PRINCIPLES OF
Marketing

Chapter Four

Managing Marketing Information to Gain Customer Insights

Learning Objectives

Topic Outline

- **Assessing Marketing Information Needs**
- **Developing Marketing Information**
- **Marketing Research**
- **Analyzing Marketing Information**
- **Distributing and Using Marketing Information**
- **Other Marketing Information Considerations**

Marketing Information and Customer Insights

Customer Insights are:

- Fresh and deep insights into customers needs and wants

- Difficult to obtain
  - Not obvious
  - Customer's unsure of their behavior

- Not derived from more information but better information and more effective use of existing information

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Marketing Information and Customer Insights

Customer Insights

- Companies are forming customer insights teams
  - Include all company functional areas
  - Use insights to create more value for their customers
  - Customer controlled could be a problem

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Marketing Information and Customer Insights

Marketing Information Systems (MIS)

Marketing information system (MIS) consists of people and procedures for:

- Assessing the information needs
- Developing needed information
- Helping decision makers use the information for customer
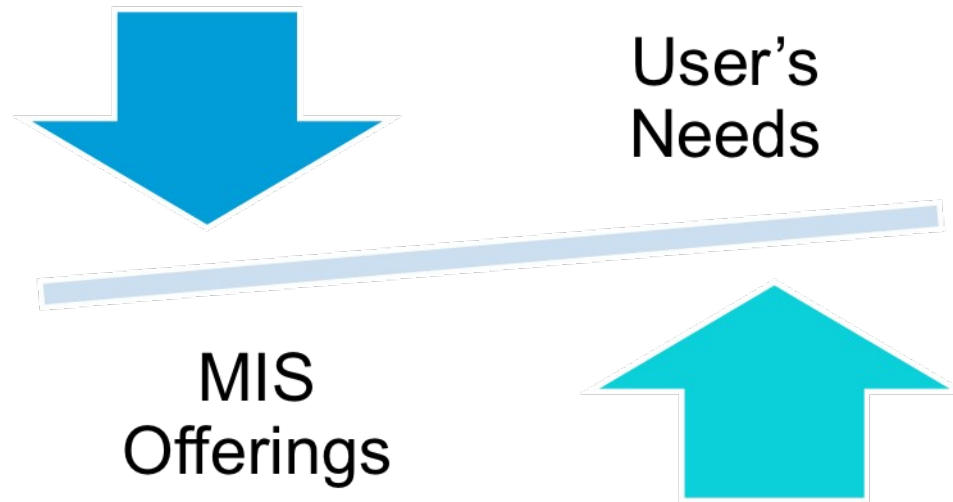
Assessing Marketing Information Needs

MIS provides information to the company's marketing and other managers and external partners such as suppliers, resellers, and marketing service agencies

Assessing Marketing Information Needs

Characteristics of a Good MIS

- Balancing what the information users would like to have against what they need and what is feasible to offer

User's Needs

MIS Offerings

Developing Marketing Information

Marketers obtain information from

Internal data

Marketing intelligence

Marketing research

Developing Marketing Information

Internal Data

Internal databases are electronic collections of consumer and market information obtained from data sources within the company network

Developing Marketing Information

Marketing Intelligence

Marketing intelligence is the systematic collection and analysis of publicly available information about consumers, competitors, and developments in the marketplace

Developing Marketing Information

Marketing Research

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

Developing Marketing Information

Marketing Research
Defining the Problem and Research Objectives

Exploratory research

Descriptive research

Causal research

Developing Marketing Information

Marketing Research
Developing the Research Plan

- Outlines sources of existing data

- Spells out the specific research approaches, contact methods, sampling plans, and instruments to gather data

Developing Marketing Information

Marketing Research
Written Research Plan Includes:


