

Marketing Research Vs Partner Search

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Abstract: When a company begins to work out a new market for itself – no matter by what criteria-product, geographical, and so on, it is necessary to answer one simple question – whether it will be necessary to conduct marketing research or you can immediately look for contractors who will distribute the product in this market. The answer to this classic marketing question may require some effort from the company's management –many combinations of various factors that affect the decision on the optimal scheme of work to enter a new market are difficult to assess. Especially if there are accompanying incentive measures that distort the flow of a businessman's thoughts as a "black hole" light.

Key words: marketing research, potential partners, business communication, foreign market, business partners, export-oriented enterprises.

How to properly organize work when entering a new market for the company

About incentive measures that affect the strategy of new market research

In theory, there are many such measures, but now for small and medium-sized businesses, the issue of participation in measures to support export-oriented enterprises, which are implemented at the regional level by special structures, is of high relevance. Export support centers in the subjects of the Republic of Uzbekistan have a certain set of funded or co-financed services, which include marketing research of foreign markets and the search for partners in these markets.

What is the problem with making the right choice?

The most important "trap" is that marketing research is co-financed (20% of the cost is paid by the recipient of the service – a small and medium-

sized business entity), and the search for business partners is free of charge.

Now we count. The cost of a service for conducting marketing research on a foreign market varies greatly depending on the geography and the product itself. The range is from 80 to 500 thousand rubles. The average values are 120-200 thousand rubles. We are talking here about marketing research of the market taking into account the requirements of state structures and achieving the interests of the final customer – business, and not the preparation of a formal report by an outsourcer student for 50 thousand rubles for any market (of which he will be paid 10) and 10 days.

It turns out that the business carries a load – 25-40 thousand rubles, in rare cases-more than 50-80 thousand rubles. This is a payment for the work of one marketing analyst per month, in fact (taking into account the entire tax and social burden), but the business does not see the value and is often not ready to pay. Employees of export support centers can not show this value, as they are rarely deeply immersed in the issues of market research and business decision-making.

Hence, there is a natural desire of the service recipient to choose the search for partners – according to the principle-we do not lose anything. Moreover, almost always a businessman is sincerely sure that his product is just super competitive and finding partners to sell it is easy and simple (it is strange that this task has not yet been solved on its own for some reason). What other studies – "we have sailed-we know", they buy in Russia, they took us to Kazakhstan a couple of times, so the conditional France or Iran are waiting for us with impatience tomorrow.

If a business is willing to order a study, it should cost a minimum amount. Under the pressure of such customers, employees of export support

centers find cheap, and therefore almost certainly low-quality options. Getting the final reports, which at best are just a set of tables with data on the country's market (starting with the analysis of aggregates a la gross product and income dynamics of the population), and at worst-rewritten old reports with adjusted time series, without any sane interpretation of the information, businessmen are confirmed in the opinion that all this research is a useless thing, for which they also ask for money.

This creates a vicious circle that can be "broken" only by convincing the business that marketing research has value, but also has a value that corresponds to it.

Finding partners is, of course, a free service, but is it necessary to be guided by the principle that you do not look a gift horse in the mouth? It is quite logical that since this service is not co-sponsored, it is less expensive for the state, and therefore the performer will not earn much on it. Therefore, if the search for partners for a particular situation is objectively difficult, then the responsible performer will not take it (the one who values reputation and is in demand), and the irresponsible one will not give results. That is, the output will be dissatisfaction on all sides – the businessman will not get what he wants, the export support center will "rake" the negative, and the performer will run away and not return, even if he is forced to "refine" a deliberately losing project with stick methods.

Unfortunately, for the most part, the regional structures have not yet developed an effective scheme for organizing the provision of such services as marketing research and partner search. A typical situation is such a stalemate – a small business entity requires a study of the Iranian market (conditionally) for its products, which go out of the region on big holidays, and the center has no way to justify the refusal. A reasonable entrepreneur should understand that he can insist, but what will be obtained as a result? Maybe you should rely on the objective need for a certain service for your markets and products, and not grab a "freebie", ultimately leading the situation to the form "loss (business) - loss (export support center) – loss (service provider)"?

Marketing research

Based on the existing experience of conducting market research (both on orders of regional export support structures, and on direct contracts with businesses – small, medium and large), we can formulate some of the following "symptoms" that indicate the feasibility of market research, as well as highlight the advantages of this tool in terms of finding partners.

Let's start with the advantages.

Market research provides a wide range of information that can be used by the company to solve a wide range of tasks. Often these tasks go beyond the actual achievement of the goal of mastering this market. Many of the studied markets surpass the national market in terms of their development, so there is a kind of benchmarking - based on the data obtained, it is possible to increase the competitiveness of products in the domestic market. It is perfectly normal if the marketing research indicates the need to adapt the product or even improve its quality, which will require changes in the technological process.

In the course of marketing research, it is necessary to evaluate not only the market as such, but also the barriers that stand in the way of the exporter. For some markets, barriers related to commercial activities are more important (for example, other distribution schemes or specific consumer behaviors), but in the context of a globalized economy, such differences are gradually erased. However, administrative barriers remain important, and for some markets (for example, for the countries of the European Union), they only increase due to the high level of regulation. It is not reasonable to look for partners in the EU market if the company does not understand the barriers to entry and is not ready to overcome them (not in an abstract way, but with an understanding of its capabilities and the economics of the project).

