

Conducting Marketing Research and Forecasting Demand

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Lecture Questions

- How can marketers assess their return on investment of marketing expenditures?
- How can companies more accurately measure and forecast demand

Contact Methods

Mail Questionnaire

Telephone Interview

Personal Interview

Online Interview

This Week's Poll

Now that Ashley knows the truth about Gloria, what should she do next?

- ☐ Go straight to John and tell him the truth. Ashley was right all along; Gloria is a lying, manipulating, gold-digger!
- ☐ Give Gloria the opportunity to tell John the truth herself.
- ☐ Stay out of it! John is happy with Gloria -- why ruin his marriage over who her sons are?
- ☐ Not sure.

Submit your Vote!

PROS AND CONS OF ONLINE RESEARCH

Advantages

- Inexpensive
- Fast
- Accuracy of data, even for sensitive questions
- Versatility

Disadvantages

- Small samples
- Skewed samples
- Technological problems
- Inconsistencies

Marketing Decision Support System (MDSS? (

A **marketing decision support system** is a coordinated collection of data, systems, tools, and techniques with supporting hardware and software by which an organization gathers and interprets relevant information from business and environment and turns it into a basis for marketing action.

Barriers Limiting the Use of Marketing Research

- A narrow conception of the research.
- Uneven caliber of researchers.
- Poor framing of the problem.
- Late and occasionally erroneous findings.
- Personality and presentational differences.

Characteristics of Good Marketing Research

- Scientific method
- Research creativity
- Multiple methods
- Interdependence
- Value and cost of information
- Healthy skepticism
- Ethical marketing

What is Marketing Metrics?

Marketing metrics is the set of measures that helps marketers quantify, compare, and interpret marketing performance.

Marketing Metrics

External

- Awareness
- Market share
- Relative price
- Number of complaints
- Customer satisfaction
- Distribution
- Total number of customers
- Loyalty

Internal

- Awareness of goals
- Commitment to goals
- Active support
- Resource adequacy
- Staffing levels
- Desire to learn
- Willingness to change
- Freedom to fail Autonomy

What is Marketing-Mix Modeling?

Marketing-mix models analyze data from a variety of sources, such as retailer scanner data, company shipment data, pricing, media, and promotion spending data, to understand more precisely the effects of specific marketing activities.

Marketing Dashboards

- A **customer-performance scorecard** records how well the company is doing year after year on customer-based measures.
- A **stakeholder-performance scorecard** tracks the satisfaction of various constituencies who have a critical interest in and impact on the company's performance including employees, suppliers, banks, distributors, retailers, and stockholders.

