

P R I N C I P L E S O F
Marketing

Chapter Four

Managing Marketing Information to
Gain Customer Insights



Learning Objectives

Topic Outline

- **Marketing Information and Customer Insights**
- **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



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



Marketing Information and Customer Insights

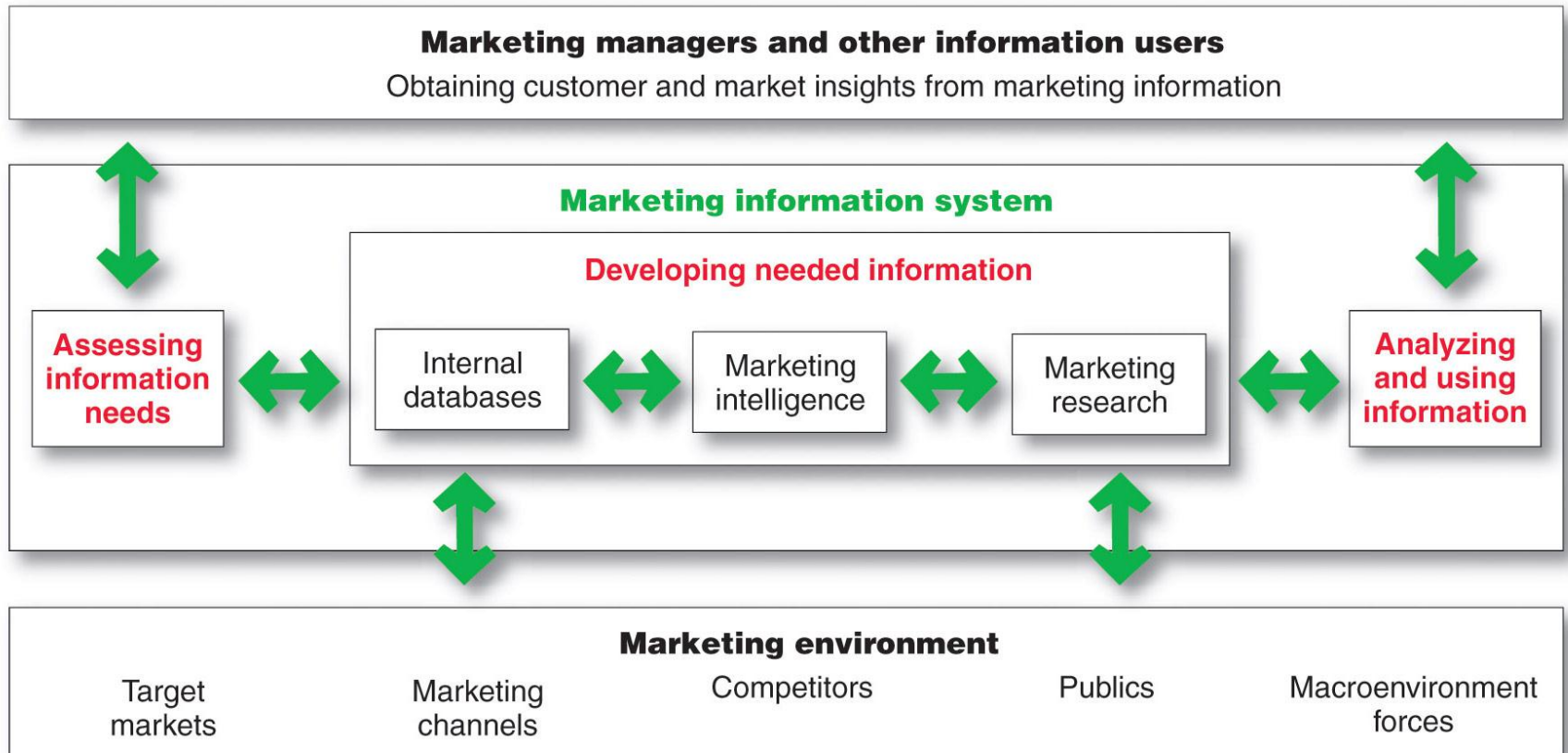
Marketing Information Systems (MIS)

