
Market research in international markets - Experiences of Bank Austria/Creditanstalt

by

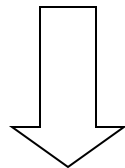
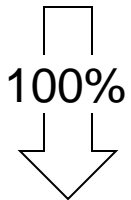
Martin Mayr

Bank Austria-Creditanstalt

Presentation structure

- Introduction of HVB - BA/CA group and how research is organised
- 10 recommendations for conducting international research
- International case study: Opinion of TOP managers in CEE about EU

HVB BA/CA group



By end of 2000
HVB-BA/CA
group is leading
banking group in
CEE

Within HVB group responsible for: Austria and CEE markets

Marketing research in BA/CA group

- One unit located directly to the board
- Reporting directly to decision makers
- 2 project managers, 3 research assistants
- Exclusive responsibility for any empirical research (from design to interpretation)
- Defining standards of research used in Austria and 8 CEE countries (guarantees comparability across all markets)

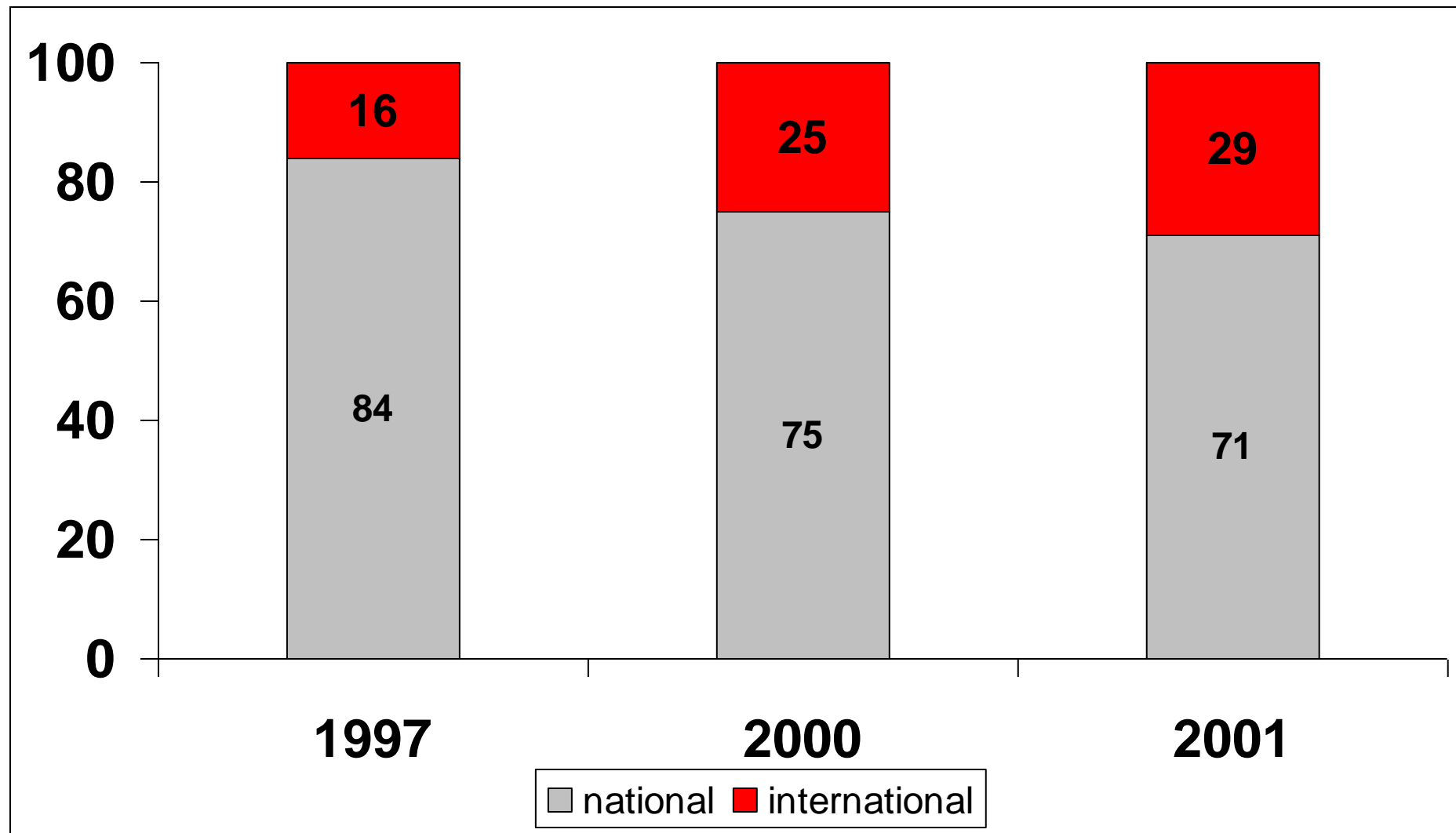
Why internal research at BA/CA?

