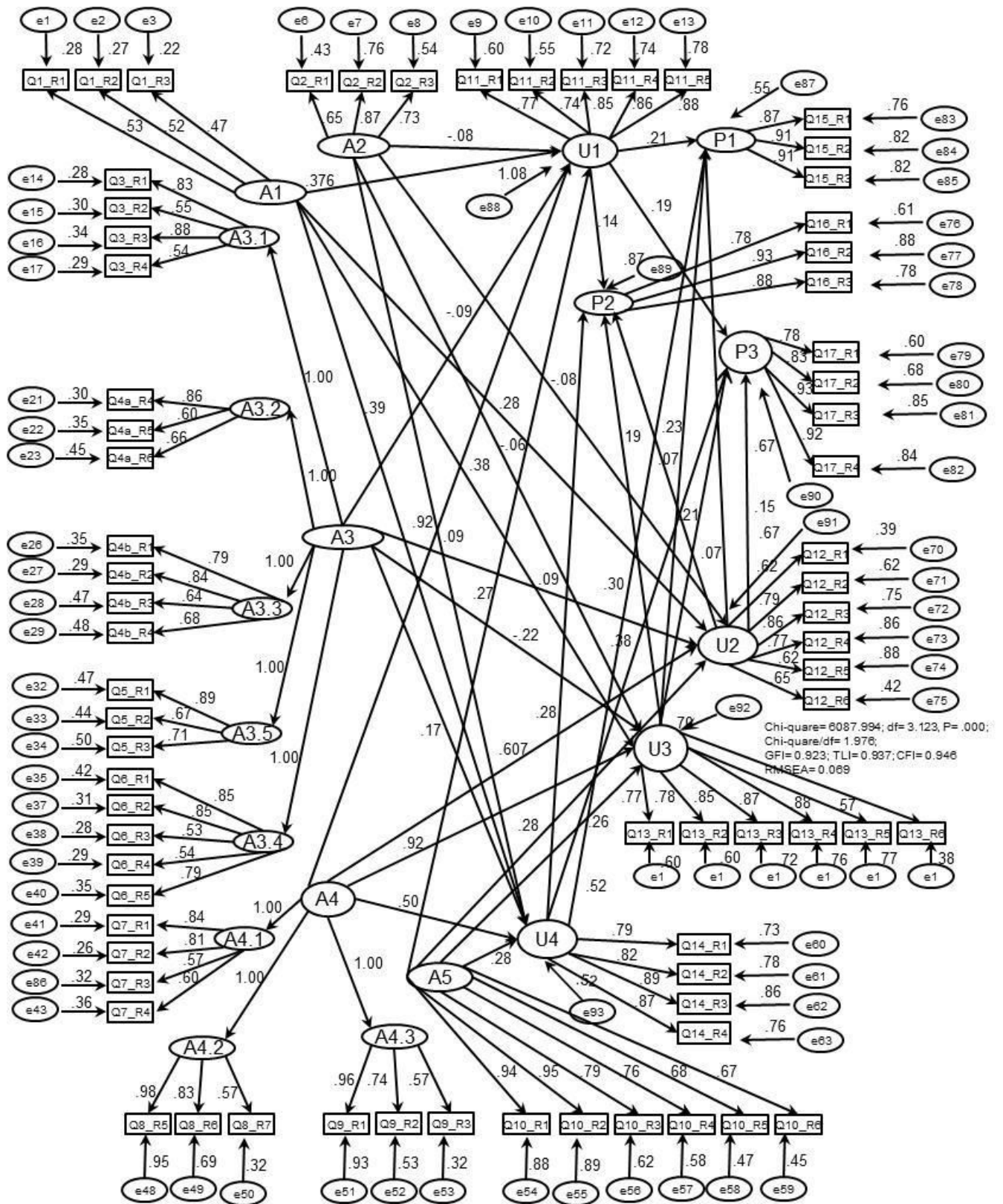
Source: Study two



In the third SEM model in Figure 35, we also see that values of factor loading are above 0.5 and mostly significant presented in Table 31 and 32. In addition, indicators of GFI, TLI, and CFI are larger than 0.9, also RMSEA (0.069) is less than 0.08. As a result, the third model is also the measure of goodness and considered sufficient.

Figure 35: The third SEM model

Source: Study two



As in the third SEM model in Figure 35, relationships among factors are presented by the equations as below.

Between antecedents and market research utilization, four regression equations are presented in (4), (5), (6), (7), as follows

$$\mathbf{U1/Strategy = 0.376*A1/Technical - 0.077*A2/Relation - 0.092*A3/Informational + 0.923*A4/Organizational + 0.270*A5/Market Orientation} \quad (4)$$

In equation (4), coefficients of A1, A4, and A5 are positive and significant (Table 31 and 32).

Therefore we can conclude that:

- Technical competence of external research agencies (A1) positively affects the use of strategy information (U1). This means hypothesis H1T-1 is accepted.
- Organizational factor (A4) positively affects the use of strategy information (U1), this means that the hypothesis H3-1 is accepted.
- Market orientation (A5) also positively affects the use of strategy information (U1), thus hypothesis H4-1 is accepted.

On the other hand, coefficients of A2 and A3 are not significant, therefore we find that:

- Relationship of external research agencies (A2) does not affect the use of strategy information (U1), this means that the hypothesis H1R-1 is rejected.
- Information specific factor (A3) does not affect the use of strategy information (U1), thus hypothesis H2-1 is rejected.

Organizational factor (A4) is found to have strongest impact on strategy information use (U1), followed by technical competence of external research agencies (A1) and market orientation (A5) of the company respectively.

$$\mathbf{U2/Macro = 0.267*A1/Technical - 0.084*A2/Relation + 0.088*A3/Informational + 0.607*A4/Organizational + 0.283*A5/Market Orientation} \quad (5)$$

In equation (5) above, similarly coefficients of A1, A3, A4, and A5 are positive and significant (Table 31 and 32), while that of A2 is not. As a result, we can argue that:

- Technical competence of external research agencies (A1) positively affects the use of macro information (U2). This means hypothesis H1T-2 is accepted.
- Organizational factor (A4) positively affects the use of macro information (U2), this means that the hypothesis H3-2 is accepted.

- Market orientation (A5) also positively affects the use of macro information (U2), thus hypothesis H4-2 is accepted.
- Relationship of external research agencies (A2) does not affect the use of macro information (U2), this means that the hypothesis H1R-2 is rejected.
- Information specific factor (A3) does not significantly affects the use of macro information (U2), thus hypothesis H2-2 is rejected.

Organizational factor (A4) is also found to have strongest impact on macro information use (U2), followed by market orientation (A5) and technical competence of external research agencies (A1) respectively.

$$\mathbf{U3/Customer = 0.381*A1/Technical - 0.060*A2/Relation - 0.221*A3/Informational + 0.923*A4/Organizational + 0.259*A5/Market Orientation \quad (6)}$$

For equation (6), coefficients of A1, A4, and A5 are positive and significant (Table 31 and 32), while those of A2 and A3 are not. Thus, we can state that:

- Technical competence of external research agencies (A1) positively affects the use of customer information (U3). This means hypothesis H1T-3 is accepted.
- Organizational factor (A4) positively affects the use of customer information (U3), this means that the hypothesis H3-3 is accepted.
- Market orientation (A5) also positively affects the use of customer information (U3), thus hypothesis H4-3 is accepted.
- Information specific factor (A3) positively affects the use of customer information (U3), thus hypothesis H2-3 is accepted.
- Relationship of external research agencies (A2) does not affect the use of customer information (U3), this means that the hypothesis H1R-3 is rejected.

With these coefficients, organizational factor (A4) is still leading the impact on the use of customer information (U3), then technical competence of external research agencies (A1) and market orientation (A5).

$$\mathbf{U4/Competitor = 0.385*A1/Technical + 0.089*A2/Relation + 0.173 *A3/Informational + 0.501*A4/Organizational + 0.280*A5/Market Orientation \quad (7)}$$

In the equation (7), again coefficients of A1, A3, A4, and A5 are positive and significant (Table 31 and 32), while that of A2 is not. Therefore, we also conclude that:

- Technical competence of external research agencies (A1) positively affects the use of competitor information (U4). This means hypothesis H1T-4 is accepted.
- Information specific factor (A3) positively affects the use of competitor information (U4), thus hypothesis H2-4 is accepted.
- Organizational factor (A4) positively affects the use of competitor information (U4), this means that the hypothesis H3-4 is accepted.
- Market orientation (A5) also positively affects the use of competitor information (U4), thus hypothesis H4-4 is accepted.
- Relationship of external research agencies (A2) does not affect the use of competitor information (U4), this means that the hypothesis H1R-4 is rejected.

It is found that organizational factor (A4), has strongest impact on the use of competitor information (U4), followed by the technical competence of the external research agencies (A1), market orientation (A5) and information specific factor (A3).

Between market research utilization and marketing performance, three regression equations are presented in (8), (9), (10), as below.

$$\mathbf{P1/Effectiveness = 0.215*U1/Strategy + 0.068*U2/Macro + 0.232*U3/Customer + 0.300*U4/Competitor} \quad \mathbf{(8)}$$

In equation (8), coefficients of U1, U3, and U4 are positive and significant (Table 31 and 32). Therefore, we argue that:

- Use of strategy information (U1) positively affects marketing effectiveness of a company (P1). This means hypothesis H5-1 is accepted.
- Use of customer information (U3) positively affects marketing effectiveness of a company (P1), this means that the hypothesis H7-1 is accepted.
- Use of competitor information (U4) also positively affects marketing effectiveness of a company (P1), thus hypothesis H8-1 is accepted.

On the other hand, coefficients of U2 is not significant, therefore we find that:

- The use of macro information (U2) does not affect marketing effectiveness (P1), thus hypothesis H6-1 is rejected.

Because the coefficient of U4 is the highest value, the usage of competitor information is leading the impact on the marketing effectiveness, next are customer information use (U3) and strategy information use (U1).

$$\mathbf{P2/Efficiency = 0.137*U1/Strategy + 0.071*U2/Macro + 0.193*U3/Customer + 0.277*U4/Competitor} \quad (9)$$

In equation (9), coefficients of U1, U3, and U4 are positive and significant (Table 31 and 32), while that of U2 is not. As a result, we can state that:

- Use of strategy information (U1) positively affects marketing efficiency of a company (P2). This means hypothesis H5-2 is accepted.
- Use of customer information (U3) positively affects marketing efficiency of a company (P2). This means that hypothesis H7-2 is supported.
- Use of competitor information (U4) positively affects marketing efficiency (P3), thus hypothesis H8-2 is supported.
- Use of macro information (U2) does not significantly affect marketing efficiency of a company (P2), thus hypothesis H6-2 is rejected.

Because the coefficient of U4 is the highest value of 0.290, the usage of competitor information has strongest impact on the marketing efficiency (P2), followed by customer information use (U3) and strategy information use (U1).

$$\mathbf{P3/Innovation = 0.188*U1/Strategy + 0.148*U2/Macro + 0.209*U3/Customer + 0.378*U4/Competitor} \quad (10)$$

In equation (10), coefficients of U1, U3 and U4 are positive and significant (Table 31 and 32). Consequently, there is a significant relationship:

- between use of strategy information (U1) and marketing innovation (P3); hypothesis H5-3 is accepted.
- between use of customer information (U3) and marketing innovation (P3), hypothesis H7-3 is accepted.
- between use of competitor information (U4) and marketing innovation (P3), hypothesis H8-3 is accepted.

