It's good and good for you

Chapter Four

Managing Marketing Information to Gain Customer Insights

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

- 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
  - Collect information from a wide variety of sources
  - Use insights to create more value for their customers
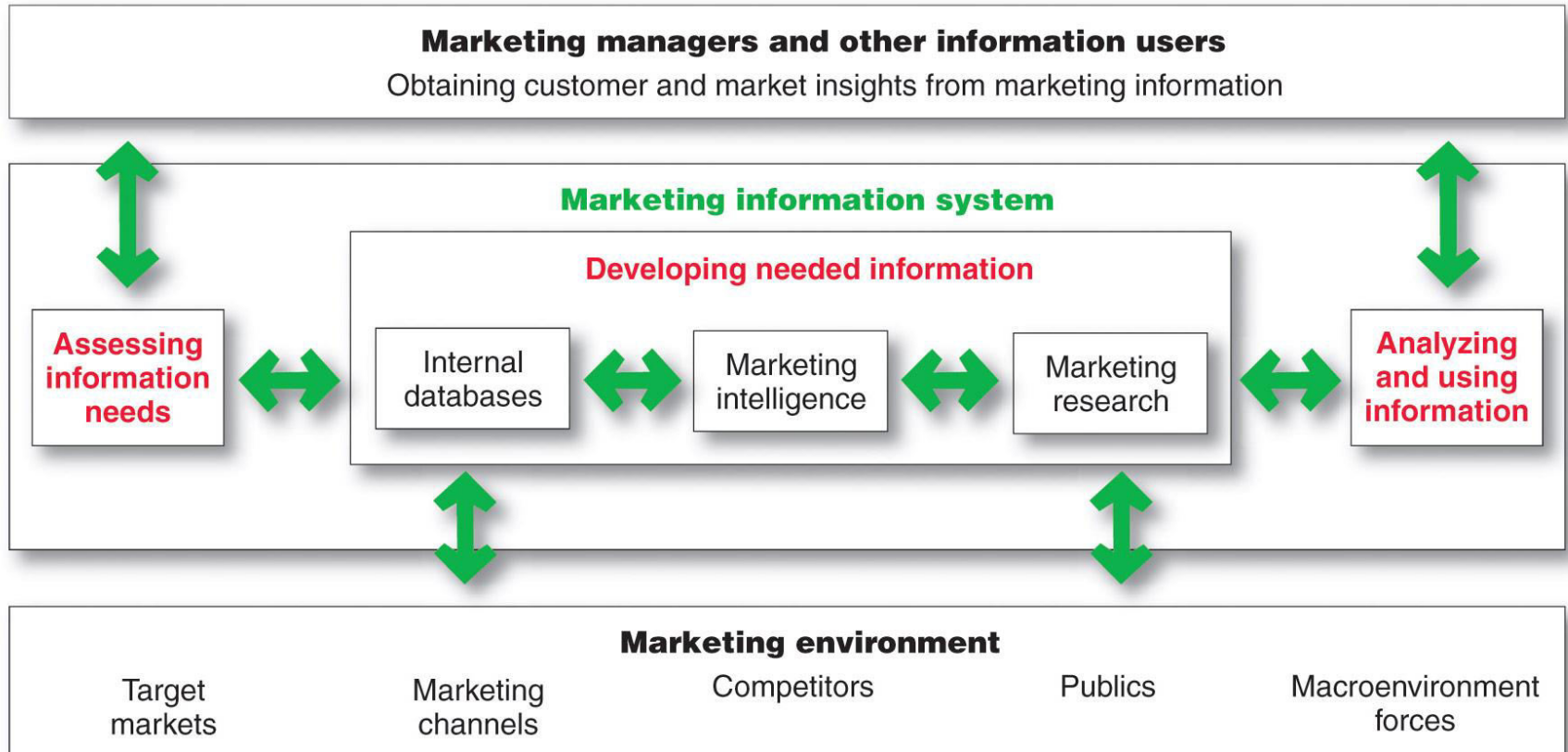
Marketing Information and Customer Insights

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

Marketing managers and other information users
Obtaining customer and market insights from marketing information

