

Successful Research Operations in Mexico

Interview by James R. DeLisle

A Discussion with Robert Berg Wilkie, President, Berg Marketing & Research



Robert Berg Wilkie

Thank you for your willingness to share your reflection on your research career and provide us with insights from some of your “lessons learned.” Given your position and scope of operations, we are particularly interested in some of the insights you may be able to share with our

increasingly international audience.

Background

Robert, let’s start with your current position. Your company, Berg Marketing & Research bears your family name. I assume that is not a coincidence. What is your current role at the firm?

As founder and President of Berg Marketing & Research, I continue to be active in the supervision of all the departments of my firm. However, I spend most of my time analyzing data for new shopping-center developments throughout Mexico, as well as assisting our clients with growth and marketing strategies for their projects.

According to your firm’s website,¹ your company has been in business in Mexico for almost 35 years. How did you get your start in the research and consulting businesses in Mexico?

I arrived in Mexico in 1962, having just graduated from Thunderbird, working as a management trainee for Vision. In 1964, I joined International Research Associates (INRA) as an account manager. INRA, based in New York City, was a pioneer in coordinating worldwide research at the time for international companies. Its office in Mexico was the leading research company at the time. At INRA, I coordinated thousands of taste tests for consommé and margarines for General Foods and Unilever.

Why did you decide to create your own company and how did it evolve?

By the early 1970s I had ascended to the position of General Manager at INRA, when the company was sold. It was then that I decided to go into business on my own, having identified several areas of opportunity that were not being serviced by local research firms.

In 1973 I established Agencia de Corresponsales Americanos (ACA), a firm specializing in media monitoring, media planning and related consumer research. ACA was a pioneer of advertising expenditure reports and advertising-efficiency studies, which became one of our strengths. Among my many clients I provided services to many of the largest North American transnational companies operating in Mexico. I later sold this division of my firm to Nielsen, as they prepared to enter the Mexican market in the early 1980s.

Having sold one of my successful business lines, I decided to close ACA and open Berg Marketing & Research (BM&R). In this new operation, I focused on the areas of new product development, consumer research and media consulting. In the latter 1980s, I began doing trade-area analysis for Sears, the only department store growing in Mexico at the time.

Working with Sears helped to open the door to a new line of business and led to the opportunity to interact with many of today’s most important shopping-center developers in Mexico. This relationship proved beneficial and helped expand our client base. Today, over 50% of our business is related to new shopping-center developments throughout the country.

It is interesting to hear how your firm evolved from the early days. Given the changes that have occurred in the market, how have you organized and staffed your company to support your base of operations?

We are a mid-sized research firm specializing in shopping-center and real-estate research, new product development, and public opinion. Our organization is divided into three in-house departments—Operations, IT and Administration, and Finance. Additionally, we have strategic alliances with five different field suppliers that conduct our face-to-face surveys nationwide, as well as

¹ www.bergresearch.com.mx



with one of the country's most experienced qualitative industrial psychologists for our focus groups and executive interviews.

Our Operations Department is made up of a department manager and four account managers. This department prepares and supervises the questionnaires and field work for each project, as well as performing the preliminary analysis of results.

Our IT Department consists of a department manager, two senior analysts and four junior analysts. This department is in charge of processing all the questionnaires and prepares the electronic reports for the account managers.

Prior to presenting the results of any project, I personally review the results and preliminary findings. As the most senior member of our staff, I take it upon myself to make the presentations for our larger clients, as well as the most important sales calls.

Given the nature of your business, you must engage in a range of qualitative and quantitative research and consulting services. Can you give us some examples of your approach to these two areas of research?

Our quantitative work is directly related to trade area analysis for new shopping centers, new stores and housing projects. Most of the client satisfaction surveys that we conduct for different retailers nationwide fall under this category. Our qualitative division is specifically focused on group sessions, which for the most part involve new-product development and launching, advertising pre-tests and client satisfaction.

I see that you also provide consulting services and feasibility studies. What kind of services fall under those two categories and how important are they to your firm?