- Customised research (programs, questions, targets)
- Concentration of know-how
- Internal know-how about bank
 - clear problem specification for agencies;
 - background for interpretation of data
- Independence

International research at BA/CA

- Started in 1994
- First steps: desk research (identification of potentials)
- Second steps: Basic studies (market description)
- Third step: Specific target group and concept studies

Share of international research within BA/CA research expenditures



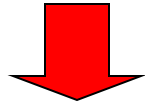
10 recommendations for doing int'l research

- ⊗ Invest in finding reliable partners.
- ⊗ Invest in personal relationships and networks.
- ⊗ Be personally present in your markets.
- ⊗ Use local knowledge (internal and external).
- ⊗ Keep your knowledge of your target markets up-to-date.
- ⊗ Aim at the greatest possible standardisation in research.
- ⊗ Expect cultural differences.
- ⊗ Expect differences in markets' developments.
- ⊗ Expect language problems.
- ⊗ Act „MOST internationally“ but also „MOST nationally“.

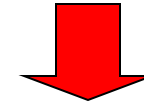
Invest in finding reliable partners

Invest in personal relationships and networks

- Austrian agencies that work in CEE or local partners?



- **Same language**
- **Easy to reach**
- **Experience with them**
- **„legal issues“**
- **Expensive**
- **Less local know how**
- **No direct contact with „executors“**

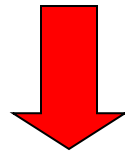


- **Language problems**
- **Reachability**
- **Less Experience with them**
- **Local know-how**
- **Price worthy**
- **Direct contact with „executors“**

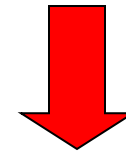
Invest in finding reliable partners

Invest in personal relationships and networks

- One research chain or one agency per market?



- **Standard level of quality (?)**
- **One contact person for many markets**
- **Know-how of a big chain**
- **Less flexible**
- **No networking effects (sharing thoughts and experiences)**
- **Lower possibility to include own ideas**



- **You have to define „standards“**
- **Many contacts („more work“)**
- **Restricted experience**
- **More flexible**
- **Networking possible**
- **Wider range of „opinions“**

Invest in finding reliable partners

Invest in personal relationships and networks

- Or: „The golden mix?“ - BA/CA solution:
 - 4 partners (main suppliers)
 - GfK: CZ, SK, RO, BG
 - RmPlus: SLO, CRO
 - KMC: PL
 - Taylor Sofres: H
 - Different situation in markets (subjective)
 - wide range of high level local agencies (SLO, PL, CRO)
 - better subsidiaries from int'l chains (H, CZ, RO, BG, SK)
 - „Trial and error“

Be personally present in your markets

Use local knowledge (internal and external)

Keep your knowledge of target markets up-to-date

- Figures cannot describe everything, some things you have to „see“
- Maintain and benefit from local contacts
- Local specialities
- What's going on in my market (banks collapsed, new products, new competitors,...)

Aim at standardised research

- International research very often is comparison
 - across markets
 - across target groups
- Standardisation of
 - target groups
 - questions
 - analysis
 - Often „local products“ need to be „standardised“

Expect cultural differences/legal differences

- Data protection/security
 - most restrictive in PL
 - relatively least restr. in SK and H
- Scales
 - 1 to 5 or 5 to 1; what if school system is 1-6 like Germany
 - willingness to give „1“
- „Holidays“

Expect differences in markets' development

- MR - environment
 - know-how
 - prices
 - mentalities

- Your business

Expect language problems

- Communication with suppliers
 - only few speak German
 - not everyone speaks English fluently
 - almost noone will speak Slovenian language
 - misunderstandings are programmed --> long term relationship to understand and learn
- Translation problems (qualitative research) !
 - Standardised communication (eg briefings)

