

*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.

**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

- *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

- *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

### Marketing Info. System

#### Developing Information

- *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

- **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.

### Evaluate the Following When Judging Data Quality

- Relevance
- Accuracy
- Currency
- Impartiality

### Marketing Info. System

#### Types of Data

- **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

## Strengths and Weaknesses of Contact Methods Relate to:

- |                  |                            |
|------------------|----------------------------|
| • Flexibility    | • Interviewer effects      |
| • Sample control | • Speed of data collection |
| • Data quantity  | • Response rate            |
| • Cost           |                            |

### 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.

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## 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

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## Keywords

- Research question
- MIS
- Internal Data
- Marketing Intelligence
- Marketing Research
- Exploratory research
- Descriptive research
- Causal research
- Secondary Data
- Primary Data
- Data Quality
- Observation research
- Survey research
- Experimental research
- Sample
- Open-ended questions
- Closed-ended questions

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