We are one of the leading retailer and shopping-center feasibility study firms in the country in terms of projects to determine the sales potential for a new store or shopping center and its size. The services that fall under this division include trade-area analysis, household purchasing-habit analysis and client satisfaction. This area represents approximately 75% of our business today.

You have a very broad list of clients, both domestic and global. How has your client base changed over the past several years, and what new challenges are they asking you to address for them?

During my first 20 years in business, my client base was limited to a small number of international consumer-product firms for which I provided a variety of consumer research throughout Mexico and Central

America. In 1990, we expanded our research when Sears first asked us to conduct feasibility studies utilizing the methodology from their home office. As a result of this experience, our business focus began to change, as real-estate developers and retail chains began to request more detailed research to forecast the sales potential of their projects. Over time, our real-estate consulting continued to expand and we began to conduct research for a full range of real-estate projects such as residential, office, hospital and golf club projects.

Career Path

Let us turn our attention to where you came from and how you got to this point in your career. Where were you born? What was it like growing up?

I was born in Manila, Philippines, in 1937. My father was German and my mother American. My father was the founder and partner of Berg's Department Store, one of the first stores of its kind in Manila. My mother was the daughter of the quartermaster for General Douglas MacArthur's staff in the South Pacific.

We came back to the United States right before World War II, and I grew up in Louisville, Kentucky. My uncle Wendell Willkie, the Republican presidential candidate and promoter of the one-world idea prior to the United Nations, was a great influence on me during my childhood. After high school, I went to Dartmouth and later attended Thunderbird.

Your father certainly had a successful retail career. How did your career in retail research start?

My career in retail began in 1988 when the General Manager of Sears Mexico hired me to evaluate several projects for the company's expansion plans in Mexico. At the time Sears asked me to travel to Chicago to learn its methodology.

Were there some specific events that were a defining moments—either negative or positive—in your life? If so, what were they?

There are three decisive factors in my life. The first was the decision to marry a wonderful Mexican lady and pursue a career down here in Mexico. The second was turning down my father's offer to go back to the Philippines to run the family business in Manila. The third was the decision to sell my first company to AC Nielsen in 1985 and to expand my scope of operations, instead of deciding to stay in that line of business and competing with AC Nielsen directly.

If you could choose your career path again, would you do anything differently?

I am extremely happy in the *ad hoc* research area in which I operate. I have found I need to have mental



flexibility to handle a constantly changing number of client problems; solving them with research solutions has been very challenging, satisfying and rewarding.

What was the best career-related decision you made or opportunity you took? Why was it important to you?

The best decision I made was to leave INRA to set up my own business in 1973. This change helped me to understand the advantages and disadvantages of being your own boss. It also forced me to learn how to deal with the pressure associated with establishing sufficient cash flow to maintain and grow our operations.

What was the most difficult or riskiest career decision you faced? What was the outcome and would you make the same decision today? What “lesson learned” might have helped you in facing this decision?

I have come to realize that conducting and supervising research, as opposed to managing research profitably in your own company, are two very different challenges. They require different skills, discipline and sacrifices. I have found that my research skills were only part of the skills needed to be an entrepreneur and to manage a successful business.

Academic Insights

What is your academic background? Do you have any formal training in retail research?

In college, I focused on history and international relations. As such, I had no formal training in retail research. However, I received “on-the-job” training when I ventured into this field at Sears’ request in the early 1970s, and I learned the basics of this field in Chicago. Since that time, I have learned a tremendous amount conducting more than 500 different retail-related research projects during the past 20 years. The bottom line is that I have developed most of my retail research skills on the job, by staying on top of the market as it evolved and working closely with clients who were on the ground.

What skills or training does it take to excel in a job like yours? How should those interested in following your path best prepare themselves for success?

Over the years, I have come to realize that every research project is different. While there are some commonalities and basic tools that can be applied, a consultant should always keep an open mind in the selection of the most appropriate methodology for a specific project. As such, those aspiring to provide similar services should learn how to relate to clients, to try to get a clear understanding of their clients’ problems and objectives. Based on this understanding, they will be able to properly write the questionnaires that will answer

their clients’ specific questions.