However, coefficients of U2 is not significant, therefore we find that:

- The use of macro information (U2) does not affect marketing innovation (P3), thus hypothesis H6-3 is rejected.

Because the coefficient of U4 is the highest value of 0.378, the usage of competitor information (U4) still possesses strongest impact on marketing innovation, followed by customer information use (U3) and strategy information use (U1).

Table 31: Regression Weights of the third SEM model

Source: Study two

Regression weights		Estimate	S.E (Standard Error)	C.R (Critical Ratio)	P-value
U1	<--- A2	-.067	.029	-2.319	.020
U1	<--- A3	-.161	.057	-2.836	.005
U1	<--- A1	.729	.082	8.849	***
U1	<--- A5	.428	.055	7.772	***
U3	<--- A3	.275	.058	4.766	***
U2	<--- A3	-.200	.073	-2.736	.006
U4	<--- A3	.218	.054	4.054	***
U3	<--- A5	.534	.070	7.677	***
U2	<--- A5	.318	.052	6.152	***
U1	<--- A4	1.424	.116	12.292	***
U2	<--- A2	-.052	.027	-1.928	.054
U4	<--- A2	.055	.026	2.088	.037
U3	<--- A4	1.847	.143	12.916	***
U3	<--- A2	-.067	.037	-1.810	.070
U4	<--- A1	.534	.069	7.740	***
U4	<--- A5	.318	.049	6.516	***
U2	<--- A1	.367	.065	5.680	***
U3	<--- A1	.957	.105	9.141	***
U2	<--- A4	.663	.073	9.032	***
U4	<--- A4	.557	.060	9.254	***
A3.2	<--- A3	.923	.098	9.370	***
A3.3	<--- A3	.922	.093	9.937	***
A3.4	<--- A3	1.512	.139	10.860	***
A3.5	<--- A3	1.341	.128	10.460	***
A3.1	<--- A3	1.000			
P1	<--- U1	.213	.035	5.998	***
P3	<--- U2	.181	.060	3.034	.002
P1	<--- U2	.096	.077	1.247	.212
P1	<--- U4	.415	.070	5.919	***
P3	<--- U1	.162	.027	5.917	***
P3	<--- U4	.457	.057	8.036	***
P2	<--- U1	.106	.031	3.392	***
P2	<--- U2	.078	.069	1.133	.257
P2	<--- U3	.115	.026	4.506	***
P3	<--- U3	.139	.022	6.271	***
P1	<--- U3	.177	.029	6.197	***
A4.2	<--- A4	1.894	.139	13.629	***
A4.3	<--- A4	1.854	.137	13.558	***

Regression weights		Estimate	S.E (Standard Error)	C.R (Critical Ratio)	P-value
P2	<--- U4	.300	.063	4.760	***
A4.1	<--- A4	1.000			
Q1_R2	<--- A1	1.048	.111	9.425	***
Q1_R3	<--- A1	.850	.097	8.763	***
Q1_R1	<--- A1	1.000			
Q2_R2	<--- A2	1.065	.083	12.778	***
Q2_R1	<--- A2	1.000			
Q2_R3	<--- A2	.735	.057	12.921	***
Q3_R1	<--- A3.1	1.000			
Q3_R3	<--- A3.1	1.026	.105	9.778	***
Q3_R2	<--- A3.1	.965	.102	9.433	***
Q4a_R4	<--- A3.2	1.000			
Q4a_R5	<--- A3.2	1.306	.129	10.157	***
Q4a_R6	<--- A3.2	1.509	.139	10.848	***
Q4b_R2	<--- A3.3	.885	.088	10.049	***
Q4b_R1	<--- A3.3	1.000			
Q4b_R4	<--- A3.3	1.376	.115	12.011	***
Q4b_R3	<--- A3.3	1.082	.094	11.465	***
Q5_R1	<--- A3.4	1.000			
Q5_R3	<--- A3.4	1.035	.073	14.267	***
Q5_R2	<--- A3.4	.895	.066	13.508	***
Q6_R2	<--- A3.5	.837	.077	10.867	***
Q6_R1	<--- A3.5	1.000			
Q6_R5	<--- A3.5	.875	.076	11.509	***
Q6_R4	<--- A3.5	.712	.067	10.563	***
Q6_R3	<--- A3.5	.813	.077	10.524	***
Q7_R4	<--- A4.1	1.377	.132	10.435	***
Q10_R1	<--- A5	1.438	.078	18.358	***
Q10_R2	<--- A5	1.433	.078	18.384	***
Q10_R3	<--- A5	1.224	.078	15.747	***
Q10_R4	<--- A5	1.208	.079	15.346	***
Q9_R1	<--- A4.3	1.000			
Q9_R2	<--- A4.3	.780	.034	22.633	***
Q9_R3	<--- A4.3	.696	.048	14.465	***
Q11_R2	<--- U1	.892	.045	19.978	***
Q11_R3	<--- U1	1.066	.046	23.218	***
Q11_R4	<--- U1	1.183	.050	23.648	***
Q11_R1	<--- U1	1.000			
Q11_R5	<--- U1	1.323	.055	24.275	***
Q13_R4	<--- U3	.901	.030	29.836	***
Q12_R4	<--- U2	1.269	.093	13.655	***
Q12_R6	<--- U2	1.200	.100	11.937	***
Q12_R5	<--- U2	1.057	.092	11.516	***
Q12_R3	<--- U2	1.552	.106	14.708	***
Q14_R3	<--- U4	1.386	.063	22.012	***
Q14_R4	<--- U4	1.334	.063	21.186	***
Q14_R2	<--- U4	1.069	.054	19.757	***
Q14_R1	<--- U4	1.000			
Q16_R1	<--- P2	1.000			
Q13_R6	<--- U3	.675	.041	16.500	***
Q15_R2	<--- P1	1.045	.038	27.734	***
Q15_R3	<--- P1	1.322	.048	27.791	***

Regression weights		Estimate	S.E (Standard Error)	C.R (Critical Ratio)	P-value
Q15_R1	<--- P1	1.000			
Q17_R2	<--- P3	1.052	.053	19.817	***
Q17_R3	<--- P3	1.356	.059	22.825	***
Q17_R1	<--- P3	1.000			
Q10_R5	<--- A5	1.027	.074	13.900	***
Q10_R6	<--- A5	1.000			
Q13_R3	<--- U3	.803	.028	28.215	***
Q13_R2	<--- U3	.704	.029	24.300	***
Q13_R5	<--- U3	1.000			
Q17_R4	<--- P3	1.300	.058	22.574	***
Q13_R1	<--- U3	.757	.031	24.162	***
Q12_R1	<--- U2	1.000			
Q12_R2	<--- U2	1.248	.090	13.860	***
Q7_R3	<--- A4.1	1.264	.125	10.120	***
Q7_R2	<--- A4.1	.955	.102	9.372	***
Q7_R1	<--- A4.1	1.000			
Q16_R2	<--- P2	1.447	.065	22.116	***
Q16_R3	<--- P2	1.307	.061	21.311	***
Q3_R4	<--- A3.1	1.140	.123	9.295	***
Q8_R5	<--- A4.2	1.000			
Q8_R6	<--- A4.2	.852	.028	30.287	***
Q8_R7	<--- A4.2	.701	.048	14.692	***

Table 32: Standardized Regression Weights of the third SEM model

Source: Study two

Standardized regression weights			Estimate
U1	<---	A2	-.077
U1	<---	A3	-.092
U1	<---	A1	.376
U1	<---	A5	.270
U3	<---	A3	.221
U2	<---	A3	-.088
U4	<---	A3	.173
U3	<---	A5	.259
U2	<---	A5	.283
U1	<---	A4	.923
U2	<---	A2	-.084
U4	<---	A2	.089
U3	<---	A4	.923
U3	<---	A2	-.060
U4	<---	A1	.385
U4	<---	A5	.280
U2	<---	A1	.267
U3	<---	A1	.381
U2	<---	A4	.607
U4	<---	A4	.504
A3.2	<---	A3	1.000

	Standardized regression weights		Estimate
A3.3	<---	A3	1.000
A3.4	<---	A3	1.000
A3.5	<---	A3	1.000
A3.1	<---	A3	1.000
P1	<---	U1	.215
P3	<---	U2	.148
P1	<---	U2	.068
P1	<---	U4	.300
P3	<---	U1	.188
P3	<---	U4	.378
P2	<---	U1	.137
P2	<---	U2	.071
P2	<---	U3	.193
P3	<---	U3	.209
P1	<---	U3	.232
A4.2	<---	A4	1.000
A4.3	<---	A4	1.000
P2	<---	U4	.277
A4.1	<---	A4	1.000
Q1_R2	<---	A1	.522
Q1_R3	<---	A1	.471
Q1_R1	<---	A1	.526
Q2_R2	<---	A2	.873
Q2_R1	<---	A2	.656
Q2_R3	<---	A2	.734
Q3_R1	<---	A3.1	.830
Q3_R3	<---	A3.1	.880
Q3_R2	<---	A3.1	.549
Q4a_R4	<---	A3.2	.856
Q4a_R5	<---	A3.2	.595
Q4a_R6	<---	A3.2	.659
Q4b_R2	<---	A3.3	.837
Q4b_R1	<---	A3.3	.795
Q4b_R4	<---	A3.3	.679
Q4b_R3	<---	A3.3	.637
Q5_R1	<---	A3.5	.889
Q5_R3	<---	A3.5	.706
Q5_R2	<---	A3.5	.666
Q6_R2	<---	A3.4	.853
Q6_R1	<---	A3.4	.846
Q6_R5	<---	A3.4	.790
Q6_R4	<---	A3.4	.536
Q6_R3	<---	A3.4	.533
Q7_R4	<---	A4.1	.596
Q10_R1	<---	A5	.944
Q10_R2	<---	A5	.946
Q10_R3	<---	A5	.787
Q10_R4	<---	A5	.764
Q9_R1	<---	A4.3	.962
Q9_R2	<---	A4.3	.741
Q9_R3	<---	A4.3	.565

Standardized regression weights		Estimate
Q11_R2 <---	U1	.741
Q11_R3 <---	U1	.850
Q11_R4 <---	U1	.863
Q11_R1 <---	U1	.773
Q11_R5 <---	U1	.882
Q13_R4 <---	U3	.874
Q12_R4 <---	U2	.773
Q12_R6 <---	U2	.647
Q12_R5 <---	U2	.618
Q12_R3 <---	U2	.864
Q14_R3 <---	U4	.894
Q14_R4 <---	U4	.867
Q14_R2 <---	U4	.822
Q14_R1 <---	U4	.788
Q16_R1 <---	P2	.784
Q13_R6 <---	U3	.572
Q15_R2 <---	P1	.906
Q15_R3 <---	P1	.907
Q15_R1 <---	P1	.874
Q17_R2 <---	P3	.828
Q17_R3 <---	P3	.925
Q17_R1 <---	P3	.775
Q10_R5 <---	A5	.685
Q10_R6 <---	A5	.673
Q13_R3 <---	U3	.849
Q13_R2 <---	U3	.776
Q13_R5 <---	U3	.880
Q17_R4 <---	P3	.916
Q13_R1 <---	U3	.773
Q12_R1 <---	U2	.623
Q12_R2 <---	U2	.789
Q7_R3 <---	A4.1	.569
Q7_R2 <---	A4.1	.811
Q7_R1 <---	A4.1	.840
Q16_R2 <---	P2	.927
Q16_R3 <---	P2	.882
Q3_R4 <---	A3.1	.538
Q8_R5 <---	A4.2	.976
Q8_R6 <---	A4.2	.832
Q8_R7 <---	A4.2	.569