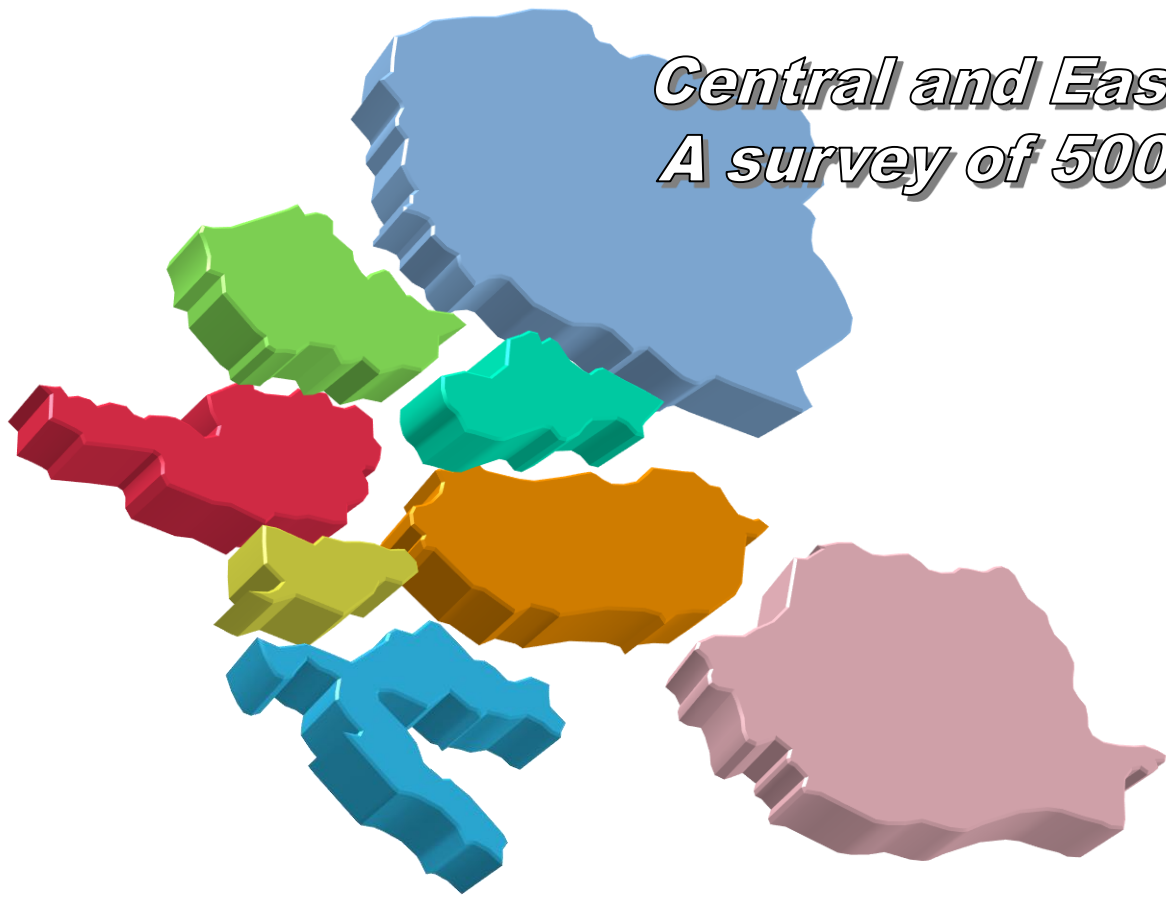
ACT „most internationally“ but also „most nationally“

- International
 - research experience
 - quality standards
 - standardisation
- National
 - „... know-how“
 - „... experience“
 - „... spirit“