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



Marketing Information System



Assessing Marketing Information Needs

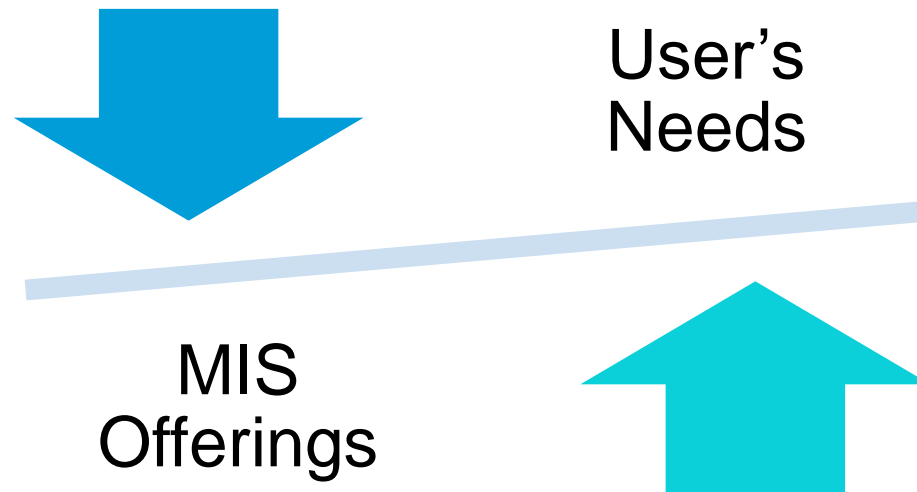
MIS provides information to the company's marketing and other managers and external partners such as suppliers, resellers, and marketing service agencies



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



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

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Developing Marketing Information

Marketing Research

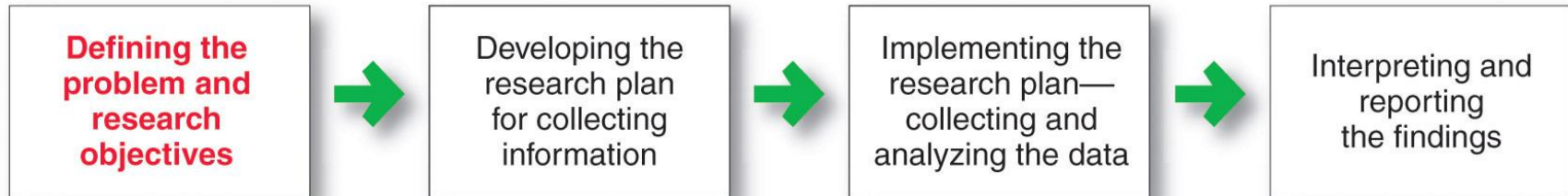


- **Marketing research** is the systematic design, collection, analysis, and reporting of data relevant to a specific marketing situation facing an organization



Developing Marketing Information

Steps in the Marketing Research Process



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:



Developing Marketing Information

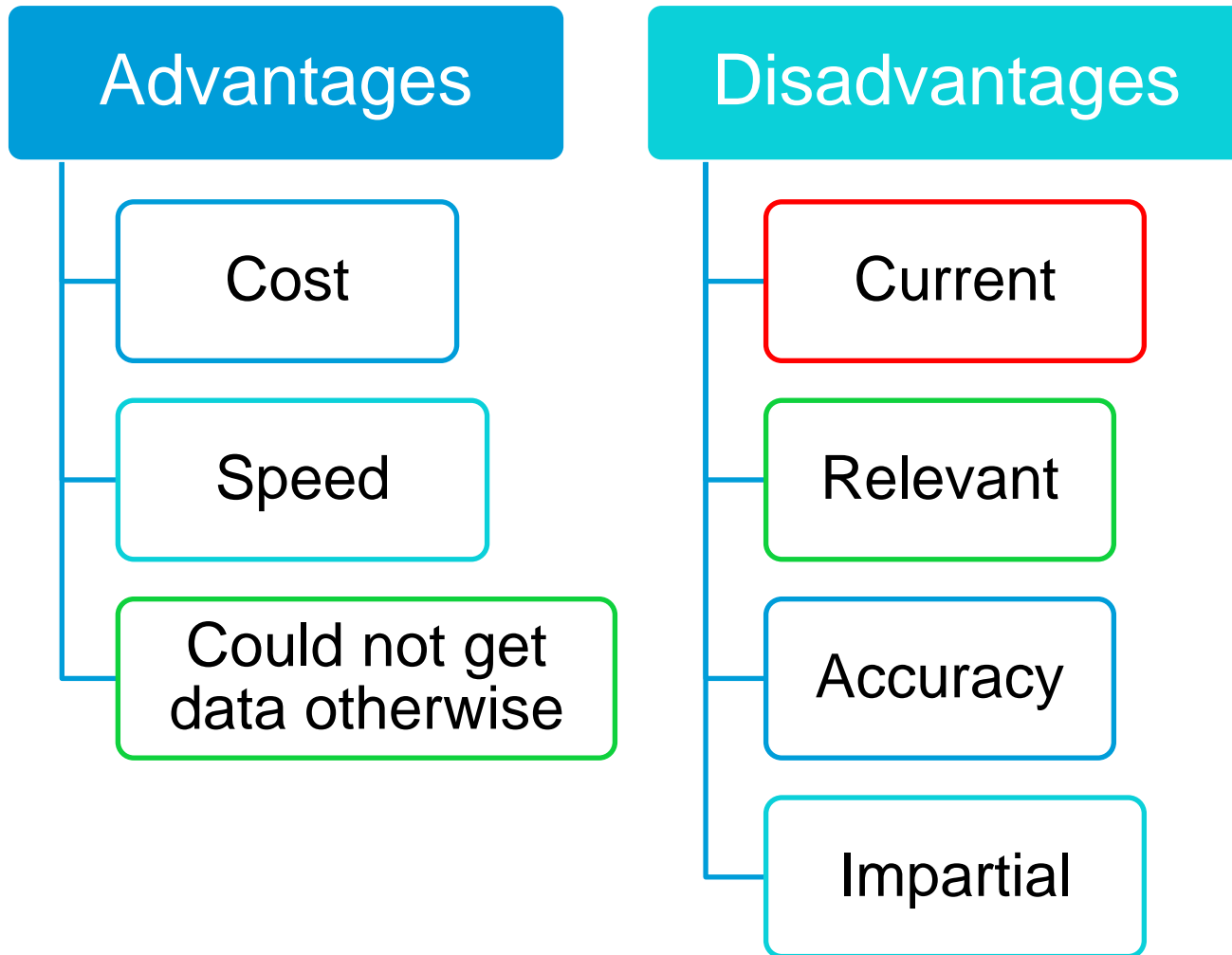
Marketing Research Developing the Research Plan

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

Primary data consists of information gathered for the special research plan



Developing Marketing Information



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 Strengths and Weakness of Contact Methods

	Mail	Telephone	Personal	Online
Flexibility	Poor	Good	Excellent	Good
Quantity of data collected	Good	Fair	Excellent	Good
Control of interviewer effects	Excellent	Fair	Poor	Fair
Control of sample	Fair	Excellent	Good	Excellent
Speed of data collection	Poor	Excellent	Good	Excellent
Response rate	Poor	Poor	Good	Good
Cost	Good	Fair	Poor	Excellent



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

- Low cost
- Speed
- Higher response rates
- Good for hard to reach groups

Disadvantages

- Restricted internet access
- Not sure who is answering



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 Sampling Plan – Types of Samples