Table 33: Squared Multiple Correlations – the third SEM

Squared Multiple Correlations	Estimate
U4	.520

Squared Multiple Correlations	Estimate
U2	.575
U3	1.075
U1	1.080
P3	.670
P1	.546
P2	.371
Q3_R4	.289
Q17_R4	.840
Q10_R6	.453
Q17_R3	.855
Q17_R2	.685
Q17_R1	.602
Q15_R3	.823
Q15_R2	.821
Q15_R1	.764
Q13_R6	.328
Q14_R4	.752
Q14_R3	.800
Q14_R2	.675
Q14_R1	.621
Q12_R6	.419
Q12_R5	.383
Q12_R4	.598
Q12_R3	.747
Q12_R2	.623
Q12_R1	.388
Q16_R3	.778
Q16_R2	.859
Q16_R1	.615
Q13_R1	.599
Q13_R2	.603
Q13_R3	.722
Q13_R4	.765
Q13_R5	.775
Q11_R5	.778
Q11_R4	.746
Q11_R3	.723
Q11_R2	.550
Q11_R1	.598
Q9_R3	.326
Q9_R2	.557
Q9_R1	.922
Q10_R5	.469
Q10_R4	.584
Q10_R3	.620
Q10_R2	.894
Q10_R1	.891
Q8_R7	.342
Q8_R6	.718
Q8_R5	.948
Q7_R4	.361

Squared Multiple Correlations	Estimate
Q7_R3	.328
Q7_R2	.266
Q7_R1	.296
Q6_R5	.348
Q6_R4	.287
Q6_R3	.284
Q6_R2	.306
Q6_R1	.417
Q5_R2	.444
Q5_R3	.499
Q5_R1	.475
Q4b_R4	.461
Q4b_R3	.406
Q4b_R2	.289
Q4b_R1	.354
Q4a_R6	.435
Q4a_R5	.354
Q4a_R4	.296
Q3_R2	.302
Q3_R3	.336
Q3_R1	.281
Q2_R3	.538
Q2_R2	.762
Q2_R1	.430
Q1_R3	.223
Q1_R2	.273
Q1_R1	.278

7.5.3 Analysis of information specific factor (A3) and organizational factor (A4)

We have analyzed the impact of 5 antecedents (A1 to A5) upon market research utilization (MRU). However, the two antecedents: Information specific factor (A3) and Organizational factor (A4) are latent factors observed from other variables. Therefore, it is also interesting to examine how and to which degree each of these variables (sub factors) individually is affecting market research utilization (MRU).

P value of the regression in Table 34 and 35 reveals that among the 5 variables of information specific factor (A3), quality of form (A3.3) is not significantly affecting market research use (MRU). The other four variables: Actionability of research result (A3.1), Quality of content (A3.2), Political acceptability (A3.4) and Conformity of research result (A3.5) are positively and significantly affecting market research use (MRU). From standardized regression

weights, among these four sub factors, quality of content and political acceptability are the two most impactful variables.

Table 34: Regression Weights of items in Information specific factor (A3)

Source: Study two

Regression Weights		Estimate	S.E.	C.R.	P
MRU <---	A3.1	.432	.073	5.930	***
MRU <---	A3.2	.778	.111	6.990	***
MRU <---	A3.3	.161	.057	2.832	.005
MRU <---	A3.4	.290	.039	7.373	***
MRU <---	A3.5	.210	.054	3.905	***

Table 35: Standardized Regression Weights of items in Information specific factor (A3)

Source: Study two

Standardized Regression Weights			Estimate
MRU	<---	A3.1	.286
MRU	<---	A3.2	.388
MRU	<---	A3.3	.118
MRU	<---	A3.4	.325
MRU	<---	A3.5	.169

Table 36 and 37 below reveal that among the 3 sub factors of organizational factor (A4), formalization of a company (A4.2) is the only factor significantly and positively affecting market research use (MRU). The other two factors organizational commitment to learning (A4.1) and centralization (A4.3) of company are not significantly affecting market research utilization (MRU). Among these two, centralization factor has negative relation with market research utilization. The higher degree of centralization a company is, the less market research it utilizes.

Table 36: Regression Weights of items in organizational factor (A4)

Source: Study two

Regression Weights		Estimate	S.E.	C.R.	P
MRU <---	A4.1	.105	.052	2.014	.054
MRU <---	A4.2	.359	.049	7.250	***
MRU <---	A4.3	-.310	.152	-2.012	.051

Table 37: Standardized Regression Weights of items in organizational factor (A4)

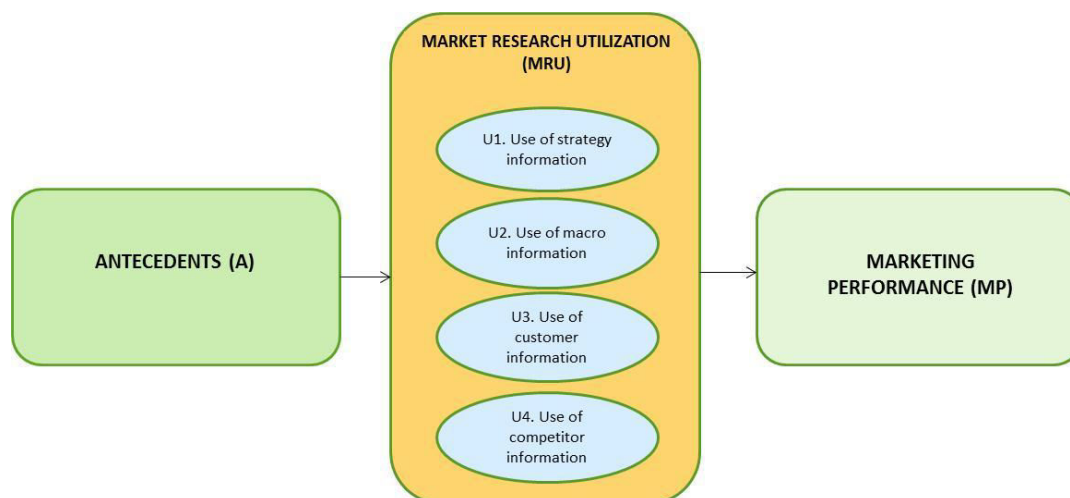
Source: Study two

Standardized Regression Weights	Estimate
MRU <--- A4.1	.102
MRU <--- A4.2	.463
MRU <--- A4.3	-.622

7.5.4 Mediating effect of market research utilization

Mediation analysis is considered to assess the effect of a proposed cause of “antecedent (A)” on outcome of “marketing performance (P)” through a proposed mediator “market research utilization” (MRU). As mentioned in Figure 36, a multiple mediation model with market research utilization including: utilization of strategy information (U1), utilization of macro information (U2), utilization of customer information (U3) and utilization of competitive information (U4) are used to test. Testing indirect effects is concerned by the null hypothesis “antecedent is hypothesized to exert indirect effects on the marketing performance through market research utilization (U1, U2, U3 and U4).

Figure 36: Mediation role of market research utilization



As resulted in Table 38, the output contains the full macro, which the bootstrap estimates presented are based on 5000 bootstrap samples (Preacher and Hayes, 2008). There are two results considered including: total direct effects output and indirect effects output.

For total direct effect (Table 38)

- (1) With “a” path, the path from “antecedent” to all mediators, such as use of strategy information (U1), use of macro information (U2), use of customer information (U3) and use of competitive information (U4) is significant at any level.
- (2) With “b” path , direct effects of U1, U2, U3 to marketing performance (P) are not significant, but that of U4 is significant.
- (3) With “c” and “c’ ”path (without the mediators), there is evidence to conclude that there are total effect and effect direct of Antecedents to Marketing performance.
- (4) R-square is 0.7388; this means that there is 73.88% of variance in the marketing performance accounted from changes of antecedent variable and mediators.

For indirect effects output (Table 39)

Based on bootstrapped tests of the indirect effects, the output provides the 95% bias corrected bootstrapped confidence interval taken into account. Because total effect has lower limit (LL) of 0.4422 and upper limit (UL) of 0.6905, the estimated effect of 0.5690 is lied in between these two values, also zero does not occur between LL and UL, then we can conclude that the total indirect effect is significant. This result meets what the research is expecting. However, if checking on individual mediator indirect effects, only use of competitive information (U4) presents the true indirect effect “marketing performance”. This is because LL and UL does not contain zero, also the estimated effect of U4 as 0.1681 belong to confidence intervals. We can not find enough evidence of the strength of the individual indirect effects against each other, although there are six possible pairwise contrasts (C1 to C6) between the four indirect effects of mediators.

In sum, based on Bootstrap test of Macro, we find the evidence of total INDIRECT EFFECT of market research utilization to the relationship between “antecedent” and “marketing performance”. This means that Market Research Utilization has the mediating role in Antecedents affecting Marketing Performance. Thus, the model suggested in the research is goodness of fit.

Table 38: Direct effects

Dependent, Independent, and Proposed Mediator Variables:						
DV = P						
IV = A						
MEDS = U1, U2, U3, U4						
<i>IV to Mediators (a path)</i>						
	Coeff	se	t	p		
U1	1.2982	.0491	26.4202	.0000		
U2	1.0144	.0493	20.5670	.0000		
U3	1.3200	.0466	28.3227	.0000		
U4	1.1564	.0451	25.6243	.0000		
<i>Direct Effects of Mediators on DV (b path)</i>						
	Coeff	se	t	p		
U1	.0684	.1415	.4833	.6291		
U2	.0717	.0396	1.8119	.0706		
U3	.1813	.1532	1.1839	.2370		
U4	.1454	.0420	3.4641	.0006		
<i>Total Effect of IV on DV (c path)</i>						
	Coeff	se	t	p		
A	1.2038	.0392	30.7244	.0000		
<i>Direct Effect of IV on DV (c' path)</i>						
	Coeff	se	t	p		
A	.6348	.0613	10.3583	.0000		
<i>Model Summary for DV Model</i>						
	R-sq	Adj R-sq	F	df1	df2	p
	.7388	.7360	265.8894	5.0000	470.0000	.0000

Table 39: Bootstrap Results For Indirect Effects

<i>Indirect Effects of IV on DV through Proposed Mediators</i>				
	Data	Boot	Bias	SE
Total	.5690	.5689	-.0001	.0616
U1	.0888	.0878	-.0010	.1838

U2	.0727	.0726	-.0002	.0474
U3	.2394	.2392	-.0001	.2073
U4	.1681	.1693	.0012	.0512
C1	.0161	.0152	-.0008	.1957
C2	-.1506	-.1514	-.0009	.3855
C3	-.0793	-.0815	-.0022	.1816
C4	-.1666	-.1667	.0000	.2163
C5	-.0954	-.0967	-.0013	.0737
C6	.0712	.0699	-.0013	.2248

Bias Corrected Confidence Intervals

	Lower	Upper
Total	.4497	.6946
U1	-.2645	.4520
U2	-.0193	.1677
U3	-.1884	.6214
U4	.0725	.2743
C1	-.3640	.3933
C2	-.8834	.6193
C3	-.4404	.2753
C4	-.5818	.2840
C5	-.2400	.0494
C6	-.3864	.4885

Percentile Confidence Intervals

	Lower	Upper
Total	.4476	.6917
U1	-.2681	.4484
U2	-.0198	.1663
U3	-.1756	.6300
U4	.0724	.2736
C1	-.3675	.3921
C2	-.8931	.6109
C3	-.4413	.2740
C4	-.5895	.2726
C5	-.2441	.0463
C6	-.3801	.4986

7.5.5 Market research utilization (MRU) analyzed by sub groups

As mentioned in the research models, the concept of market research utilization consists of four factors, e.g. use of strategy information, use of macro information, use of customer information, and use of competitive information. The common MRU is measured by the mean scores of four factors with 21 items.

