

# ***Managing Marketing Information***

## **Chapter 5**

# Objectives

- Understand the importance of information to the company.
- Know the definition of a marketing information system and be able to discuss its subparts.
- Learn the steps in the marketing research process.

# Objectives

- Learn how companies analyze and distribute marketing information.
- Realize the special issues some marketing researchers face, including public policy and ethical issues.

# Case Study

## Coke

- “New Coke” was a fiasco; consumer complaints resulted in the return of “Coke Classic” after only 3 months.
- \$4 million was spent researching “New Coke”.
- Key issue: the research problem was too narrowly defined, and consumer feelings were ignored.
- Poor judgment in result interpretation was also a problem.

# Marketing Info. System

- **Marketing Information System (MIS)**
  - Consists of people, equipment, and procedures that gather, sort, analyze, evaluate, and distribute needed, timely, and accurate information to marketing decision makers.

# Marketing Info. System

- **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.*

# Marketing Info. System

## Developing Information

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- *Internal data*
- *Marketing intelligence*
- *Marketing research*

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

# Marketing Info. System

## Developing Information

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- *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.*



# Marketing Info. System

## Sources of Competitive Intelligence

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

# Marketing Info. System

## Developing Information

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- *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.*

# Marketing Info. System

- **Steps in the Marketing Research Process:**
  - Defining the problem and research objectives.
  - Developing the research plan for collecting information.
  - Implementing the research plan – collecting and analyzing the data.
  - Interpreting and reporting the findings.

# Marketing Info. System

- **Step 1: Defining the problem and research objectives**
  - Don't confuse the symptoms of the problem with its cause when defining the problem.
  - Exploratory, descriptive, and causal research each fulfill different objectives.

# Marketing Info. System

- **Step 2: Developing the Research Plan**
  - Research objectives guide the determination of specific information needs.
  - Research proposals outline the type of data needed and the research plan.
    - ❖ *Secondary data: Information collected for another purpose which already exists.*
    - ❖ *Primary data: Information collected for the specific purpose at hand*

# Marketing Info. System

## Types of Data

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- *Secondary data*
- *Primary 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.

# Marketing Info. System

## Evaluate the Following When Judging Data Quality

- Relevance
- Accuracy
- Currency
- Impartiality

# Marketing Info. System

## Types of Data

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- *Secondary data*
- *Primary data*

- **Planning primary research:**
  - Research approaches:
    - ❖ *Observation, survey, experiment*
  - Contact methods:
    - ❖ *Mail, telephone, online, personal*
  - Sampling plan:
    - ❖ *Sampling unit, sample size, sampling procedure*
  - Research instruments:
    - ❖ *Questionnaire, mechanical instruments*



# Marketing Info. System

- **Research approaches:**
  - Observation research using people or machines
    - ❖ *Mystery shoppers, traffic counters, web site “cookies” are some examples.*
    - ❖ *Discovers behavior but not motivations.*
    - ❖ *Ethnographic research expands observation research to include consumer interviews.*

# Marketing Info. System

- **Research approaches:**
  - Survey research is widely used to gather descriptive information.
    - ❖ *Single source data systems gather information from consumer panels*
    - ❖ *Survey research faces many problems*
  - Experimental research investigates cause and effect relationships.

# Marketing Info. System

- **Key Contact Methods Include:**
  - Mail surveys
  - Telephone surveys
  - Personal interviewing:
    - ❖ *Individual or focus group*
  - Online (Internet) research
- **Each contact method has strengths and weaknesses**

# 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

# Marketing Info. System

- **Sample:** subgroup of population from whom information will be collected
- **Sampling Plan Decisions:**
  - Sampling unit
  - Sample size
  - Sampling procedure:
    - ❖ *Probability samples*
    - ❖ *Non-probability samples*

# Marketing Info. System

- **Research Instruments:**
  - Questionnaires
    - ❖ *Include open-ended and closed-ended questions*
    - ❖ *Phrasing and question order are key*
  - Mechanical instruments

# Marketing Info. System

- **Step 3 of the Research Process:  
Implementing the Research Plan**
  - Involves collecting, processing, and analyzing information.
- **Step 4 of the Research Process:  
Interpreting and Reporting the Findings**

# Marketing Info. System

- **Analyzing Marketing Information**
  - Customer relationship management (CRM) helps manage information.
  - CRM offers many benefits and can help a firm gain a competitive advantage.
  - Technology alone cannot build profitable customer relationships.



# Marketing Info. System

- **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