Common Measurement Paths

Customer Metrics Pathway

Unit Metrics Pathway Cash-flow

Metrics Pathway Brand Metrics

Pathway

Example of a Marketing Dashboard



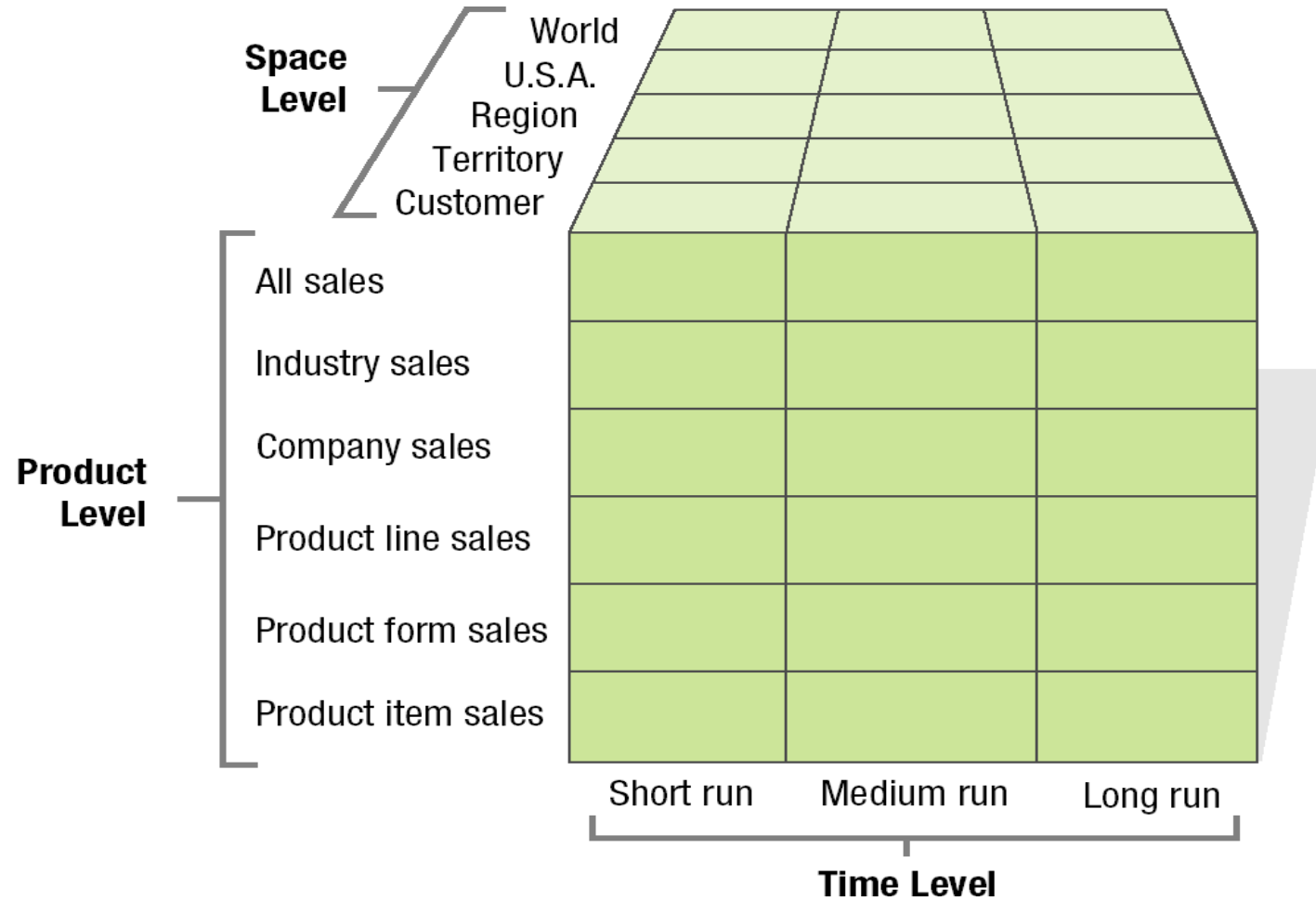
The Measures of Market Demand



Vocabulary for Demand Measurement

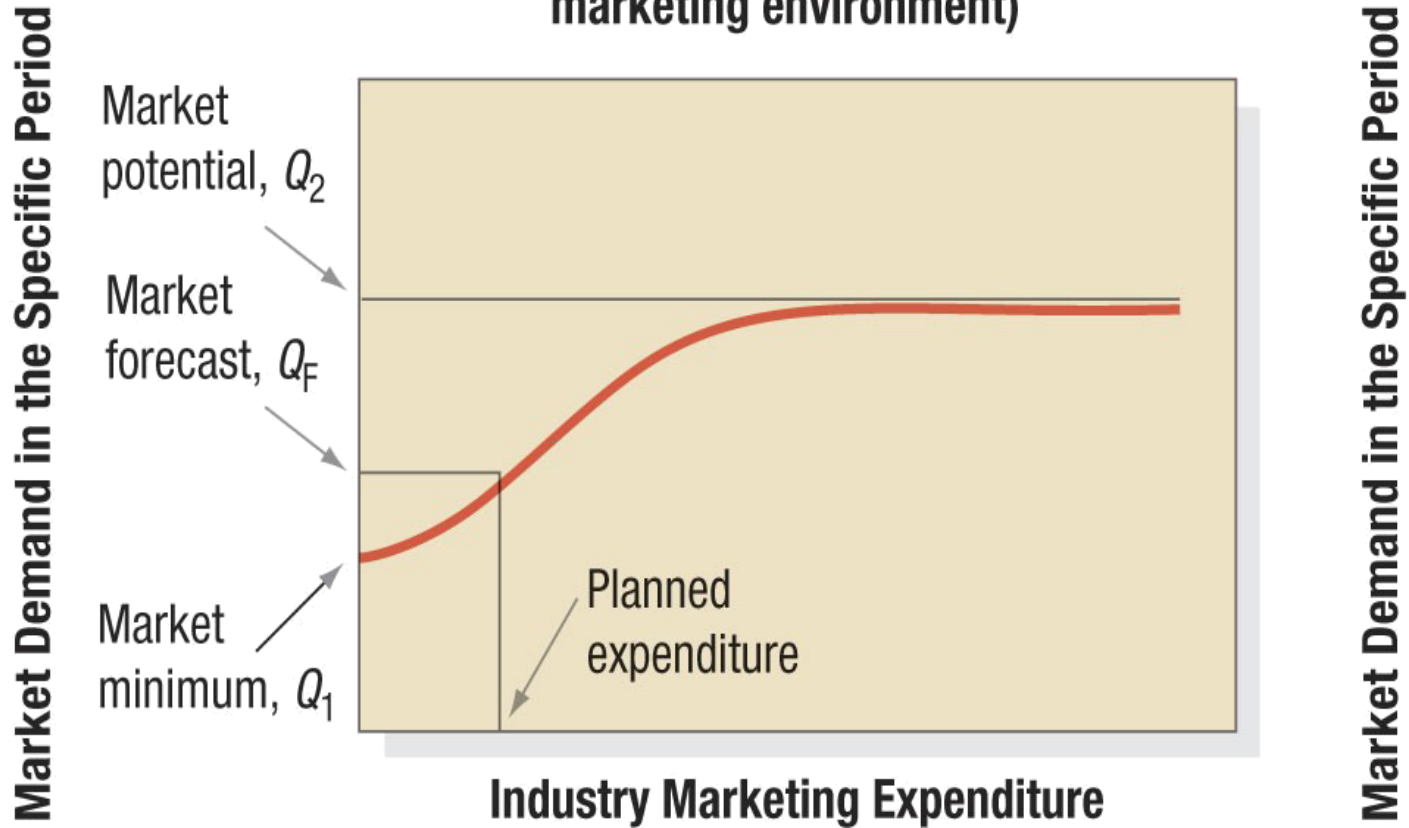
- Market demand
- Market forecast
- Market potential
- Company demand
- Company sales forecast
- Company sales potential