Market research utilization (MRU) and the effect of length of company establishment

As resulted in Table 40, there is significant difference in the market research utilization among different brackets of company establishment time. We can see from the Sig column that the older a company is, the more market research utilization it will have.

Table 40: Market research utilization and company length of establishment

Source: Study two

Age of company	Mean	N	Std. Deviation
Less than 5 years	3.054	56	.7538
5 - 9 years	3.001	86	.6805
10-14 years	3.212	110	.6576
15-19 years	4.164	100	.5054
More than 20 years	4.127	124	.4396
Total	3.594	476	.7909

Group testing

(I) Age of company	(J) Age of company	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Less than 5 years	5 - 9 years	.0526	.1022	.986	-.227	.332
	10-14 years	-.1582	.0977	.485	-.426	.109
	15-19 years	-1.1106*	.0993	.000	-1.383	-.839
	More than 20 years	-1.0730*	.0958	.000	-1.335	-.811
5 - 9 years	Less than 5 years	-.0526	.1022	.986	-.332	.227
	10-14 years	-.2108	.0857	.101	-.445	.024
	15-19 years	-1.1632*	.0875	.000	-1.403	-.924
	More than 20 years	-1.1256*	.0835	.000	-1.354	-.897
10-14 years	Less than 5 years	.1582	.0977	.485	-.109	.426
	5 - 9 years	.2108	.0857	.101	-.024	.445
	15-19 years	-.9524*	.0822	.000	-1.178	-.727
	More than 20 years	-.9148*	.0779	.000	-1.128	-.701
15-19 years	Less than 5 years	1.1106*	.0993	.000	.839	1.383
	5 - 9 years	1.1632*	.0875	.000	.924	1.403
	10-14 years	.9524*	.0822	.000	.727	1.178
	More than 20 years	.0376	.0800	.990	-.181	.257
More than 20	Less than 5 years	1.0730*	.0958	.000	.811	1.335

years	5 - 9 years	1.1256*	.0835	.000	.897	1.354
	10-14 years	.9148*	.0779	.000	.701	1.128
	15-19 years	-.0376	.0800	.990	-.257	.181

*. The mean difference is significant at the 0.05 level (by Tukey HSD)

Market research utilization (MRU) and the effect of company size (number of employees)

As data shown in Table 41, there is a significant difference in the market research utilization across different sizes of employees of the company. The more employees working in the company, the higher its market research utilization is.

Table 41: Research utilization and company size

Source: Study two

Number of employees	Mean	N	Std. Deviation
Less than 50	3.001	70	.5364
51-100	2.800	90	.4962
101-200	3.071	54	.6314
201-300	4.075	50	.6410
301-500	4.167	62	.4206
501-1000	4.095	76	.4147
1001-2000	4.091	34	.3660
More than 2001	4.254	40	.5797
Total	3.594	476	.7909

(I) Number of employees	(J) Number of employees	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Less than 50	51-100	.2010	.0821	.221	-.049	.451
	101-200	-.0698	.0933	.995	-.354	.214
	201-300	-1.0739*	.0954	.000	-1.364	-.783
	301-500	-1.1659*	.0899	.000	-1.439	-.892
	501-1000	-1.0941*	.0854	.000	-1.354	-.834
	1001-2000	-1.0896*	.1077	.000	-1.418	-.762
	More than 2001	-1.2524*	.1021	.000	-1.563	-.941
51-100	Less than 50	-.2010	.0821	.221	-.451	.049
	101-200	-.2709*	.0887	.049	-.541	-.001
	201-300	-1.2749*	.0909	.000	-1.552	-.998
	301-500	-1.3669*	.0850	.000	-1.626	-1.108
	501-1000	-1.2951*	.0803	.000	-1.540	-1.051
	1001-2000	-1.2907*	.1037	.000	-1.606	-.975
	More than 2001	-1.4535*	.0979	.000	-1.752	-1.155

101-200	Less than 50	.0698	.0933	.995	-.214	.354
	51-100	.2709*	.0887	.049	.001	.541
	201-300	-1.0040*	.1011	.000	-1.312	-.696
	301-500	-1.0961*	.0959	.000	-1.388	-.804
	501-1000	-1.0243*	.0917	.000	-1.303	-.745
	1001-2000	-1.0198*	.1128	.000	-1.363	-.676
	More than 2001	-1.1826*	.1075	.000	-1.510	-.855
201-300	Less than 50	1.0739*	.0954	.000	.783	1.364
	51-100	1.2749*	.0909	.000	.998	1.552
	101-200	1.0040*	.1011	.000	.696	1.312
	301-500	-.0920	.0979	.982	-.390	.206
	501-1000	-.0202	.0938	1.000	-.306	.265
	1001-2000	-.0158	.1145	1.000	-.364	.333
	More than 2001	-.1786	.1093	.730	-.511	.154
301-500	Less than 50	1.1659*	.0899	.000	.892	1.439
	51-100	1.3669*	.0850	.000	1.108	1.626
	101-200	1.0961*	.0959	.000	.804	1.388
	201-300	.0920	.0979	.982	-.206	.390
	501-1000	.0718	.0882	.992	-.197	.340
	1001-2000	.0763	.1100	.997	-.259	.411
	More than 2001	-.0865	.1045	.991	-.405	.232
501-1000	Less than 50	1.0941*	.0854	.000	.834	1.354
	51-100	1.2951*	.0803	.000	1.051	1.540
	101-200	1.0243*	.0917	.000	.745	1.303
	201-300	.0202	.0938	1.000	-.265	.306
	301-500	-.0718	.0882	.992	-.340	.197
	1001-2000	.0045	.1063	1.000	-.319	.328
	More than 2001	-.1584	.1006	.766	-.465	.148
1001-2000	Less than 50	1.0896*	.1077	.000	.762	1.418
	51-100	1.2907*	.1037	.000	.975	1.606
	101-200	1.0198*	.1128	.000	.676	1.363
	201-300	.0158	.1145	1.000	-.333	.364
	301-500	-.0763	.1100	.997	-.411	.259
	501-1000	-.0045	.1063	1.000	-.328	.319
	More than 2001	-.1628	.1202	.877	-.529	.203
More than 2001	Less than 50	1.2524*	.1021	.000	.941	1.563
	51-100	1.4535*	.0979	.000	1.155	1.752
	101-200	1.1826*	.1075	.000	.855	1.510
	201-300	.1786	.1093	.730	-.154	.511
	301-500	.0865	.1045	.991	-.232	.405
	501-1000	.1584	.1006	.766	-.148	.465

1001-2000	.1628	.1202	.877	-.203	.529
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*. The mean difference is significant at the 0.05 level (by Tukey HSD).

Market research utilization (MRU) and the effect of company size

As resulted in Table 42, there is a significant difference in the market research utilization across of size of employees of the company. The more employees working in the company, the higher market research utilization.

Table 42: Market research utilization and company size

Source: Study two

Number of employees	Mean	N	Std. Deviation
Less than 50	3.001	70	.5364
51-100	2.800	90	.4962
101-200	3.071	54	.6314
201-300	4.075	50	.6410
301-500	4.167	62	.4206
501-1000	4.095	76	.4147
1001-2000	4.091	34	.3660
More than 2001	4.254	40	.5797
Total	3.594	476	.7909

(I) Number of employees	(J) Number of employees	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Less than 50	51-100	.2010	.0821	.221	-.049	.451
	101-200	-.0698	.0933	.995	-.354	.214
	201-300	-1.0739*	.0954	.000	-1.364	-.783
	301-500	-1.1659*	.0899	.000	-1.439	-.892
	501-1000	-1.0941*	.0854	.000	-1.354	-.834
	1001-2000	-1.0896*	.1077	.000	-1.418	-.762
	More than 2001	-1.2524*	.1021	.000	-1.563	-.941
51-100	Less than 50	-.2010	.0821	.221	-.451	.049
	101-200	-.2709*	.0887	.049	-.541	-.001
	201-300	-1.2749*	.0909	.000	-1.552	-.998
	301-500	-1.3669*	.0850	.000	-1.626	-1.108
	501-1000	-1.2951*	.0803	.000	-1.540	-1.051
	1001-2000	-1.2907*	.1037	.000	-1.606	-.975
	More than 2001	-1.4535*	.0979	.000	-1.752	-1.155

(I) Number of	(J) Number of	Mean	Std. Error	Sig.	95% Confidence Interval	
101-200	Less than 50	.0698	.0933	.995	-.214	.354
	51-100	.2709*	.0887	.049	.001	.541
	201-300	-1.0040*	.1011	.000	-1.312	-.696
	301-500	-1.0961*	.0959	.000	-1.388	-.804
	501-1000	-1.0243*	.0917	.000	-1.303	-.745
	1001-2000	-1.0198*	.1128	.000	-1.363	-.676
	More than 2001	-1.1826*	.1075	.000	-1.510	-.855
201-300	Less than 50	1.0739*	.0954	.000	.783	1.364
	51-100	1.2749*	.0909	.000	.998	1.552
	101-200	1.0040*	.1011	.000	.696	1.312
	301-500	-.0920	.0979	.982	-.390	.206
	501-1000	-.0202	.0938	1.000	-.306	.265
	1001-2000	-.0158	.1145	1.000	-.364	.333
	More than 2001	-.1786	.1093	.730	-.511	.154
301-500	Less than 50	1.1659*	.0899	.000	.892	1.439
	51-100	1.3669*	.0850	.000	1.108	1.626
	101-200	1.0961*	.0959	.000	.804	1.388
	201-300	.0920	.0979	.982	-.206	.390
	501-1000	.0718	.0882	.992	-.197	.340
	1001-2000	.0763	.1100	.997	-.259	.411
	More than 2001	-.0865	.1045	.991	-.405	.232
501-1000	Less than 50	1.0941*	.0854	.000	.834	1.354
	51-100	1.2951*	.0803	.000	1.051	1.540
	101-200	1.0243*	.0917	.000	.745	1.303
	201-300	.0202	.0938	1.000	-.265	.306
	301-500	-.0718	.0882	.992	-.340	.197
	1001-2000	.0045	.1063	1.000	-.319	.328
	More than 2001	-.1584	.1006	.766	-.465	.148
1001-2000	Less than 50	1.0896*	.1077	.000	.762	1.418
	51-100	1.2907*	.1037	.000	.975	1.606
	101-200	1.0198*	.1128	.000	.676	1.363
	201-300	.0158	.1145	1.000	-.333	.364
	301-500	-.0763	.1100	.997	-.411	.259
	501-1000	-.0045	.1063	1.000	-.328	.319
	More than 2001	-.1628	.1202	.877	-.529	.203
More than 2001	Less than 50	1.2524*	.1021	.000	.941	1.563
	51-100	1.4535*	.0979	.000	1.155	1.752
	101-200	1.1826*	.1075	.000	.855	1.510
	201-300	.1786	.1093	.730	-.154	.511
	301-500	.0865	.1045	.991	-.232	.405

(I) Number of	(J) Number of	Mean	Std. Error	Sig.	95% Confidence Interval	
	501-1000	.1584	.1006	.766	-.148	.465
	1001-2000	.1628	.1202	.877	-.203	.529

*. The mean difference is significant at the 0.05 level ((by Tukey HSD).