How do you rate the formal academic training that the next generation is receiving? How good a job are schools and universities doing in training students to hit the ground running?

Unfortunately in Mexico, none of the leading universities and colleges has focused any attention on providing courses for the retail management areas. As far as I know, there are very few courses for marketing research aimed at retailers. The courses that do exist in Mexico use translations of U.S. textbooks that have not been adjusted to the intricacies of the country.

What recommendations would you make to the academic community or to students and why?

Regardless of their academic backgrounds, I would strongly recommend to anyone interested in research to make sure they get out in the field and personally conduct some face-to-face interviews. To the extent possible, they should also supervise as many different projects as possible. Through these efforts, they can learn the intricacies of doing good research in Mexico and develop the skills necessary to respond to the unique challenges they will face.

Professional Relations

What role did other people play in shaping your life? Was there a particularly important person or mentor who influenced your career and if so, who and how did he/she affect your life?

Bob Whitehouse, the General Manager of INRA—where I started my career in research—was definitely very influential in my career. He taught me one basic thing: not to be afraid of the mistakes you might make in a project, but instead to learn from them and make sure not to make them again.

How important are relationships in market research careers? Are they as important when the scope of your practice is international?

Personal relationships are clearly important. As clients gain confidence in you and your recommendations, they will continue using you forever, even as they switch from one company to another. Indeed, most of my key clients today have worked with me for over 10 years.

Are you involved in other trade associations like ICSC? How important are they to the industry and to your success?

Trade associations in Mexico are just beginning to organize and to provide the services that the local companies need.



Role of Research

Given your job, you obviously believe in the importance of research to the industry? However, do you think is it receiving the recognition it warrants?

Most of the companies in the real estate development area in Mexico are still more cost-conscious than risk-conscious. As such, a number of companies begin by opting for the least costly research alternative, even though it is not the most thorough. However, once they have a problem with a specific site, many of them realize they must incorporate more thorough research before buying future sites.

How has research changed over the past several years? Where is research headed in the industry?

In general, research in Mexico has become much more professional in the last 10 years. This evolution has occurred in both the business and political arenas. For example, the major political parties have begun to rely on public opinion surveys to guide their strategies.

In your opinion, are lessons learned and research insights portable across country boundaries? Are there opportunities for international research careers?

I believe research “insights” can be taken from country to country, even though the ability to apply certain methodologies might differ as a result of data limitations or other issues. Regardless of where you are operating, the major principles remain the same: correct sample, proper questionnaire, proper cross-tabbing of the data and detailed analysis. As shopping centers become more important across the world, there are definitely international career opportunities for those who want to work outside the U.S. in this field.

Future Vision

You have been at the helm of your own company for a long time. How has the business changed over the years and how have you responded to those changes?

The research business has changed in two major ways. First, there are more and better technologies to collect and process data. Second, and more importantly, we have the ability to deliver results almost instantaneously to our clients.

What do you think are the biggest challenges our industry will face going forward and how should young professionals prepare for this future world?

Young professionals should make sure they are continuously aware of all the different and new methodologies available to conduct research. As appropriate, they should definitely become proficient with these tools.

Do you have any additional career advice you would like to share with Next Generation young professionals?

Be patient. Experience is what counts the most in this field. Polish your strengths and learn from your mistakes.

What final thought would you like to share with our readers?

Do not be afraid to make mistakes.

On behalf of ICSC and Next Generation professionals, I would like to thank you for your time and for sharing your lessons learned. We wish you continued success.

This is part of a series of executive profiles of research-oriented industry leaders conducted by **Prof. James R. DeLisle**, Ph.D., the Runstad Professor of Real Estate and Director of Graduate Real Estate Studies at the University of Washington. The series explores the extent to which the mind-set and skills cultivated in research roles have been instrumental in their professional development, as well as how they have built on that foundation.