

IS THE WORLD OF RESEARCH FLAT?

Is the world of research flat, round or square?

In 2005, Thomas Friedman famously proclaimed that the world was flat. This flattening of the world, by which he meant an overcoming of the political boundaries placed on commerce, is supposed to have followed as a necessary consequence of new technologies. Now Indian companies can run an American corporation's computer systems, now Chinese manufacturers can feed American supply chains. This should imply manifold benefits. India enjoys an outsourcing boom. China runs on steroids because of offshoring. A flattened world should mean a more level playing field, more efficient corporations, reduced costs and more equal opportunities, regardless of geographical location. At the same time it should imply cheaper and more varied goods and services for all consumers.

Pankaj Ghemawat, a professor at the

IESE Business School in Barcelona, disagrees. In his new book *World 3.0: Global Prosperity and How to Achieve It*, Professor Ghemawat argues that the world is not in fact flat or fully globalised. It is, rather, semi-globalised. The book suggests that we live in a world where differences still matter, and that the differences across national boundaries are substantial and relevant. It describes four key areas of heterogeneity (cultural, political, geographic and economic) which strongly influence the way businesses need to work in different parts of the world.

Has the world of market research flattened? Has it benefitted from any flattening? Is it a more nimble and efficient industry, and is it able to provide better insights to marketers? Is it able to apply uniform and

standardised methodologies to different parts of the world? Who's right here, Friedman or Ghemawat?

On Friedman's side, the industry has merrily ridden along on the bandwagon of outsourcing. Global research companies have either set up their own outsourcing facilities in places like Bangalore and Hyderabad, or are using the services of businesses set up there for them. Survey data processing, interview scripting and chart composition have made their way to low cost locations. The research industry is enjoying the same cost-saving advantages as banks, insurance companies and physicians.

On the other hand, Ghemawat seems to have a point. His four factors of heterogeneity – cultural, political, geographic and economic – obviously deserve strong recognition when



researchers are authoring studies and designing tools. Whatever the flattening forces of digital and mobile connectivity, consumers across the world simply are heterogeneous. Huge disparities in income, living standards, education and values mean disparate choices.

The tools and techniques employed to extract and understand consumer choices need to have a high degree of sensitivity to cultural differences. A certain score on “definitely buy” in Germany needs different interpretation than the same score in India – Germanic consumer culture can be less effusive in expressing opinions on new products than its Indian counterpart. Emerging market consumers look at products and services in ways that sometimes bear little resemblance to the habits of consumers in the developed world – attribute batteries in questionnaires

need to recognise and reflect these differences. Lower levels of articulation and literacy in some parts of some developing countries may mean that we derive the factors driving consumer behaviour using techniques other than direct questioning. Worldwide differences in consumer cultures are numerous and their implications are significant.

At the same time, multi-national researchers strive to strike a balance between a highly desired standardisation and an equally important localisation. Standardised protocols and research instruments simplify researchers’ lives and help us compare results across boundaries. However, standard protocols carry the risk of being blunt instruments and may fail to capture important local sensibilities. The solution lies, perhaps, in

arriving at a compromise: enough standardisation to serve the global needs of a global corporation, but ample leeway in the details to capture cross-cultural nuances in an objective and unbiased manner. The world is not so flat that we can afford to ignore the risk of sliding. **RW**

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