Market research utilization (MRU) and the effect of the ratio between in house and external research expenditure

As shown from the data in Table 43, there is a significant difference in the market research utilization across of type of research expenditure by external and in house. Based on significant values, we can conclude that a company pays attention to the external research expenditure rather than that of in house will use more market research.

Table 43: Market research utilization and ration of in house vs. external

Source: Study two

Research Expenditure	Mean	N	Std. Deviation
Much more in house than external	2.910	92	.5137
More in house than external	2.924	102	.4498
Equal between in house than external	3.452	58	.7414
More external than in house	4.160	116	.3954
Much more external than in house	4.277	108	.4909
Total	3.594	476	.7909

(I) Research Expenditure	(J) Research Expenditure	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Much more in house than external	More in house than external	-.0138	.0724	1.000	-.212	.185
	Equal between in house than external	-.5421*	.0845	.000	-.773	-.311
	More external than in house	-1.2498*	.0703	.000	-1.442	-1.057
	Much more external than in house	-1.3675*	.0715	.000	-1.563	-1.172
More in house than external	Much more in house than external	.0138	.0724	1.000	-.185	.212
	Equal between in house than external	-.5283*	.0829	.000	-.755	-.301
	More external than in house	-1.2360*	.0684	.000	-1.423	-1.049
	Much more external than in house	-1.3536*	.0696	.000	-1.544	-1.163
Equal between in	Much more in house than external	.5421*	.0845	.000	.311	.773

(I) Research Expenditure	(J) Research Expenditure	Mean Difference	Std. Error	Sig.	95% Confidence Interval	
house than external	More in house than external	.5283*	.0829	.000	.301	.755
	More external than in house	-.7078*	.0810	.000	-.930	-.486
	Much more external than in house	-.8254*	.0820	.000	-1.050	-.601
More external than in house	Much more in house than external	1.2498*	.0703	.000	1.057	1.442
	More in house than external	1.2360*	.0684	.000	1.049	1.423
	Equal between in house than external	.7078*	.0810	.000	.486	.930
	Much more external than in house	-.1176	.0674	.407	-.302	.067
Much more external than in house	Much more in house than external	1.3675*	.0715	.000	1.172	1.563
	More in house than external	1.3536*	.0696	.000	1.163	1.544
	Equal between in house than external	.8254*	.0820	.000	.601	1.050
	More external than in house	.1176	.0674	.407	-.067	.302

*. The mean difference is significant at the 0.05 level.

Market research utilization (MRU) and the effect of research budget

As shown in Table 44, there is a significant difference in the market research utilization across different ranges of research budget of the respondents' companies. With the significant values analyzed, we can argue that the higher the budget of company investing in research expenditure, the more market research utilization that company will be.

Table 44: Market research utilization and research budget

Source: Study two

Research budget	Mean	N	Std. Deviation
<10.000 USD/year	2.868	44	.6161
11.000-30.000 USD/year	2.936	88	.5377
31.000-50.000 USD/year	3.057	84	.4691
51.000-100.000 USD/year	3.460	32	.8695
101.000-200.000 USD/year	4.144	84	.4738
201.000-500.000 USD/year	4.244	82	.3703
More than 500.000 USD/year	4.232	62	.4586
Total	3.594	476	.7909

(I) Research budget	(J) Research budget	Mean Difference	Std. Error	Sig.	95% Confidence Interval
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		(I-J)			Lower Bound	Upper Bound
<10.000 USD/year	11.000-30.000 USD/year	-.0681	.0956	.992	-.351	.215
	31.000-50.000 USD/year	-.1890	.0964	.441	-.474	.096
	51.000-100.000 USD/year	-.5919*	.1203	.000	-.948	-.236
	101.000-200.000 USD/year	-1.2757*	.0964	.000	-1.561	-.990
	201.000-500.000 USD/year	-1.3764*	.0968	.000	-1.663	-1.090
	More than 500.000 USD/year	-1.3643*	.1021	.000	-1.667	-1.062
11.000-30.000 USD/year	<10.000 USD/year	.0681	.0956	.992	-.215	.351
	31.000-50.000 USD/year	-.1209	.0790	.726	-.355	.113
	51.000-100.000 USD/year	-.5238*	.1069	.000	-.840	-.207
	101.000-200.000 USD/year	-1.2076*	.0790	.000	-1.441	-.974
	201.000-500.000 USD/year	-1.3083*	.0795	.000	-1.544	-1.073
	More than 500.000 USD/year	-1.2962*	.0859	.000	-1.550	-1.042
31.000-50.000 USD/year	<10.000 USD/year	.1890	.0964	.441	-.096	.474
	11.000-30.000 USD/year	.1209	.0790	.726	-.113	.355
	51.000-100.000 USD/year	-.4030*	.1076	.004	-.721	-.084
	101.000-200.000 USD/year	-1.0867*	.0799	.000	-1.323	-.850
	201.000-500.000 USD/year	-1.1875*	.0804	.000	-1.425	-.949
	More than 500.000 USD/year	-1.1753*	.0867	.000	-1.432	-.919
51.000-100.000 USD/year	<10.000 USD/year	.5919*	.1203	.000	.236	.948
	11.000-30.000 USD/year	.5238*	.1069	.000	.207	.840
	31.000-50.000 USD/year	.4030*	.1076	.004	.084	.721
	101.000-200.000 USD/year	-.6838*	.1076	.000	-1.002	-.365
	201.000-500.000 USD/year	-.7845*	.1079	.000	-1.104	-.465
	More than 500.000 USD/year	-.7724*	.1127	.000	-1.106	-.439
101.000-200.000 USD/year	<10.000 USD/year	1.2757*	.0964	.000	.990	1.561
	11.000-30.000 USD/year	1.2076*	.0790	.000	.974	1.441
	31.000-50.000 USD/year	1.0867*	.0799	.000	.850	1.323
	51.000-100.000 USD/year	.6838*	.1076	.000	.365	1.002
	201.000-500.000 USD/year	-.1008	.0804	.872	-.339	.137
	More than 500.000 USD/year	-.0886	.0867	.949	-.345	.168
201.000-500.000 USD/year	<10.000 USD/year	1.3764*	.0968	.000	1.090	1.663
	11.000-30.000 USD/year	1.3083*	.0795	.000	1.073	1.544
	31.000-50.000 USD/year	1.1875*	.0804	.000	.949	1.425
	51.000-100.000 USD/year	.7845*	.1079	.000	.465	1.104
	101.000-200.000 USD/year	.1008	.0804	.872	-.137	.339
	More than 500.000 USD/year	.0122	.0871	1.000	-.246	.270
More than 500.000 USD/year	<10.000 USD/year	1.3643*	.1021	.000	1.062	1.667
	11.000-30.000 USD/year	1.2962*	.0859	.000	1.042	1.550
	31.000-50.000 USD/year	1.1753*	.0867	.000	.919	1.432

(I) Research budget	(J) Research budget	Mean			95% Confidence	
		Difference	Std. Error	Sig.	Interval	
	51.000-100.000 USD/year	.7724*	.1127	.000	.439	1.106
	101.000-200.000 USD/year	.0886	.0867	.949	-.168	.345
	201.000-500.000 USD/year	-.0122	.0871	1.000	-.270	.246

*. The mean difference is significant at the 0.05 level.

Chapter 8: Results discussions

Overall results of our empirical studies covering antecedents of market research utilization and consequences on marketing performance will be discussed in this chapter. We start with a review of our hypotheses and their outputs (rejected or accepted) as in Table 45 below.

Table 45: Summary of hypotheses results

Source: Study two

Hypotheses	Results
Hypotheses about the influence of the technical competence of research agencies on market research utilization and its components	
H1T: The greater the technical competence of research agencies, the greater the market research utilization of the user organization is.	Accepted
H1T-1: The greater the technical competence of research agencies, the greater the utilization of strategy information is.	Accepted
H1T-2: The greater the technical competence of research agencies, the greater the utilization of macro information is.	Accepted
H1T-3: The greater the technical competence of research agencies, the greater the utilization of customer information is.	Accepted
H1T-4: The greater the technical competence of research agencies, the greater the utilization of competitor information is.	Accepted
Hypotheses about the influence of the relationship competence of research agencies on market research utilization and its components	
H1R: The greater the relationship competence of research agencies, the greater the market research utilization of the user organization is.	<i>Rejected</i>
H1R-1: The greater the relationship competence of research agencies, the greater the utilization of strategy information is.	<i>Rejected</i>

H1R-2: The greater the relationship competence of research agencies, the greater the utilization of macro information is.	<i>Rejected</i>
H1R-3: The greater the relationship competence of research agencies, the greater the utilization of customer information is.	<i>Rejected</i>
H1R-4: The greater the relationship competence of research agencies, the greater the utilization of competitor information is.	<i>Rejected</i>
Hypotheses about the influence of the information specific factors of market research projects on market research utilization and its components	
H2: The more acceptable the information specific factor of the research projects, the greater the market research utilization is.	Accepted
H2-1: The more acceptable the information specific factor of the research projects, the greater the utilization of strategy information is.	<i>Rejected</i>
H2-2: The more acceptable the information specific factor of the research projects, the greater the utilization of macro information is.	<i>Rejected</i>
H2-3: The more acceptable the information specific factor of the research projects, the greater the utilization of customer information is.	Accepted
H2-4: The more acceptable the information specific factor of the research projects, the greater the utilization of competitor information is.	Accepted
Hypotheses about the influence of the organizational factors of the research users' company on market research utilization and its components	
H3: The stronger the receptivity of the research users' organization, the greater the market research utilization is.	Accepted
H3-1: The stronger the receptivity of the research users' organization, the greater the utilization of strategy information is.	Accepted
H3-2: The stronger the receptivity of the research users' organization, the greater the utilization of macro information is.	Accepted
H3-3: The stronger the receptivity of the research users' organization, the greater the utilization of customer information is.	Accepted
H3-4: The stronger the receptivity of the research users' organization, the greater the utilization of competitor information is.	Accepted
Hypotheses about the influence of market orientation of research users' company on market research utilization and its components	
H4: The stronger the market orientation of the research users' organization, the greater the market research utilization is.	Accepted
H4-1: The stronger the market orientation of the research users' organization, the greater the utilization of strategy information is.	Accepted
H4-2: The stronger the market orientation of the research users' organization, the	Accepted