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Management problem
        ↓
Research objectives
        ↓
Information needed
        ↓
How the results will help
management decisions
        ↓
Budget
```
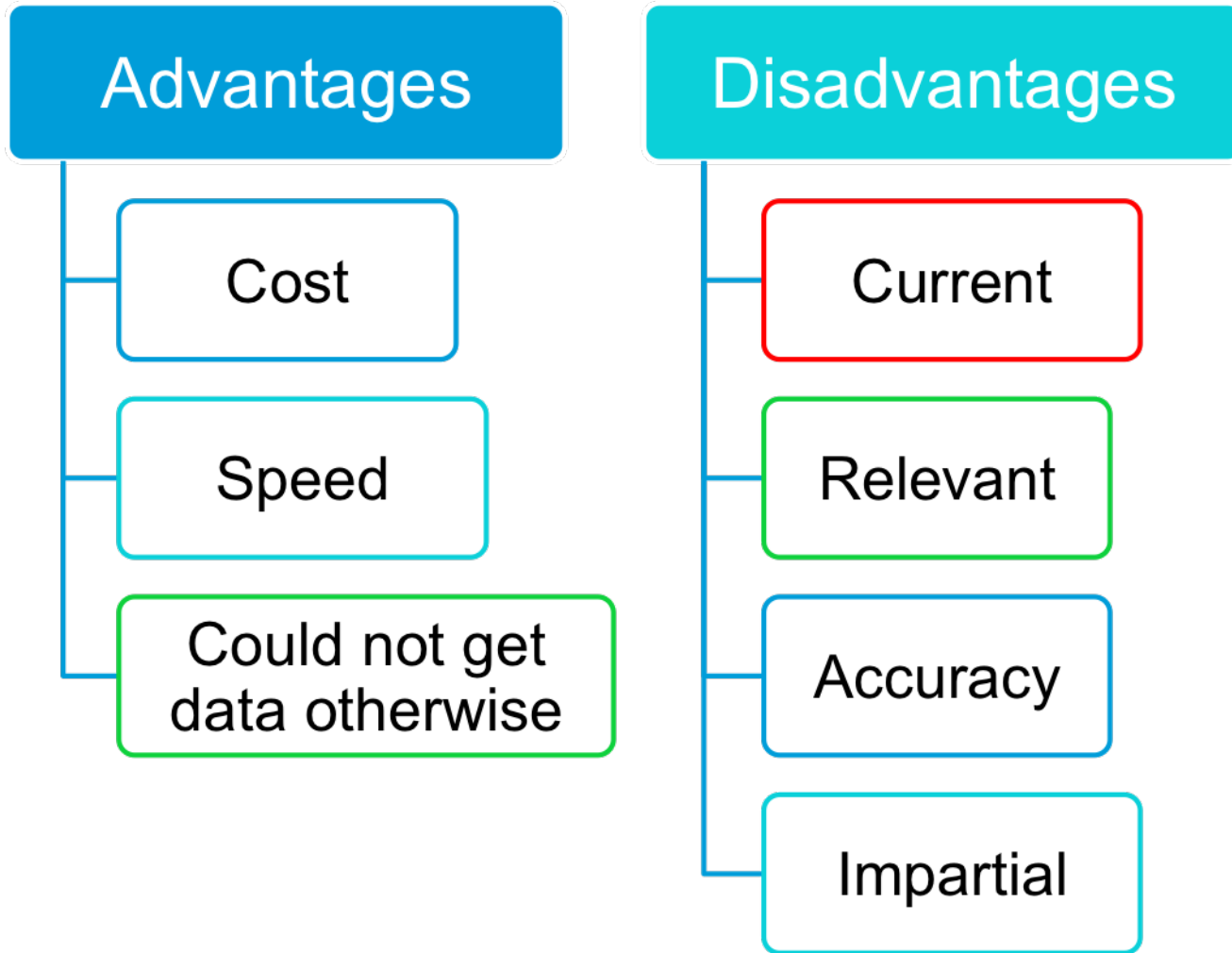
Developing Marketing Information

Marketing Research
Developing the Research Plan

Secondary data consist of information that already exists somewhere, having been collected for another purpose

Primary data consist of information gathered for the special research plan

Developing Marketing Information

Advantages	Disadvantages
Cost	Current
Speed	Relevant
Could not get data otherwise	Accuracy
	Impartial

Developing Marketing Information

Marketing Research

Planning Primary Data Collection

Research approaches

Contact methods

Sampling plan

Research instruments

Developing Marketing Information

Market Research
Research Approaches

Observational research involves gathering primary data by observing relevant people, actions, and situations

Ethnographic research involves sending trained observers to watch and interact with consumers in their natural environment

Developing Marketing Information

Market Research
Research Approaches

Survey research is the most widely used method and is best for descriptive information—knowledge, attitudes, preferences, and buying behavior

- Flexible
- People can be unable or unwilling to answer
- Gives misleading or pleasing answers
- Privacy concerns

Developing Marketing Information

Market Research
Research Approaches

Experimental research is best for gathering causal information—cause-and-effect relationships

Developing Marketing Information

Marketing Research
Contact Methods

- Focus Groups
  - Six to 10 people with a trained moderator
  - Challenges
    - Expensive
    - Difficult to generalize from small group
    - Consumers not always open and honest

Developing Marketing Information

Marketing Research Contact Methods

Online marketing research	**Internet surveys**	**Online panels**
Online experiments	**Click-stream data**	**Online focus groups**

Developing Marketing Information
Marketing Research
Online Research

Advantages	Disadvantages
• Low cost • Speed • Higher response rates • Good for hard to reach groups	• Restricted internet access • Not sure who is answering