case study
CEE 2010 trend index

*Central and Eastern Europe in 2010 -
A survey of 500 top managers in CEE*

*commissioned and prepared by
BA/CA group research department*



Study Format

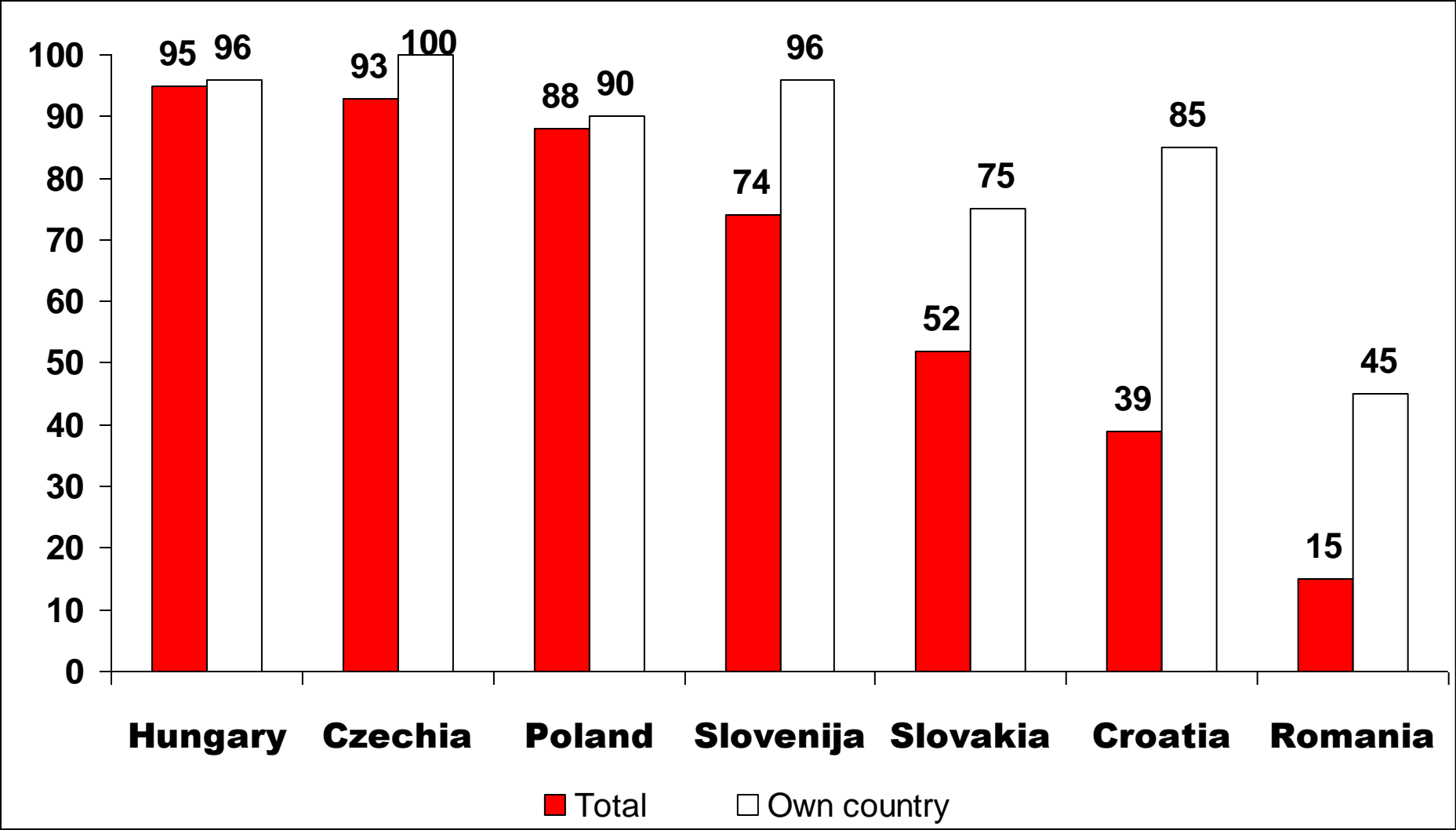
- Sample: 530 top managers from TOP500 companies in each market
- 7 Countries surveyed:
 - Poland,
 - Czech and Slovak Republics,
 - Hungary,
 - Slovenija,
 - Croatia
 - and Romania
- Fieldwork conducted by GfK affiliates in PL, CZ, SK, H and RO; by RMplus in SLO and PULS in CRO
- Research methodology: telephone interviews
- Fieldwork time: July 2000

1.

Central and Eastern Europe and the EU

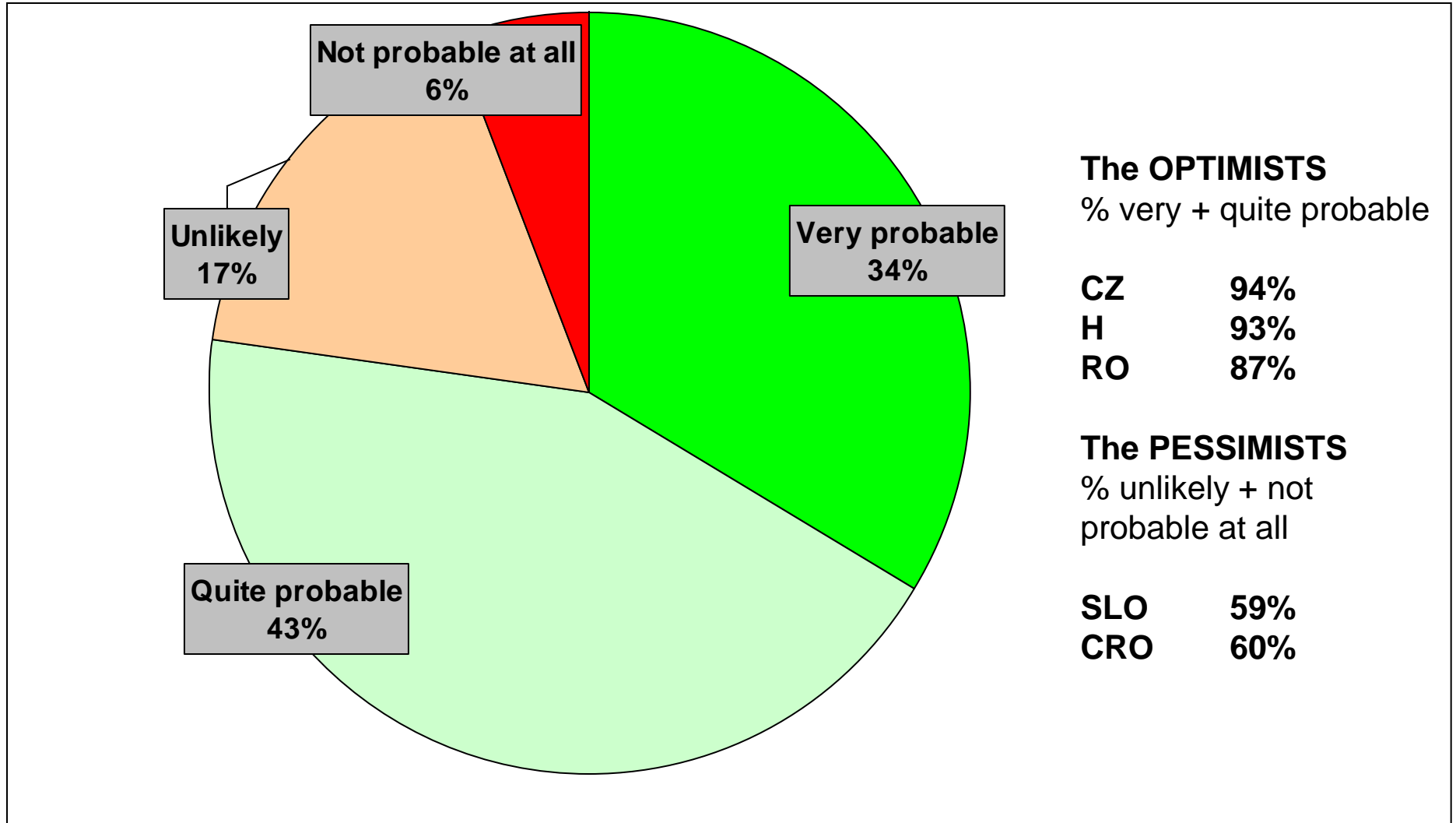
Which countries will have joined the EU by 2010?