greater the utilization of macro information is.	
H4-3: The stronger the market orientation of the research users' organization, the greater the utilization of customer information is.	Accepted
H4-4: The stronger the market orientation of the research users' organization, the greater the utilization of competitor information is.	Accepted
Hypotheses about the impact of strategy information utilization on marketing performance and its components	
H5: The greater the utilization of strategy information, the greater the marketing performance is.	Accepted
H5-1: The greater the utilization of strategy information, the greater the marketing effectiveness is.	Accepted
H5-2: The greater the utilization of strategy information, the greater the marketing efficiency is.	Accepted
H5-3: The greater the utilization of strategy information, the greater the marketing innovation is.	Accepted
Hypotheses about the impact of macro information utilization on marketing performance and its components	
H6: The greater the utilization of macro information, the greater the marketing performance is.	<i>Rejected</i>
H6-1: The greater the utilization of macro information, the greater the marketing effectiveness is.	<i>Rejected</i>
H6-2: The greater the utilization of macro information, the greater the marketing efficiency is.	<i>Rejected</i>
H6-3: The greater the utilization of macro information, the greater the marketing innovation is.	<i>Rejected</i>
Hypotheses about the impact of customer information utilization on marketing performance and its components	
H7: The greater the utilization of customer information, the greater the marketing performance is.	Accepted
H7-1: The greater the utilization of customer information, the greater the marketing effectiveness is.	Accepted
H7-2: The greater the utilization of customer information, the greater the marketing efficiency is.	Accepted
H7-3: The greater the utilization of customer information, the greater the marketing innovation is.	Accepted
Hypotheses about the impact of the use of competitor information on marketing	

performance and its components	
H8: The greater the utilization of competitor information, the greater the marketing performance is.	Accepted
H8-1: The greater the utilization of competitor information, the greater the marketing effectiveness is.	Accepted
H8-2: The greater the utilization of competitor information, the greater the marketing efficiency is.	Accepted
H8-3: The greater the utilization of competitor information, the greater the marketing innovation is.	Accepted
<i>Hypotheses about the impact of overall market research utilization on marketing performance</i>	
H9: The greater the utilization of market research, the greater the marketing performance is.	Accepted

8.1 Market research utilization antecedents

There are five antecedents of market research utilization resulted in our empirical research in the emerging market context and in the pre-mature stage of market research industry and market research utilization. These are technical competence of external market research agencies, relation competence of external market research agencies, information specific factor, organizational factor and market orientation.

8.1.1 Technical competence of external research agencies

In the emerging market context of this study, *technical competence* of external research agencies is found significant as one of the antecedents of market research utilization of companies. This means that specific items including research agencies' ability to educate companies in emerging markets, their ability to provide relevant recommendation, their availability of friendly research tools and their brand equity would be potential drivers towards local companies' utilization of market research.

This has never been mentioned, discussed or studied before both in developed markets and emerging markets. The focus of studies about antecedents of market research utilization is mostly on the organizational factors and the information quality factors. If any, studies about

external research suppliers are more about factors that shape companies' decision in using external research services. Slight similarity is found in Parasuraman *et al* (1985) who develop the ten determinants of service quality which determine the gap between customers' expected service and management perceived. These ten determinants of service quality, particularly competence, reliability, responsiveness, communication are found to support service users' decisions on utilization decision. More relevant finding in literature would be the study of Sinkula (1990). This is one of the rare researchers study how organizations utilize external market research agency services. The author uses diffusion theory would suggest that the perceived characteristics of the service have significant power in explaining the intensity with which organizations utilize external market research suppliers. Applying to market research agency service utilization, Sinkula (1990) states that variance in the utilization of external market research suppliers can also be explained by the triability, observability, compatibility, complexity, and relative advantage of their services (both using advantage and cost advantage).

Therefore, not so much similar, but literature suggests the same direction with our study result, better technical competence of research agencies would seem to result in both service selection and more research utilization from the users. Our study result, therefore, suggests either technical competence of research agencies as an antecedent has been neglected in previous studies in developed markets or this factor has stronger and clearer impact in the emerging market situation. This perhaps results from the low awareness and low level of knowledge of market research usage of companies in emerging markets. They can only have confidence using market research if they are impressed with technical competence of market research agencies.

8.1.2 Relation competence of external research agencies

Similarly, *relation competence* (and trust as one of the constructs of relation competence) of external research agencies is also first time being included as an antecedent to market research utilization of companies. However, relation competence of external research agencies found in the qualitative round is not significantly affecting market research utilization in this quantitative measurement. In many cases, result from quantitative should overrule the result from qualitative study. Possibilities for discrepancies would be subjective nature of analysis and smaller sample size of the qualitative round.

From these quantitative findings, we can conclude that technical competence is more important than relationship competence of external research agencies in influencing companies in Vietnam to utilize more market research today. In early stage of the relationship (this is relevant to the pre-mature market research industry in Vietnam), when users lack information about an agent's service practices, users likely rely on agent provided signals of technical competence particularly the ability to raise awareness and educate usage for users. However, as the relationship progresses, users acquire more knowledge that facilitates independent evaluations about the competence of service provider. Consequently, this likely reduces reliance on agency devices (technical competence) and enhances the role of trust and sustainable relationship. This phenomenon can be explained by Singh and Sirdeshmukh (2000) argument that the relative influence of agency and trust may evolve with the strength of the relationship.

8.1.3 Organizational factor

It is found similar with literature (Menon and Varadarajan, 1992; Deshpande and Zaltman, 1982; Zaltman, 1986) that this factor significantly affects market research utilization of FMCG companies in Vietnam. Literature shows the linkage between organization structure and information utilization. It suggests that knowledge and information acquirement is more easily applied when (1) the organization becomes more complex and (2) the organization is less formalized and centralized. In addition, our study result is similar with the fact that this is one of the most impactful factors among other researched factors.

Specifically, as discussed in the section of constructing the measures for organizational factor, this factor including organizational *commitment to learning, formalization and centralization* can be considered organizational learning orientation. Therefore, we can argue that organizational learning orientation has positive relationship with market research utilization. This is similar with literature. Sinkula (1994) in the article about market information processing and organizational learning concludes that organizations learn, what they know affects how they search, what they pay attention to, and how they interpret what they find. Sinkula *et al* (1997) who found that “more positive learning orientation (a value-based construct) will directly result in increased market information generation and dissemination (know ledge-based constructs)”.

Organization commitment to learning construct itself is found positive but not significantly related to market research utilization. Literature (Sinkula *et al* 1997) on the other hand, discusses organizational learning orientation including the three constructs: commitment to learning, open minded ness and shared vision and support each of these constructs' positive and significant effect on market information utilization. This can be explained from the emerging market perspectives where Vietnamese FMCG companies are mostly short term focus in their business practices. Learning and learning orientation are considered important, but a long term commitment on learning and also specific plan and strategy for this would be still a luxury at this stage.

Within organizational factor, *formalization structure* of Vietnamese companies has biggest impact on market research utilization and in a positive relationship. This is different from literature i.e. Moorman, Zaltman, and Deshpande (1993) and Deshpande and Zaltman (1982) which contends that more formalized companies would use less market information. This finding is also to some extent different with Matsuna and Mentzer (2002) and Bathgate *et al* (2006) who argue that formalization is negatively related to market orientation and information generation and dissemination. In this study, however, more formalized company would utilize more market research. This fact is consistent with our sample analysis which reveals that bigger size and longer establishment period (thus more systematic) companies have higher market research utilization means. From industry observations, this is possible in an emerging market like Vietnam. Companies which invested in building more formal, systematic, sufficient procedures are usually bigger in size and they would need market information to back up any marketing or business decision, thus they would rely less on quick intuitive decisions compared to smaller, family owned businesses. Still from literature, we can find the supportive views of this (even though much less). One view is from Shapiro (1987) and Zucker (1986) which state that bureaucratically arranged organizations produce higher trust for information use through structural and procedural controls, especially when other person-based and process-based modes are absent. Secondly, Zaltman (1986) notes that as the organization becomes more complex, knowledge is more easily acquired. The third one, empirical study on industrial managers prove for industrial companies, perceived greater utilization of marketing information is related to a greater degree of formalization of organizational structure (Deshpanda, R., Zaltman, G., 1987).

Nevertheless, more in depth explanatory follow up research on this particular subject would be required to clarify this phenomenon in the emerging market like Vietnam.

On the other hand, *centralization culture* of a company is found to be similar to literature (Deshpande and Zaltman 1982; Jaworski and Kohli 1993) in the way that it is negatively related with market research utilization. Centralization is defined as “the degree of delegation in organizational decision-making authority”. The above authors view trust as developing from interpersonal relationships, thus organizational bureaucratization is expected to lower trust because it reduces interpersonal risk-taking, including displays of uncertainty and vulnerability. Therefore, more centralized companies would use less market research. Decisions in these centralized companies would be made top down in most of the cases. Thus market research information conducted by functional departments would probably be discouraged for it might go against the senior management intuitive decisions.

In addition, found in this study, in the context of Vietnamese culture, centralization though negatively related, is not significantly influencing market research utilization decisions. This is different with the study of Deshpande and Zaltman (1982). Deshpande and Zaltman (1982) found that organizational structure variables have a particularly large effect on research use. The degree of centralization and formalization (or lack thereof) seems to outweigh other attributes in its influence on what and how much market research information is used. The more decentralized and less formalized firms are more likely to make greater (and perhaps better) use of the research they subcontract than differently structured companies. Observation in the emerging market like Vietnam reveals that, employee listening to senior management has been a custom and this happens across companies. Therefore, market research utilization would be affected much more by other factors. This phenomenon also remains as an interesting area for further explanatory research.

8.1.4 Information specific factor

Very much similar to Deshpande and Zaltman (1982) study, information specific factor is found significantly related to Vietnamese FMCG companies’ market research utilization. It is the second strongest factor behind organizational factor. However, information specific factor only affects customer and competitor information utilization, not significantly affects

the other two: strategy information and macro information utilization. This is possibly because formal market research projects are conducted more for customer and competitor information, thus the information specific factor (relating to research project quality and result) is found to affect these two information areas more.

Among its five variables, quality of form is not significantly affecting market research use. This is different from literature in which all the five variables were found related to market research use. This is explainable for most of Vietnamese companies, quality of form is not so critical; the users are not up to that sophisticated stage.

The other four constructs including: action-ability of research result, quality of content, political acceptability and conformity of research result are positively and significantly affecting market research use. Among these four positive variables, qualities of content and political acceptability are the two most impactful variables. These findings are very much similar to literature. In a laboratory research conducted by Lee, Acito and Day (1987), the authors reveal that research confirming prior beliefs tends to be rated higher and used whereas research contrary to prior beliefs tends to be evaluated as poor and is less likely to be used. Similarly, the “political acceptability” factor in Deshpande and Zaltman (1982) study also reconfirm this importance. In addition, Deshpande and Zaltman (1984) identify five sets of variables as influencing researchers' perceptions of the use of market research information. These variables are *the extent of interaction with managers, the attributes of the final report, the research objectives, the degree of surprise in the results, and the stage of the product/service in its lifecycle*. The most important of these variables found are also political acceptability and the technical quality of research.

In our study, quality of content, among the information specific factor is the most important variable affecting market research use. From the emerging market perspectives, this is not surprising as quality of content is actually the technical quality of the research project itself and Vietnamese users would place much weight on it given their limited budget and skeptics.

