

SOCIAL IMPACT ASSESSMENT, DEVELOPING COUNTRIES
AND MARKETING OPPORTUNITIES

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Abstract

Social Impact Assessment (SIA) is a type of mandated research which is typically implemented during the planning stages of development projects. To facilitate the use of this source of secondary data by marketers, we will provide an overview of what SIA is and present the results of a questionnaire on SIA sent to a sample of international marketing managers.

The Potential of Social Impact Assessment

One of the truisms of development is that the countries, subcultures, and regions which most desperately need injections of investment capital and marketing activity are simultaneously those which usually have the least to offer the potential investor. Recent, adequate, and meaningful secondary information sources and data bases are one set of basic business tools which developing countries habitually fail to provide.

Encouragingly, although developing countries suffer from a general lack of accessible secondary research data, an existing social science can easily generate such information. Social Impact Assessment (SIA) is a type of mandated research which is typically used when developmental organizations (such as the World Bank) evaluates proposed development projects. Routinely required when applying for funding, developing countries either perform such work or cooperate with those authorized to perform it (Walle 1985). This information is then provided to ultimate decision makers who use it in forging policies and allocating funds (D'Amore 1978).

Sadly, once used to analyze a specific project, most SIA research is swallowed up by the file cabinet never to see the light of day again, even though it is often a part of the public record and available to anyone who wants it. The data found in SIA's, furthermore, often includes exactly the type of information of interest to those considering investing in or marketing to developing countries. Letting such valuable secondary data stand idle is unfortunate and against the best interests of developing countries and multinationals.

The Pilot Research

Little, if any, primary research has been conducted on corporate awareness of and attitudes toward SIA. As an initial step in this regard, the authors conducted a pilot study among a small sample of Northeast Ohio firms involved in international business.

Although the survey was exploratory, the executives' attitude patterns tended to be quite consistent in the following areas:

- * recognize the void of secondary data available from Third World and developing countries;
- * consider SIA to be more qualitative ("soft") and see it as being more valuable in forging long-term demand forecasts;
- * recognize the quality of World Bank research, but feel it is generally not available "quickly enough" nor in a form that is useful to business; and
- * do see SIA as a tool that would be potentially valuable to business in making investment and marketing (product/channel) decisions.

Additionally, the survey findings indicate that more information needs to be made available to companies concerning when and how to employ SIA. The "bottom-line" is that the responding executives are intrigued by SIA's potential, such as "... in determining whether a boomtown was a 'window of opportunity' or 'gilded trap leading to disaster'," but lack the specific knowledge required to make effective use of such information.

Implications for Marketers

Marketing research personnel and strategic planners should commit themselves to learning more about SIA and SIA researchers who often lack a knowledge of the methods of business. In specific, SIA researchers often come from Anthropology and Sociology: disciplines relatively unknown to the business disciplines. Marketers can legitimately prod SIA researchers to become aware of the needs of business and to respond accordingly; conversely, we must simultaneously practice what we preach by adjusting our professional toolkit to embrace SIA techniques and methodologies.

SIA techniques and/or existing research teams, furthermore, may be employed to provide primary research as well. If this is done, however, marketers must acquire appropriate research skills and keep an open mind regarding unfamiliar research methods. Those who do will be poised to tap a vast array of tools, techniques, and data sources.

REFERENCES

- D'Amore, L.J. (1978). "An Executive Guide to Social Impact Assessment," Business Quarterly.
- Walle, A.H. (1985). "Social-Impact Reports Give Valuable Information," Marketing News (November 8), p. 28-30.