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Developing Marketing Information

Marketing Research
Sampling Plan

Sample is a segment of the population selected for marketing research to represent the population as a whole

- Who is to be surveyed?
- How many people should be surveyed?
- How should the people be chosen?

Developing Marketing Information

Marketing Research
Research Instruments

Questionnaires

- Most common
- Administered in person, by phone, or online
- Flexible
- Watch working and ordering of questions

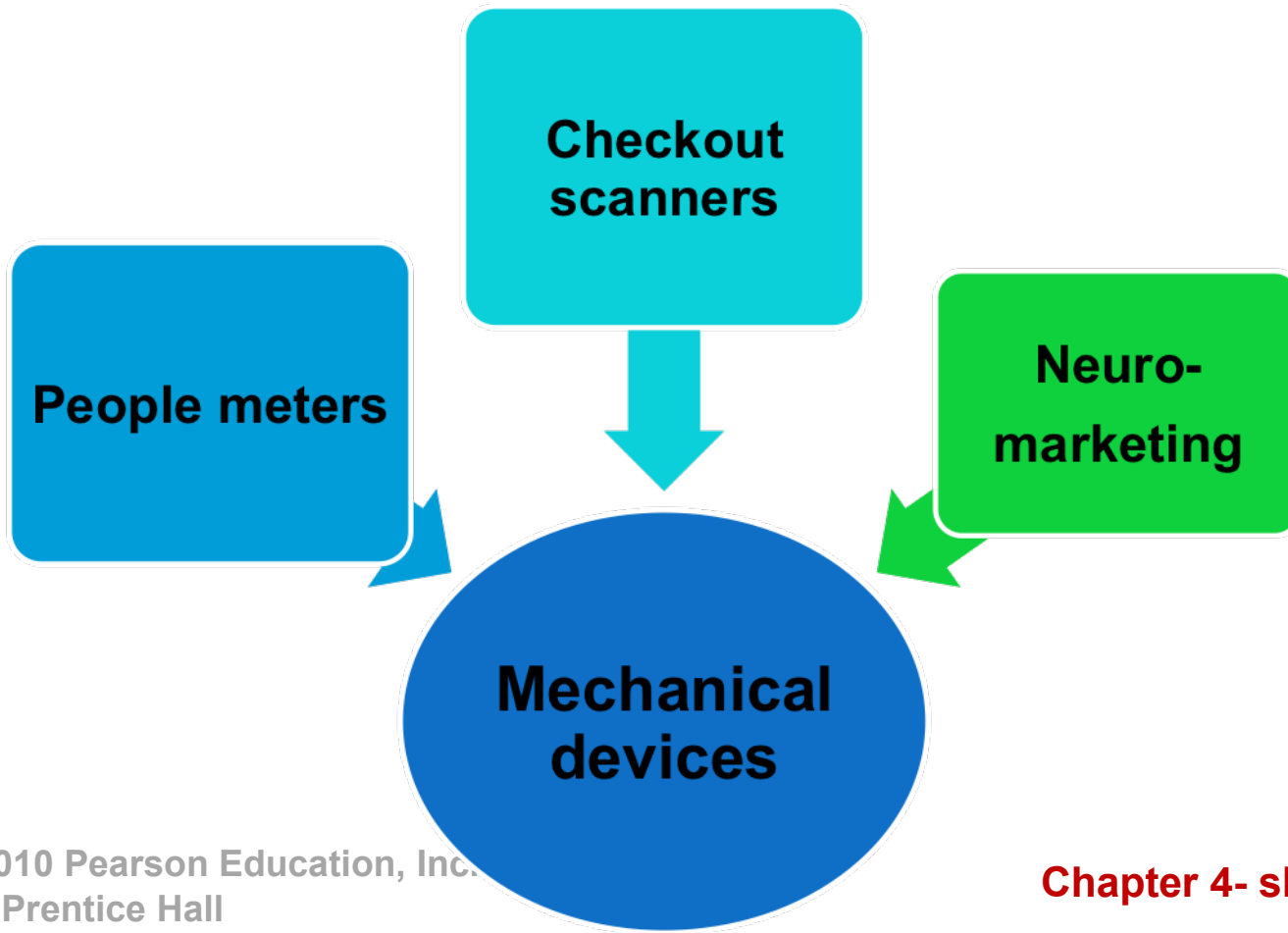# Developing Marketing Information

Marketing Research
Research Instruments - Questionnaires

- Closed-end questions include all possible answers, and subjects make choices among them

  – Provide answers that are easier to interpret and tabulate

- Open-end questions allow respondents to answer in their own words

  – Useful in exploratory research

Developing Marketing Information

Marketing Research
Research Instruments

People meters

Checkout scanners

Neuro-marketing

Mechanical devices

Developing Marketing Information

Marketing Research
Implementing the Research Plan

| Collecting the information |
| Processing the information |
| Analyzing the information |
| Interpret findings |
| Draw conclusions |
| Report to management |

Analyzing Marketing Information

Customer Relationship Management (CRM)

- CRM consists of sophisticated software and analytical tools that integrate customer information from all sources, analyze it in depth, and apply the results to build stronger customer relationships

Analyzing Marketing Information

Customer Relationship Management Touchpoints

Customer purchases	**Sales force contacts**	**Service and support calls**	**Web site visits**

Satisfaction surveys	**Credit and payment interactions**	**Research studies**

Distributing and Using Marketing Information

Information distribution involves entering information into databases and making it available in a time-useable manner

- Intranet provides information to employees and other stakeholders
- Extranet provides information to key customers and suppliers

Other Marketing Information Considerations

Marketing Research in Small Businesses and Nonprofit Organizations

International Market Research

Public Policy and Ethics

- Customer privacy
- Misuse of research findings