Marketing information system

Developing needed information

Assessing information needs

Internal databases

Marketing intelligence

Marketing research

Analyzing and using information

Marketing environment

Target markets

Marketing channels

Competitors

Publics

Macroenvironment forces

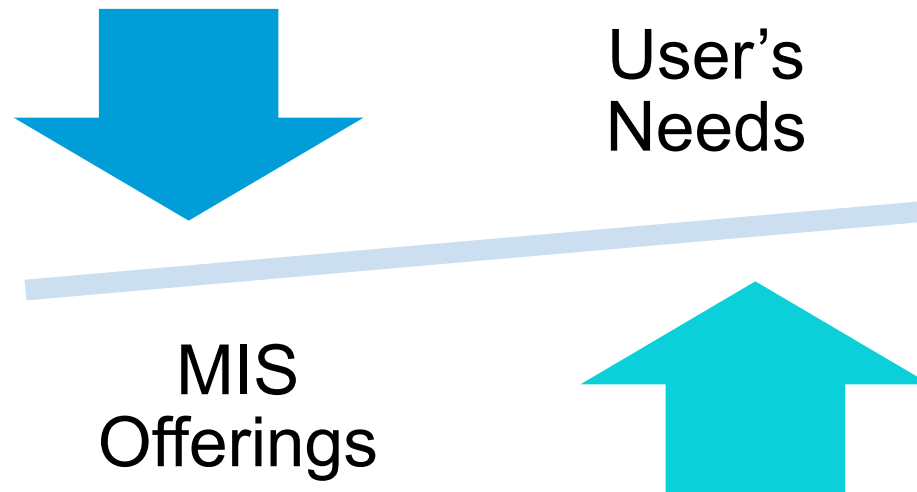# Assessing Marketing Information Needs

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

<div style="background:red;color:white">Internal data</div>

<div style="background:yellow;color:white">Marketing intelligence</div>

<div style="background:green;color:white">Marketing research</div>

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

Competitive Marketing Intelligence

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

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 |

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:

Management problem

↓

Research objectives

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Information needed

↓

How the results will help management decisions

↓

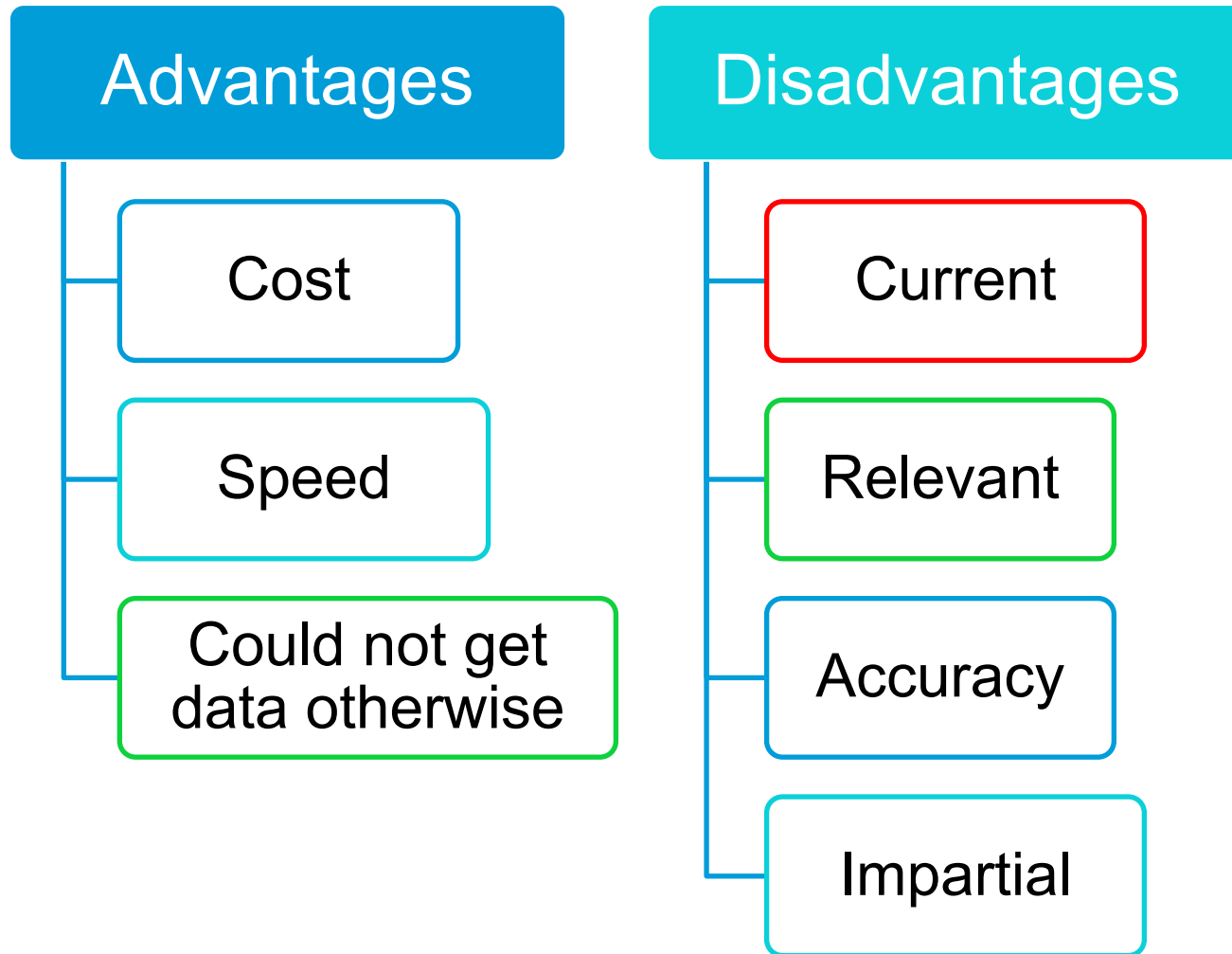**Budget**

Developing Marketing Information

Marketing Research
Developing the Research Plan

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

Developing Marketing Information Secondary Data

Advantages

- Cost
- Speed
- Could not get data otherwise

Disadvantages

- Current
- Relevant
- Accuracy
- Impartial

Developing Marketing Information

Marketing Research
Developing the Research Plan

Primary data consists of information gathered for the special research plan

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

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
  - 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

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 studied?

- How many people should be studied?

- 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

<div style="background-color:red; color:white;">Questionnaires</div>

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

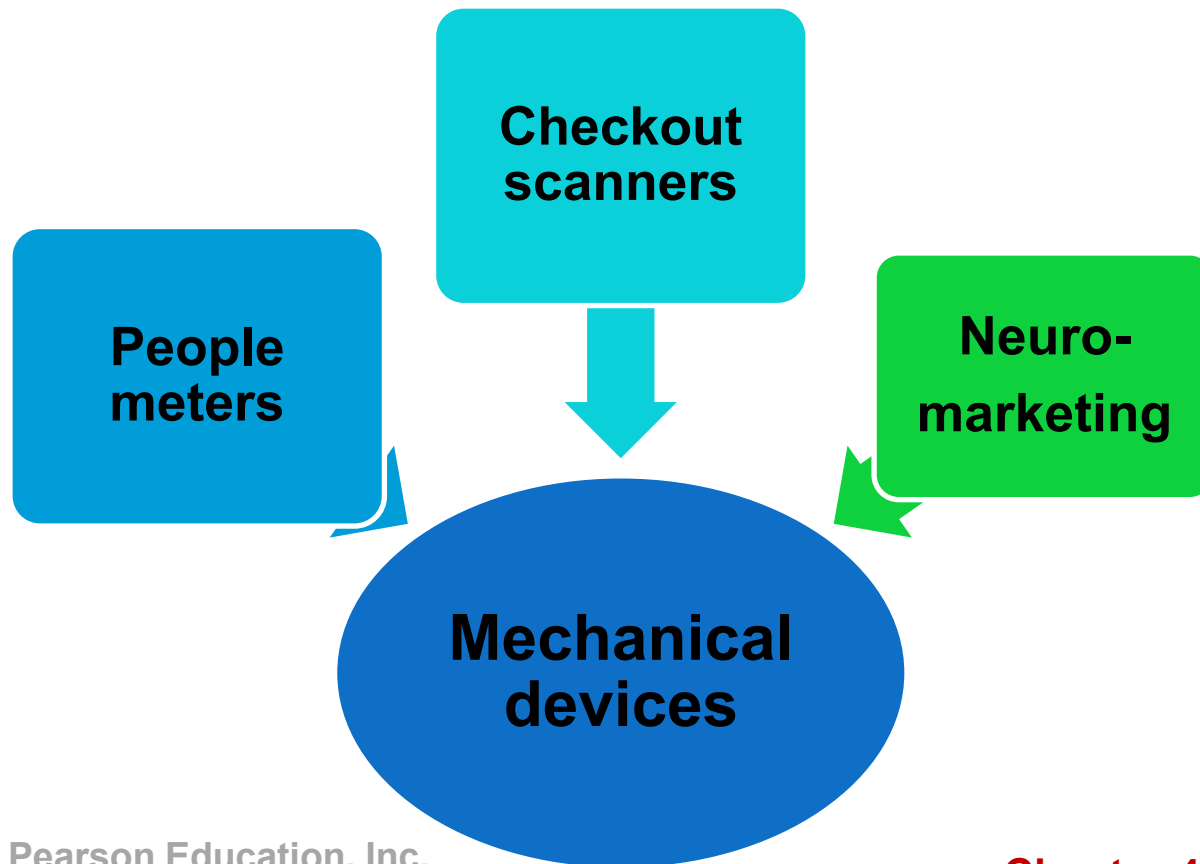# Developing Marketing Information

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

Checkout scanners

People meters

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 and Using Marketing Information

Customer Relationship Management (CRM)

Managing detailed information about individual customers and carefully managing customer touch points to maximize customer loyalty.

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