Looking at the EU, which of the countries listed below do you think will be members of the EU by the year 2010?



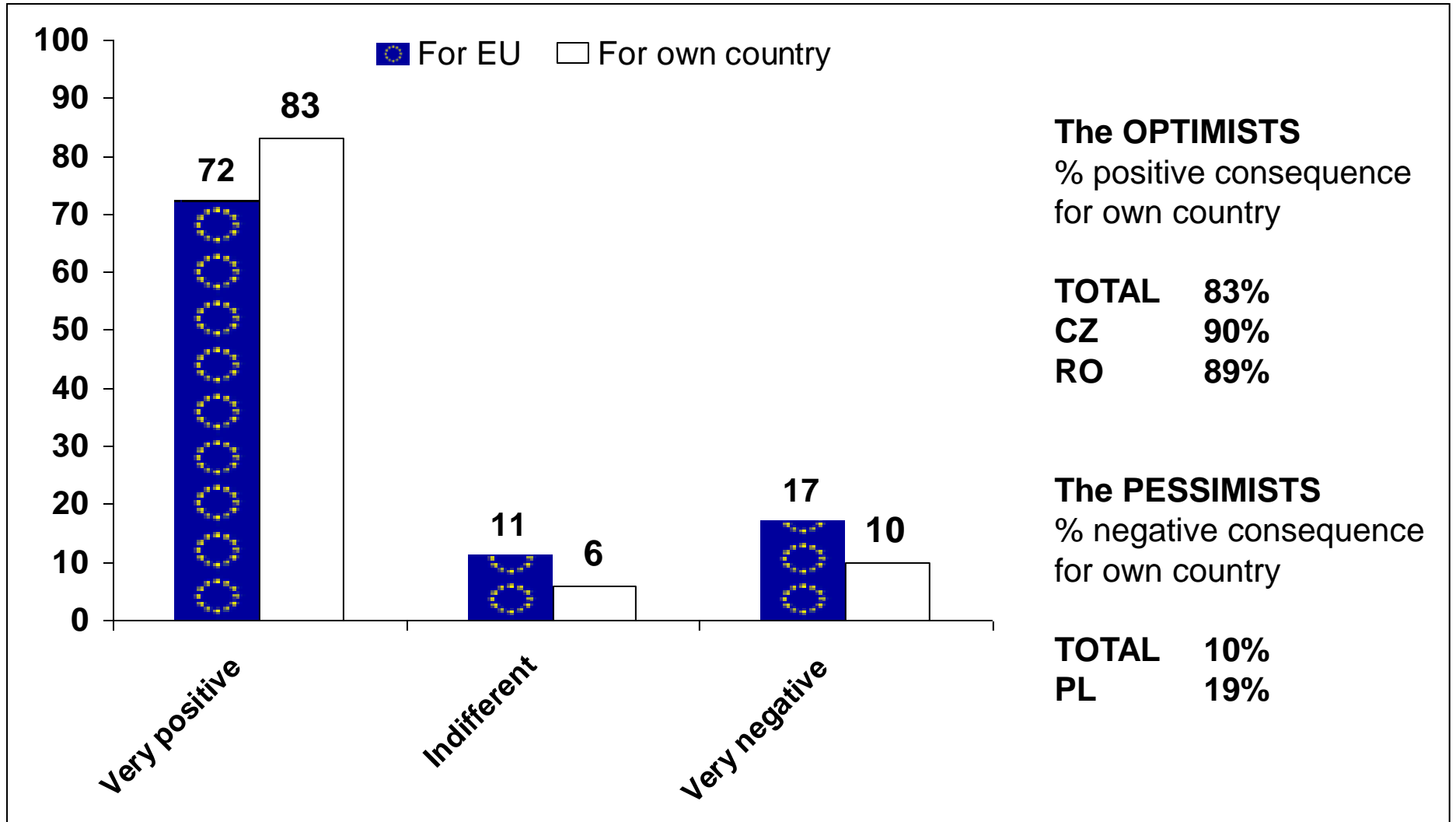
Probability of finalizing EU's enlargement into the East by 2010?