Probability Sample	
Simple random sample	Every member of the population has a known and equal chance of selection
Stratified random sample	The population is divided into mutually exclusive groups and random samples are drawn from each group
Cluster (area) sample	The population is divided into mutually exclusive groups and the researcher draws a sample
Nonprobability Sample	
Convenience sample	The research selects the easiest population members
Judgment sample	The researcher uses their judgment to select population members
Quota sample	The researcher finds and interviews a prescribed number of people in each of several categories



Developing Marketing Information

Marketing Research Research Instruments

Questionnaires

- Most common
- Administered in person, by phone, or online
- Flexible
- Research must be careful with wording and ordering of questions



Developing Marketing Information

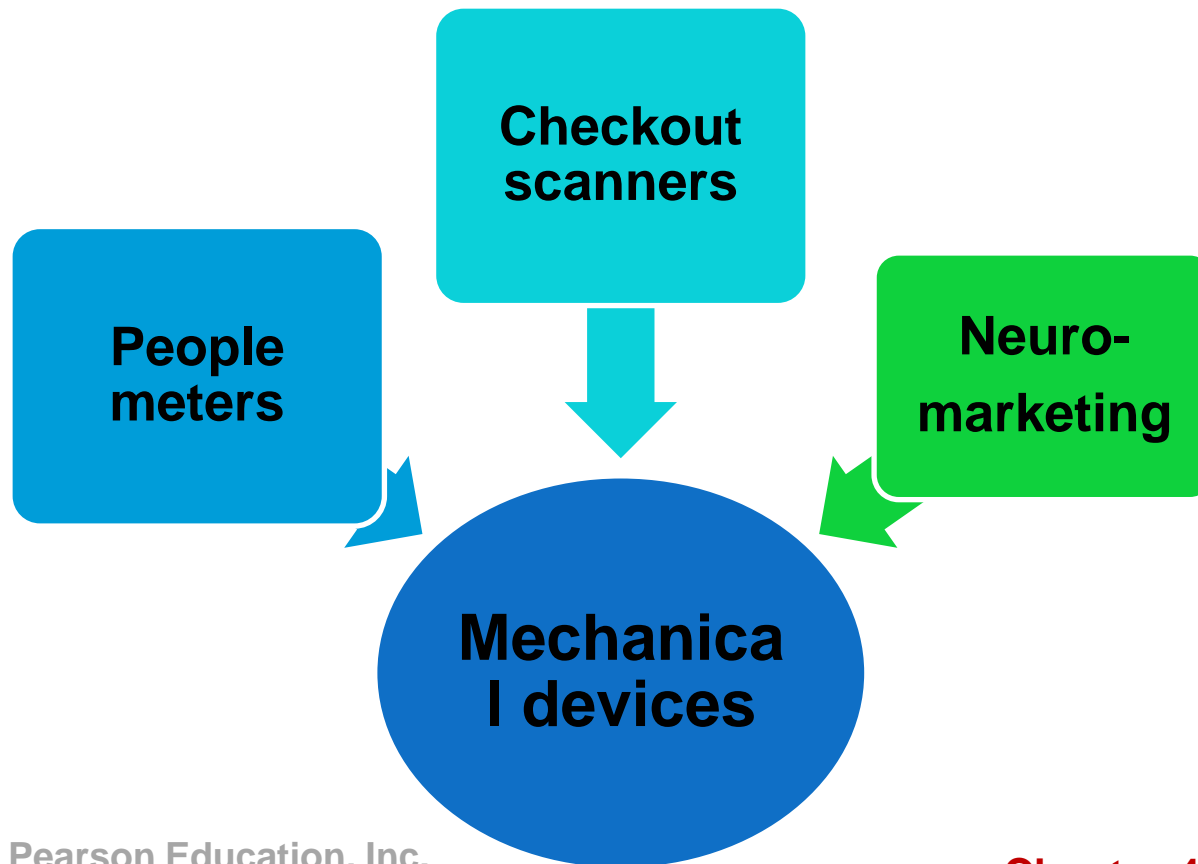
Marketing Research Research Instruments—Questionnaires

- 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



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 and Using 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 and Using 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**





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