Another advantage of marketing research is a higher level of objectivity of the work carried out. Nevertheless, the geographical market is an object of a sufficiently high order, which is studied from different sides. In particular, according to the REC standards, it is prescribed to give a list of potential partners in the format of cold contacts, which

roughly outlines the range of possible counterparties in this market in the future.

When a partner search service is provided, the customer is given information on only 5 companies that have expressed interest in discussing an export project. Is it too much or too little? It depends on the quality of contacts and the specifics of the market, but it is usually quite enough. The problem here is that the result in the form of a supply contract will be achieved only if the product is ready for the market. If you need to spend many months on adaptation, certification, and solving numerous legal issues, then the relevance of the acquired "warm" contacts will greatly decrease.

Also, in this case, the customer receives only 5 potential partners. It is difficult to make an assessment of how much they reflect the market as a whole. It is not always completely clear why they answered "yes" to the project executor and whether they will want to continue to communicate with the company representatives in a productive way.

There is a good example about fish and fishing rod – that in the first case, a person is full for one day, and in the second-for a lifetime. The search for partners is a fish-you can sign a contract, but the understanding of the market and the value of this contract will not be added. Marketing research is a fishing rod that will allow you to build a long-term strategy for daily fishing. If you get a fish, you'll want more tomorrow, and you don't know how to catch it. It is very easy to become dependent on those who give such fish.

After this analogy, you can move on to the symptoms, which describe a situation where marketing research is more appropriate.

It is advisable to order market research if the company enters a non-standard geographical market, the level of knowledge about which is low. It is not enough not to know the problems, you need to know the procedure for working in the market to say to yourself – I know the market.

At the same time, marketing research will have a greater effect if the customer has the competence to interpret it correctly. Of course, it is necessary to prescribe in the terms of reference not only the provision of statistical information about the market, but also the design of basic entry steps, but the main

data set still needs to be able to "read". An honest answer is very important – will we understand marketing research if it is written in a sufficiently formalized and scientific way? Often, the performers at export support centers are organizations and people more from science than from practice. You need to be able to work with their materials and writing style.

A product is very important – the less standard it is and the more B2B it is, the greater the need for market research. We take a relatively simple geographical market-Kazakhstan, almost Russia. It is easy to answer the question of when marketing research is more important – if you want to sell sunflower oil or industrial separation equipment in Kazakhstan.

Of course, you don't need to conduct market research for the sake of research, it never hurts, but the question of time and resources costs remains. Sometimes it really makes sense to go straight to the search for partners.

Search for partners

The great demand for the partner search service cannot be explained only by its free nature. It does have many advantages that businesses value, especially at the microenterprise level.

To begin with, the value of this service is more transparent and its content is clear to all parties to the process. "Warm contact" - it is also in Africa (now the markets of African countries are also beginning to gain popularity) "warm contact", it is problematic to simulate it, and the lack of the necessary result is not disguised by science and thousands of useless figures as in a marketing study. On the other hand, we also understand that the degree of "heat" may vary, and its low temperature may be the fault of both the performer (unable to realize the potential of your product) and you yourself – the product in a given market does not have pronounced prospects and advantages.

The second point is the speed of rendering. If the marketing research usually requires about 2-3 months, then the search for partners is implemented in a month. The difference is not big, but noticeable.

The advantage of finding partners is also that the implementing company takes on functions that

some enterprises, especially at the micro level, simply will not be able to implement, even if they are provided with a good marketing research with a wide list of "cold contacts". It is commonplace for a small business entity to lack employees with the necessary languages, knowledge in the field of business communication with representatives of a given country, and so on.

The partner search service is very well combined with participation in business missions. If you are traveling, especially to a distant country, you can choose partners in advance for face-to-face negotiations. This is effective, and it is also easier for the performer, since it is always less labor-intensive to arrange a meeting in person, and the potential partner will be more loyal.

In general, the search for partners as a service has proven itself well in situations where the company knows the market deeply enough and has a targeted commercial offer for it. If you can "plant" a ready-made marketing research, even if conducted on your own, then the chances of success will be very high.

You can also go straight to the search for a partner if we want to sell in a market close to us according to the criteria of consumer behavior and the absence of barriers (for example, the countries of the Customs Union), the product itself is simple and more focused on the end user. Products for FMCG markets are usually easier to work with than an industrial group.

A clear sign that you need to "take" the search for a partner are requests for your product from companies in this market or geographically neighboring with a similar structure and consumer behavior strategies.

Finally, if the customer of the service is a classic micro-enterprise with no "high" goals for the export market, but simply has a desire to diagnose opportunities and communicate with potential partners through an intermediary, then this choice is also logical. You only need to understand that in this case you need either a simple product or a very competent performer in a particular geographical market, and a combination of these conditions is desirable. Nevertheless, export supplies require certain minimum parameters from the exporter itself

– production and financial capabilities in any case. For the project to take place, even with external support, they need to be increased.

Thus, there is no obviously correct choice between marketing research and finding a partner. Everything is determined by the situation. The main thing is that if the choice is associated with the use of state support measures, you do not need to start from free of charge. This is a losing strategy. You need to really assess your needs and opportunities in a particular export project.

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