What do you think is the probability of EU enlargement into the East being completed by 2010?



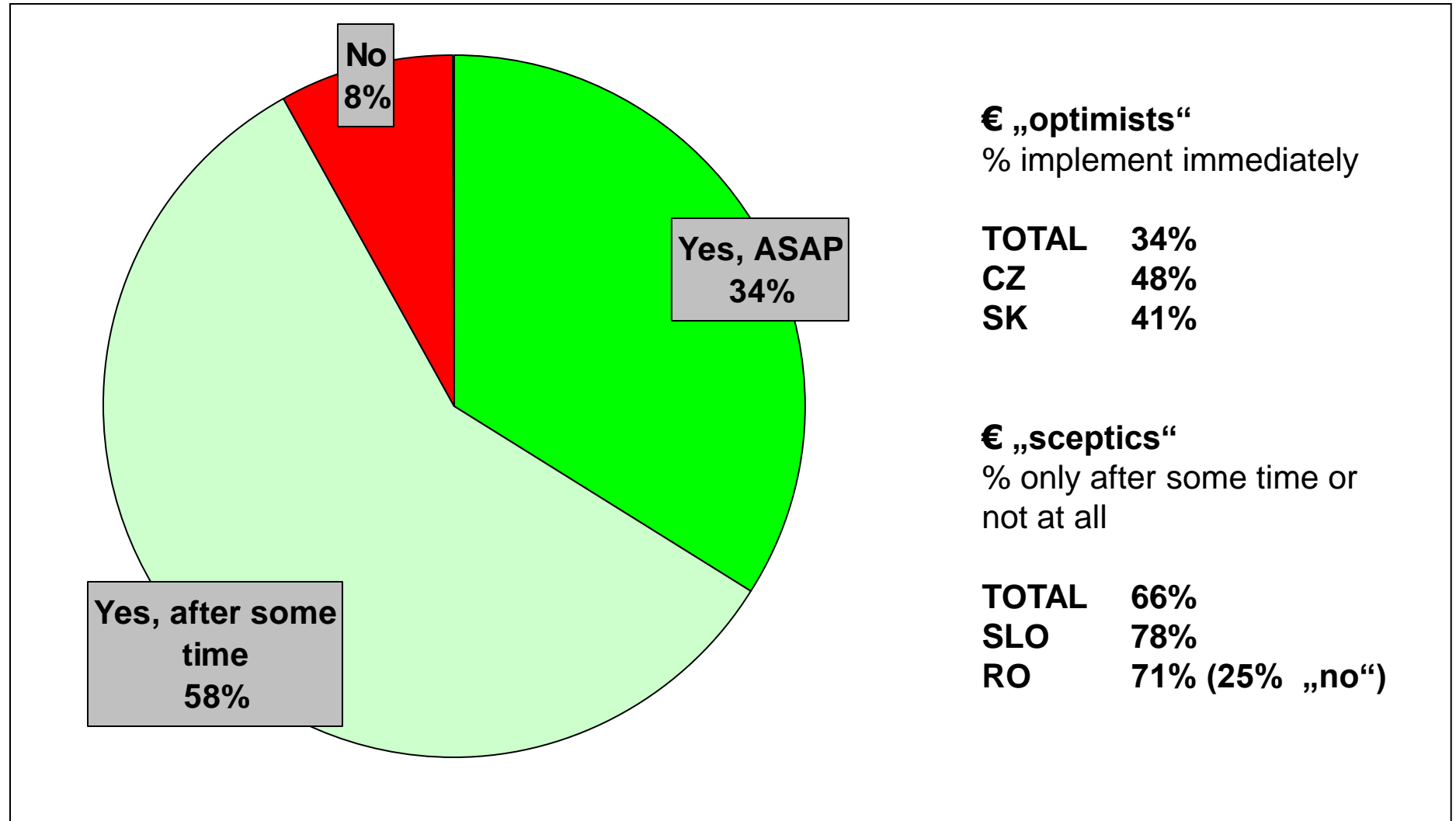
Consequences of „EU enlargement into the East“ on economies

In your opinion will „EU enlargement into the East“ be positive for the EU and in particular your respective country or will it have a negative effect?