The political acceptability variable is second in explaining market research utilization. This reflects the fact that market research decision makers in Vietnamese companies have to undertake high responsibility for reserving marketing budget for market research and they

have to prove to others in their companies that market research utilization is worth of the investment and accepted widely across departments.

8.1.5 Market orientation and market research utilization

Importantly, in this empirical study, one of the first studying the direct effect of market research orientation upon market research utilization, we found that market orientation is positively and significantly affecting market research utilization. Somewhat similar, literature shows that market orientation positively affects organizational learning, innovation, company performance. Jiménez-Jiménez *et al* (2007) reveal that market-oriented companies could foster both intelligence generation and dissemination. This means that managers should invest in market research and encourage all the employees to be conscious of the requirements of customers and the challenges in the market. Similarly, Aggarwal and Singh (2004) argue that in a market-oriented company, there is a need to be conscious of the location of useful knowledge and information.

Keskin (2006) study shows that company market-orientation positively impacts company learning orientation which facilitates the process of information utilization. In the context of emerging economies, Xie *et al* (2007) also proves that market orientation has a direct impact on learning orientation.

In addition, O’Cass and Ngo 2011, believe that market orientation influences marketplace performance via developing innovation capability and market orientation enhances a firm's innovativeness because it emphasizes continuous and proactive understanding (via collecting and analyzing information) not only current but also latent needs of customers.

Therefore, we can see that from literature review, market orientation has not been discussed as to its direct impact on market research utilization but other related concepts to market research utilization, particularly organizational understanding and learning from market places. (Rather market orientation is discussed more about its impact on company performance and marketing performance. The later section of result discussion will mention about this). From this thesis finding, greater market orientation companies will use more market research information. This critical relationship should be the foundation for further studies in this field and related. Perhaps, pioneering market oriented Vietnamese companies

(after the long period under central planning economy) would find themselves in urgent need of marketplace information. The key difference between central planning economy and open economy is the flow of management information: top down from government versus bottom up from the market. Thus market orientation is a strong antecedent to market research utilization in local Vietnamese companies.

However, compared to informational factor and organizational factor, market orientation is not as important being an antecedent to market research utilization. Perhaps, quality of the information and organizational formalization are more tangible and affect day to day decision of managers in market research utilization rather than the market orientation spirit of the company.

8.1.6 Antecedents' effects on different types of market research utilization

Analyses on each of type of market research use reveal that the effects of these five antecedents above happen similarly across market research information utilization type (as the way they are affecting market research utilization in overall). Organizational factor, market orientation and technical competence of market research agencies are consistently the three strong antecedents to each of the market research information type utilization. However, there are differences noticed in information specific factor. This factor does not significantly affect the utilization of strategy information and also does not affect utilization of macro information. It only positively affects the utilization of customer and competitor information. Probably, this can be reasoned by the fact that macro information and strategy information are not collected via formal collection procedure or formal commission to external research agencies. Therefore the high demand or requirement on the information quality (information specific factor) is not necessary for these information types.

This finding has no equivalent literature findings to compare because previous studies were not comprehensively covering various antecedents and also dynamic market research utilization types.

8.2 Market research utilization effect upon marketing performance

8.2.1 Overall effect of market research utilization on marketing performance

Market research utilization is found to have significant and positive effect on marketing performance for Vietnamese FMCG companies. This evidence has tremendous implication for marketing managers working in marketing in an emerging economy with great doubt and limited budget for market research.

Our empirical study result is similar with majority of findings from literature. However, although general agreement that marketing research information use is fundamental for business success, there have been surprisingly limited empirical studies that study the link between marketing research activities and business performance.

Zaltman and Moorman (1988) prove that market information used and employed represents a competitive advantage. Baker *et al* (1988) argue that successful companies fulfill marketing research better than less successful companies. In the same way, Hooley *et al* (1988) prove that level of use of marketing research techniques affect profitability and competitive standing. Tsai and Shih (2004) indicate that marketing information system impacts marketing capabilities positively. Souchon *et al* (2004), address the consequence of marketing information use and organizational performance by examining the mediating role of responsiveness. The findings indicate the positive effect of the instrumental/conceptual use of information on responsiveness, albeit moderated by information overload. Responsiveness was, in turn, found to be positively related to organizational performance. However, not in the same way, Hart and Diamantopoulos (1993) reveal minor relationship between research and manufacturing companies' performance.

For marketing performance, it has been highlighted that the use of marketing research is not only related with business performance but also some other areas of marketing such as innovation and product design (Takeuchi and Quelch, 1983), success of new products (Hill, 1988), and marketing communication productivity and product decisions (Low and Mohr, 2001). However, the study by Hart and Diamantopoulos (1993) fails to identify any direct relationship between the use of in-house or commissioned marketing

research and marketing performance. Result of this study support the notion that marketing performance is not related to organization of marketing research.

Nevertheless, Vietnamese FMCG companies with relatively higher marketing research utilization would usually have better market intelligence and be able to reduce personal gut feeling decisions from dictating manager owners. Therefore, they can cope better with changes in marketplace and can be more successful than other companies with lower marketing research information utilization. The finding is particularly relevant to Vietnam market with great barriers for market research utilization from the remaining attitude of central planning economy and also the effect of the Vietnamese hierarchical value. Functional marketing managers and marketing staff will have to listen to the manager owners who do not have much knowledge in market research use. This respect for hierarchy can be traced back to the Confucian notion. According to Confucius, everyone has a fixed position in society and each person should behave accordingly to their rank in East Asia including Vietnam (Monkhouse *et al*, 2013). In addition, Vietnam is a country which has strong upward influence ethics that is held by its professional workforce. Considered effective managers will have to manage the upward relationship with their superior successfully. (Ralston *et al*, 2006).

8.2.2 Market research information types and their effect upon marketing performance

As argued by Morgan and Piercy (1996) utilization of various types of marketing research information has impacts on marketing performance.

It was found in Bulut (2013) study that using strategic information and customer information have positive effects on marketing effectiveness but competitor information has no significant effect on marketing effectiveness. On the other hand, macro environmental information have the strongest effect on marketing efficiency.

However, Köksal (2008) has found that market characteristics such as product adaptation, market size and growth rate have stronger effects on performance than macro–environmental characteristic.

Hart and Diamantopoulos (1993) fail to identify any direct relationship between company performance and the types of marketing research information collected.

Therefore, our study results showing the minor effects of macro information on marketing performance are similar with Koksal (2008) but different with Bulut (2013) and Hart and Diamantopoulos (1993). This perhaps can be reasoned by fast changing nature of emerging markets' macro environment which makes the utilization of macro information harder, thus minor compared to other more impactful types of information.

Another difference with Bulut (2013) (and our result is also different with Gaur *et al*, 2011) is our competitor information effect. With the high instability level of the emerging market and the result of government policy inconsistency like Vietnam, any long term investment and focus on building consumer oriented activities would seem to be inferior to short term and quick catching up with or even imitating market leaders/ market players (usually multinational companies). This is particularly relevant and seems to be a good defensive tactic to small marketing budget local companies. This is in line with findings from Tan *et al* (1994)'s study, conducted in a centrally planned economy (People's Republic of China), which find that during this course of transformation to open economy, companies' strategies were significantly related to perceived environmental uncertainty. Defensive strategies therefore were linked to higher performance. In our study among Vietnamese FMCG companies, competitor information has strongest effect on marketing performance in overall and on each of the constructs of marketing performance including: marketing effectiveness, marketing efficiency and marketing innovation. Customer information and strategy information seem to be consistent across studies as significant factors affecting marketing performance, particularly marketing effectiveness. Probably in emerging markets, benchmarking information becomes more relevant for marketing practice and has better immediate effect on marketing performance. This can also be reasoned from the outcomes of market liberalization/ deregulation in emerging economies which competition would arrive first, then followed by the sensitivity to customer demand. Perhaps, the more a market develops, the more some other information including strategy and macro information would play stronger roles.

8.3 Direct effect of antecedents on marketing performance and the mediating role of market research utilization

Similar with literature review, antecedents of market research utilization have direct impact on marketing performance. The two most discussed antecedents in literature are *market orientation and organizational factor*.

There are many scholars who find a positive and significant *direct effect of market orientation* (important condition of market research utilization) on organizational performance. Narver and Slater (1990) prove that there is an evidence to confirm a positive relationship between market orientation and performance by analyzing the performance of non-commodity businesses. Many authors also confirm that performance is excellent in market oriented companies (Langerak, 2003). Subramanian *et al* (2001) also reveal the positive market orientation – performance relationship. Shoham *et al* (2005), assess quantitatively the impact of market orientation on the performance of the company. The direct, indirect, and total impacts of market orientation on performance were all significant. Recently, Kumar *et al* (2011), use a panel data to investigate the influence of market orientation on performance for a nine-year period and indicate that market orientation has a positive effect on business performance in both the short and the long run. In emerging markets, marketing performance is usually very central to company performance due to the fast changing nature of these markets. Thus, we can infer the direct effect of market orientation on marketing performance from these studies.

Conversely, one of the rare cases in literature, Xie *et al.*, 2007 finds market orientation has no positive direct impact on organizational performance, in a survey on 143 companies in the Pearl River Delta region of China with application of structural equation modeling (SEM).

For organizational factor, Sinkula *et al* (1997) show that learning orientation positively affects the extent to which companies adapt its marketing strategies (via its indirect effect on market information dissemination). In addition, Jiménez-Jiménez *et al* (2007) conclude that process of organizational learning, intelligence generation and dissemination will have an influence on performance. This is in agreement with the work of authors such as Aggarwal and Singh (2004), who state that organizational learning can provide more options for organizational decision makers when they respond to changes in the organizational

environment. As a result, organizational learning can generate real value for external and internal stakeholders which lead to effective improvement in performance.

In our empirical study, *market research utilization has the mediating role in antecedents affecting marketing performance*. This is also not found much in literature and also an unexpected result. The higher the market research utilization of companies, the more the antecedents would affect marketing performance. Other studies are not able to reveal this because they may not attempt to separate market research utilization from market orientation. The different concept base allows us to prove this mediating role of market research utilization.

To some extent, in literature, market research utilization with its information acquisition and dissemination is discussed as an essential component of market orientation and organizational learning which would positively impact on marketing performance of a company as discussed above. One of the rare cases, we can see this from Sinkula *et al* (1997) which prove that that learning orientation *via its indirect effect on market information dissemination* positively affects the extent to which companies adapt its marketing strategies.

Chapter 9: Contributions, limitations and future research directions

This chapter will discuss academic contributions (including theoretical contribution and empirical contribution) and managerial contributions of the research study. In addition, limitations of the research will be also mentioned and future directions for additional research will also be proposed.

9.1 Academic contributions

9.1.1 Theoretical contributions

This empirical study is among the first to integrate market research utilization antecedents and market research utilization consequences on marketing performance. This should place potential academic grounds for successive future research.

In addition, the external research agencies/suppliers (technical competence) as antecedents of market information utilization has never been researched or discussed in literature before. Therefore, this factor will be interesting to examine in other related studies.

One of the very important findings of this study is confirming the hypothesis which positively relates market orientation to market research utilization. This is also not directly studied or discussed in literature. This phenomenon will contribute to future research on market orientation and related theories including: organizational learning, market information use, and innovation.

