

Managing Marketing Information

Chapter 4

Learning Goals

- 1. Explain the importance of information to the company**
- 2. Define the marketing information system**
- 3. Outline the steps in the market research process**
- 4. Explain how companies analyze and distribute information**
- 5. Discuss special issues facing market researchers**

Case Study

New Coke

New Coke Product Failure

- **Poor sales**
- **Over 1,500 phone calls a day from angry customers**
- **Old Coke returns in only 3 months**

Was due largely to Research Failure

- **Tested on taste only – not intangibles**
- **Decisions based on 60% ratings**
- **All for \$4 million!**

Marketing Info. System

Marketing Information System (MIS)

- **Consists of people, equipment, and procedures to gather, sort, analyze, evaluate, and distribute needed, timely, and accurate information to marketing decision makers.**

Marketing Info. System

Begins and Ends with Information Users:

- **Interacts with information users to assess information**
- **Develops needed information from internal and external sources**
- **Helps users analyze information for marketing decisions**
- **Distributes the marketing information and helps managers use it for decision making**

Assessing Marketing Information Needs

- **The MIS serves company managers as well as external partners**
- **The MIS must balance needs against feasibility:**
 - **Not all information can be obtained.**
 - **Obtaining, processing, sorting, and delivering information is costly**

Developing Marketing Information

Sources of Info

Internal data

Marketing intelligence

Marketing research

- **Internal data is gathered via customer databases, financial records, and operations reports.**
- **Advantages include quick/easy access to information.**
- **Disadvantages stem from the incompleteness or inappropriateness of data to a particular situation.**

Developing Marketing Information

Sources of Info

Internal data

Marketing intelligence

Marketing research

- ***Marketing intelligence*** is the systematic collection and analysis of publicly available information about competitors and trends in the marketing environment.
- **Competitive intelligence gathering activities** have grown dramatically.
- **Many sources of competitive information** exist.

Sources of Competitive Intelligence

- **Company employees**
- **Internet**
- **Garbage**
- **Published information**
- **Competitor's employees**
- **Trade shows**
- **Benchmarking**
- **Channel members and key customers**

Developing Marketing Information

Sources of Info

Internal data

Marketing intelligence

Marketing research

Marketing research is the systematic design, collection, analysis, and reporting of data relevant to a specific marketing situation facing an organization.

Steps in the Marketing Research Process:

- 1. Defining the problem and research objectives.**
- 2. Developing the research plan for collecting information.**
- 3. Implementing the research plan – collecting and analyzing the data.**
- 4. Interpreting and reporting the findings.**

Step 1: Defining the problem and research objectives

- **The manager and the researcher must work together.**
- **These objectives guide the entire process.**
- **Exploratory, descriptive, and causal research each fulfill different objectives.**

Step 2: Developing the Research Plan

- **The research plan is a written document that outlines the type of problem, objectives, data needed, and the usefulness of the results. Includes:**
 - **Secondary data: Information collected for another purpose that already exists.**
 - **Primary data: Information collected for the specific purpose at hand**

Secondary Data

Secondary data sources:

- Government information
- Internal, commercial, and online databases
- Publications

Advantages:

- Obtained quickly
- Less expensive than primary data

Disadvantages:

- Information may not exist or may not be usable

Secondary Data

Evaluate the Following When Judging Data Quality

Relevance

Accuracy

Currency

Impartiality

Primary Data

Primary research decisions:

- **Research approaches**
- **Contact methods**
- **Sampling plan**
- **Research instruments**

Primary Data

Decisions

Research Approach

Contact Method

Sampling Plan

Research Instrument

Observation research using people or machines

- **Discovers behavior but not motivations.**

Survey research

- **Effective for descriptive information.**

Experimental research

- **Investigates cause and effect relationships.**

Primary Data

Decisions

Research Approach

Contact Method

Sampling Plan

Research Instrument

Key Contact Methods Include:

- Mail surveys
- Telephone surveys
- Personal interviewing:
 - Individual or focus group
- Online research

Marketing Info. System

Strengths and Weaknesses of Contact Methods Relate to:

Flexibility

Sample control

Data quantity

Cost

Interviewer effects

**Speed of data
collection**

Response rate

Primary Data

Decisions

Research Approach

Contact Method

Sampling Plan

Research Instrument

Sample: subgroup of population from whom information will be collected

Sampling Plan Decisions:

- **Sampling unit**
- **Sample size**
- **Sampling procedure:**
 - **Probability samples**
 - **Non-probability samples**

Primary Data

Decisions

Research Approach
Contact Method
Sampling Plan
Research Instrument

- **Questionnaires**
 - *Include open-ended and closed-ended questions*
 - *Phrasing and question order are key*
- **Mechanical instruments**
 - *Nielsen's people meters*
 - *Checkout scanners*
 - *Eye cameras*

Step 3: Implementing the Research Plan

- **Data is collected by the company or an outside firm**
- **The data is then processed and checked for accuracy and completeness and coded for analysis**
- **Finally, the data is analyzed by a variety of statistical methods**

Step 4: Interpreting and Reporting the Findings

- **The research interprets the findings, draws conclusions and reports to management**
- **Managers and researchers must work together to interpret results for useful decision making**

Analyzing Marketing Information

- **Statistical analysis and analytical models are often used**
- **Customer relationship management (CRM) software helps manage information by integrating customer data from all sources within a company**
- **CRM software offers many benefits and can help a firm gain a competitive advantage when used as part of a total CRM strategy**

Distributing and Using Marketing Information

- **Routine reporting makes information available in a timely manner.**
- **User-friendly databases allow for special queries.**
- **Intranets and extranets help distribute information to company employees and value-network members.**

Other Considerations

- **Marketing research in small businesses and not-for-profit organizations**
- **International marketing research**
- **Public policy and ethics**
 - **Consumer privacy issues**
 - **Misuse of research findings**