Adoption of the EURO as our currency

After joining the EU should your country adopt the EURO as currency?



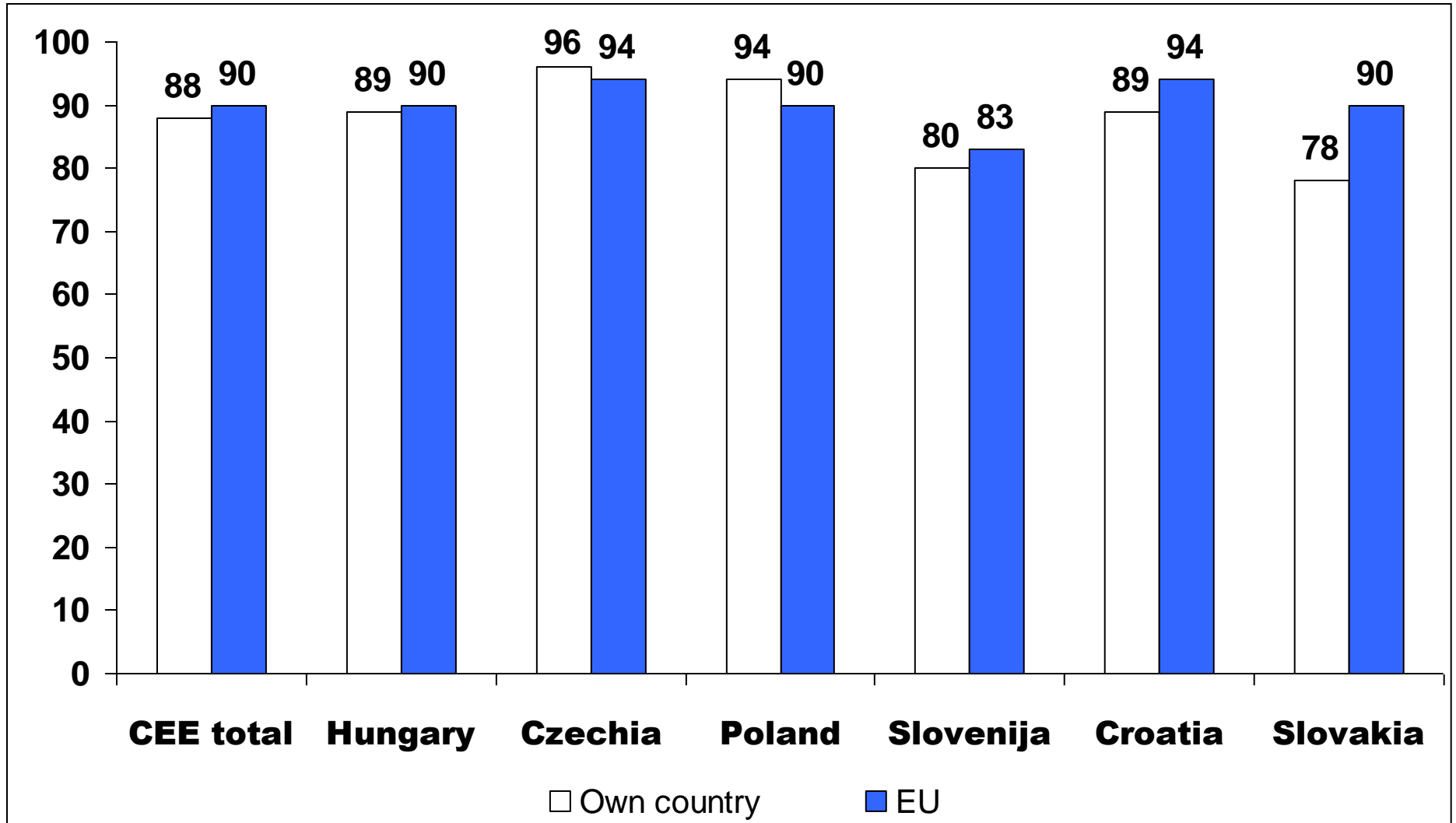
2.