Furthermore, the interesting inclusion of marketing innovation construct into marketing performance is worth examining further. It fits well into the model and is consequence of market research utilization.

Another theoretical significance of this study is the surprising finding in competitor information concept. Competitor information use is a particularly significant factor positively affecting marketing performance. Competitor information use has been found to affect across marketing performance components including marketing effectiveness, marketing efficiency and marketing innovation. Perhaps, the first important and obvious step for market oriented companies in emerging market is benchmarking, finding information about competitors for better marketing performance. Thus there should be genuine needs for further research on Vietnamese FMCG companies and companies in emerging markets in the benefits of benchmarking themselves and performing well in marketing using competitor information.

In addition, the concept of formalization structure of company in emerging economies is very interesting for further research as it significantly enables and enacts market research use.

Furthermore, the antecedents - market research utilization – marketing performance model in this study has been developed and tailor made to emerging market context which Vietnam is one of the examples; which has no prior equivalent model.

Lastly, the concept of market research utilization impacting directly and its mediating role on the antecedents (including organizational factor, informational factor, market orientation and

research agencies role) in affecting marketing performance has also been proved first time in literature. The unprecedented attempt of separating market research utilization from market orientation has added value in revealing this mediating role of market research utilization.

9.1.2 Empirical contributions

Our study two (the quantitative study) applies random sampling method which is operationally more difficult, time consuming and more costly than convenience sampling, particularly in interviewing institutional users. In return, there will be no concern for bias entering into the data. This is because all participants are randomly selected. Compared to convenience sampling, random sampling is a more scientific approach to gathering information as this method allows for more accurate theories to be developed and provides higher quality for generalization.

Then, on epistemology and methodology theories, our empirical study design and its result further consolidate our view on the supportive and combined role of constructivism and positivism i.e. critical realism and the justification for a mixed method approach. We started studying the shared knowledge about market research utilization from others in literature and realized a few other related antecedents/ concepts in the market research utilization studies. So we added these into the research model (very much work of a positivist). Then from the experience working in a market research agency, we came up with a research question about whether or not market research agencies can raise market research awareness and usage of Vietnamese companies. This is the foundation for study one to explore if any factors from research agencies would affect companies' utilization of market research (very much work of a constructionist). After this, we completed the research model with added results from study one to conduct study two for testing the full research model.

Importantly, our work is providing theory for emerging market, not replication from existing models from developed markets. This pertains to the notion of using *emic and etic* approaches in international business research (Buckley *et al*, 2014). The emic and etic are the terms derived from the linguistic analogies of phonemic and phonetic analysis. Emic is culture-specific and etic is universal. The authors contend that employing both emic and etic approaches is a vigorous step to enable researchers in international business to obtain more

adequate and meaningful results, and there are strong values of treating them as complementary rather than dichotomous. In our research approach, we combine both emic and etic. We use our cultural based findings from our qualitative work in an emerging market combining with existing international framework to propose our own conceptual research model. As we can see from the result of study two, there have been unprecedented hypotheses validated. Therefore, pure replication again is proven insufficient.

9.2 Managerial contributions

9.2.1 Managerial contributions to market research agencies

This study recognizes the significant role of research agencies in affecting market research utilization. There would be implication for them to grow the industry via building and focusing on technical competences (rather than relation competence).

Influence of market research agencies (as one of the antecedents of market research utilization) may also have direct effect on marketing performance or indirect effect on marketing performance via market research utilization. Recognition of this importance, research agencies should be more confident in proving themselves in front of marketing managers and strategically expanding investment in their business in emerging markets with great marketing performance companies and cases.

Other antecedents of market research utilization including: organizational factors, informational factors, market orientation degree of companies, are also worth for research agencies to study and have better understanding of their potential clients. This is particularly important when research agencies approach these clients with market research service offerings towards generating higher utilization.

The most relevant research information for companies in emerging markets will be competitor and customer related. This should be reflected in market research products/packages.

9.2. 2 Managerial contributions to companies

Marketing performance including marketing innovation, effectiveness and efficiency of companies can be improved by market research utilization. Companies and managers in emerging markets should be more confident in using market research for better marketing performance. This confidence can lessen the low utilization due to hierarchical effect particularly in East Asian countries which facilitates personal and dictating decisions from superior working levels.

Among different types of market research utilization; customer information, strategy information and particularly competitor information are positively contributing. Companies in emerging markets should prioritize using competitor information and customer information in the early stage of market deregulation. When the emerging markets become totally liberal, then other information types would emerge such as strategy and macro information.

In addition, antecedents of market research utilization including market orientation and organizational factors (for their direct effects) are also important elements for companies to improve their marketing performance in the emerging markets. Regarding market orientation, companies should consider generate, disseminate and respond to both competitor and customer information. Regarding organizational factor, the most vital element is the formalization of the companies. In emerging market context of this study, more formalized structure would facilitate more market research utilization, and thus better marketing performance.

9.3 Limitations

The coverage spectrum of this study is quite extensive leading to constraints on interviewing time. There are several limitations in the selection of sample, concepts, constructs and measures.

- The conceptual framework only includes variables of instrumental use of market research/market information utilization (no conceptual use).
- The qualitative phase only covers external supplier antecedents; not all the antecedents and consequences in the conceptual framework.
- There is not sufficient sample size for sub group analyses in position, experience, and research type usage of the respondents.

- This study only includes FMCG companies in developing markets as the primary target of research use, not industrial (while it was found different in literature between the use of market research among these two sectors) and not in developed markets.
- Only marketing performance is measured as consequence of market research utilization, not other business performance indicators. This is because this study is limited to the interviewing of only marketers, thus they can only give responses on marketing performance of their companies.

9.4 Future research directions

Apart from overcoming the above limitations, most critically, future research is recommended to:

- Following up with explanatory qualitative research to explain differences with literature for formalization concept and competitor information use concept in their impact on market research utilization and marketing performance.
- Expanding research scope to non FMCG companies, other emerging markets and also to developed markets.
- Expanding the research scope to include a large and more sufficient sample size of business managers (not just marketing and research managers) to further study the role of market research utilization in other performance areas of companies, not just marketing performance.
- Including the conceptual use dimension of market research utilization.
- Investigating the direct impact of individual market research antecedent on marketing performance.

Conclusions

From academic perspectives, market research information utilization has been discussed widely in organizational literature including market orientation, learning orientation, innovation, and marketing performance. From managerial practices, particularly among fast moving consumer goods companies, market research role has been considered as imperative to marketing and business initiatives. However, focused empirical study and discussion centering on its role seem very much limited and insufficient. This paper has been trying to address this by (1) widely gathering all possible antecedents and consequences of market research utilization, (2) further exploring grey areas relating to market research utilization where insufficient literature was found by qualitative exploratory study, and (3) incorporating important and relevant disparate components of market research utilization, its antecedents and consequences into a model for predicting their relationship.

Important and relevant constructs in the model have been included are:

- Antecedents to market information utilization: External research agency role, Information specific factors, Organizational factors, and Market orientation.
- Market research utilization by information types: Use of strategy information, use of macro information, use of customer information, use of competitor information.
- Marketing performance as consequence of measured by: marketing effectiveness, marketing efficiency, and marketing innovation.

Within these, the external research agency role as an antecedent factor influencing companies' market research utilization has not been discussed ever before. Thus an exploratory study was conducted (among thirty marketing managers and market researchers of Vietnamese FMCG companies) to propose the two key dimensions of this factor namely: technical competence and relation competence of the market research providers.

The exploratory factor analysis purified and adapted the scales to emerging market context, the confirmatory factor analysis and the structural equation modeling in the quantitative phase (interviewing research decision makers of Vietnamese FMCG companies) revealed the validity and fitness of the proposed model.

In the analyses of the model antecedents, it was found that technical competence of external market research agencies can positively predict market research utilization whereas the relation competence of external market research agencies was found not significantly affecting the decision of companies in utilizing market research information. Among the antecedents, organizational factor was found to be the most substantial factor predicting market research utilization of Vietnamese FMCG companies. Driving this organizational factor is the formalization degree of companies and surprisingly (compared to most literature findings), formalization structure of a company positively correlates with its market research utilization. The informational factor relating to quality of the research project, its acceptability and its actionability was found positively affecting market research utilization. Importantly, market orientation was confirmed perhaps the first time in empirical study as a factor which positively predicts market research utilization.

In the analyses of market research utilization consequences, it was found that market research utilization positively affects marketing performance of Vietnamese FMCG companies. Among different types of information utilization, macro research information utilization was found not significantly related to marketing performance whereas the other three including strategy information utilization, customer information utilization and competitor information utilization were positively related to marketing performance. Interestingly, competitor information with its quick benchmarking benefits was found to be most substantiating factor affecting marketing performance.

The three most significant information utilization dimensions above were also found to positively affect across the three dimensions of marketing performance including: marketing effectiveness, marketing efficiency and marketing innovation.

Overall, findings in this empirical study recognize the significant role of research agencies in affecting market research utilization. There would be implication for them to grow the industry via building and focusing on technical competences (rather than relation competence). This would help marketing research “earn a seat at the table” (raised by Malhotra *et al*, 2006, mentioned in the introduction part of this thesis), where managers and researchers make marketing decisions and work towards greater marketing performance. This study reasons and also gives light to the underachieving fact of the market research industry, and drives motivation for it to exceed the \$20 billion size. The answer to the

question that Hess and Lucas (2004) raised (mentioned in the introduction part of this thesis) on "how much marketing research should a company do when it takes resources away from manufacturing the goods that generate revenue" should also lie in the hands of market research agencies.

Also from managerial perspectives, findings of this study would encourage marketing managers of Vietnamese FMCG companies to be more confident in market research spending as to its positive effects on marketing performance, across effectiveness, efficiency and innovation. Information on competitors is an interesting area for managers to consider in utilizing market research information.

From academic perspectives, this empirical study is among the first meta-study to integrate and establish the broad framework of market research antecedents and consequences. Our research model is not replicated from existing model in developed countries. We provide a comprehensive model of related popular constructs for emerging markets including market orientation, learning orientation, innovation, marketing performance, and market information utilization. In addition, the external research agencies/suppliers (technical competence) as one of the antecedents of market research utilization will raise more interest from other scholars to examine in other related studies. Furthermore, the hypothesis relating market orientation role to market research utilization has not directly studied or discussed in literature will be also an interesting topic to be further studied. The positive relationship found in this study between market orientation and market research utilization will contribute to future research on market orientation and related theories including: organizational learning, market information use, and innovation. We are also the first to identify the mediating role of market research utilization on the relationship between antecedents (including market orientation) and marketing performance by separating market research utilization from market orientation. This is because our concept is different from previous studies. We do not replicate, rather we build our own concept, then after that combine with literature. This gives ground again to the complementary role of etic and emic approaches. Other academic contributions of this thesis would be seen in the inclusion of marketing innovation construct into marketing performance and the concept of formalization structure of company in emerging economies on its enabling market research use.

This study opens a great deal of future research needs. Most important research studies would include: an explanatory qualitative to explain differences with literature for formalization concept and competitor information use concept in their impact on market research utilization and marketing performance. The expanding of research scope to non FMCG companies and also to other emerging markets and developed markets is also relevant. A larger and more sufficient sample size of business managers (not just marketing and research managers) to further study the role of market research utilization in other performance areas of companies, not just marketing performance would also be reasonable.

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