„Location for business“

Optimism about development of economy

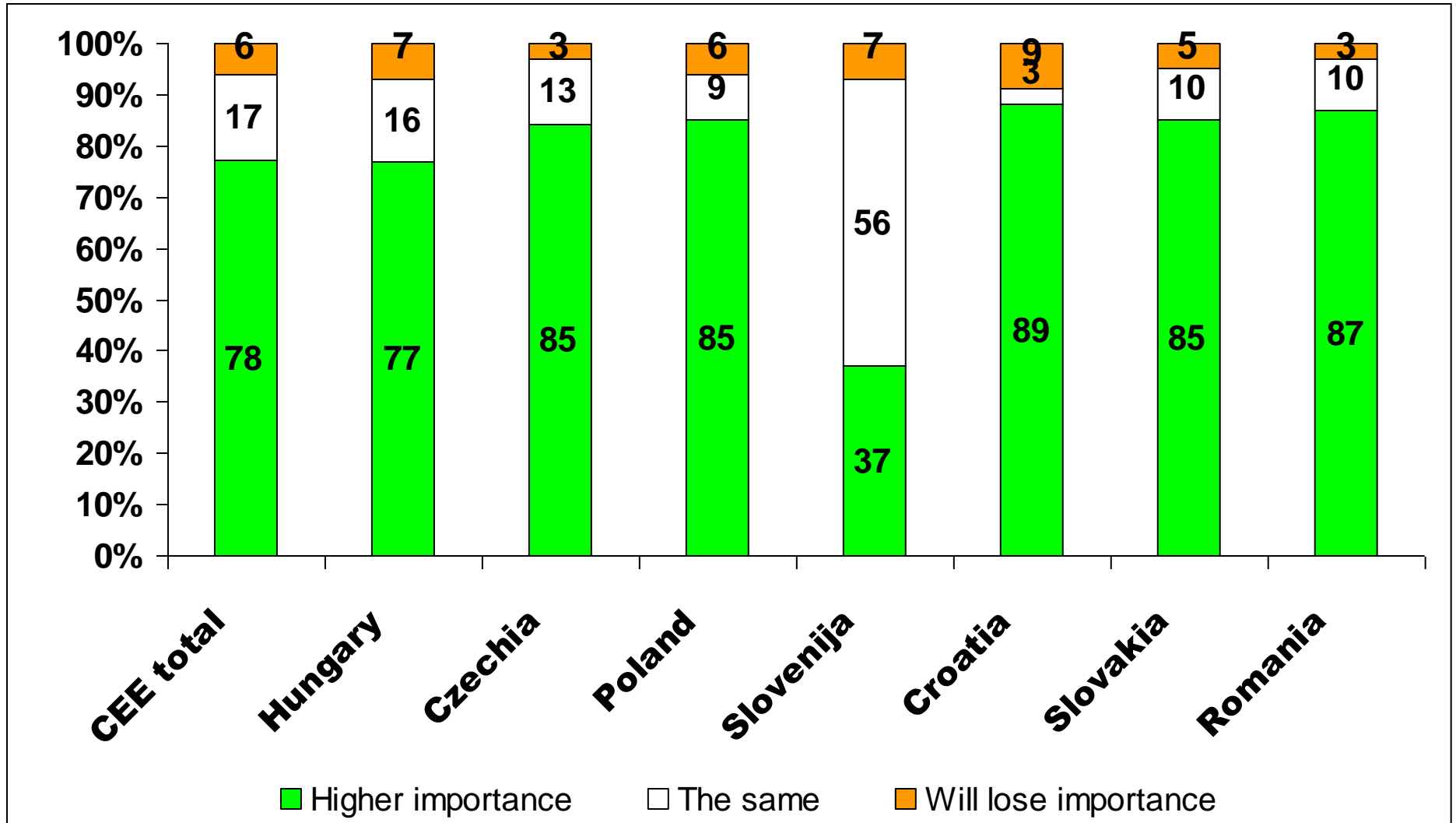
% of „very optimistic and „optimistic“ on 4 point scale)

Looking at the development of the EU's economy and your country's economies. Are you“



Future role of ... economy

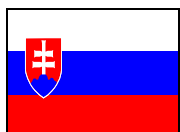
Compared to Europe and the global economy. Will your economy be of higher or lower importance than it is currently?



Competitive sectors



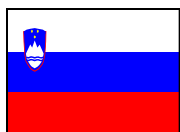
Croatia: Tourism (91%), Agriculture (38%), Food (14%), Transport (11%)



Slovakia: Metallurgy (37%), Tourism (21%), Chemistry (16%)



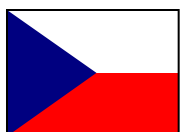
Poland: Food (16%), Telecommunications (11%), Engines, cars (11%)



Slovenija: Services (39%), Tourism (37%), Pharma (15%), Transport (11%)



Hungary: Agriculture (24%), Informatics/Internet (21%)



Czechia: Electronics (13%), Metallurgy/machines (21%)

4.

Enthusiasm

Degree of enthusiasm

Multidimensional index from -3 (not at all enthusiastic) to +3 (extremely enthusiastic)