Ninety Types of Demand Measurement



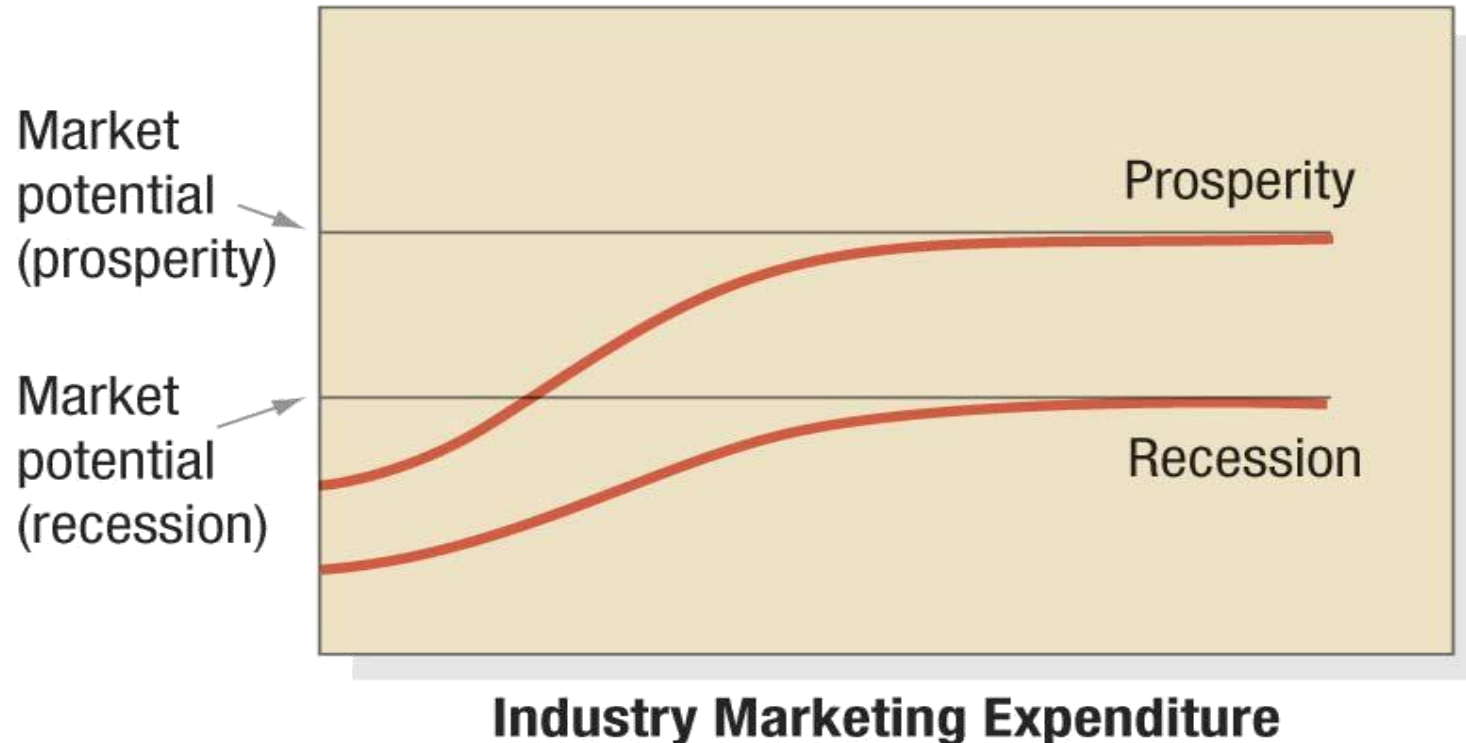
Market Demand Functions

(a) Marketing Demand as a Function of Industry Marketing Expenditure (assumes a particular marketing environment)



Market Demand Functions

(b) Marketing Demand as a Function of Industry Marketing Expenditure (two different environments assumed)



Product Penetration Percentage



How Can We Estimate Current Demand?

- Total market potential
- Area market potential
 - Market buildup method
 - Multiple-factor index method

Calculating Brand Development Index

	(a) Percent of U.S. Brand	(b) Percent of U.S. Category	BDI
Territory	Sales	Sales	$(a \div b) \times 100$
Seattle	3.09	2.71	114
Portland	6.74	10.41	65
Boston	3.49	3.85	91
Toledo	.97	.81	120
Chicago	1.13	.81	140
Baltimore	3.12	3.00	104

Estimating Future Demand

- Survey of Buyers' Intentions
- Composite of Sales Force Opinions
- Expert Opinion
- Past-Sales Analysis
- Market-Test Method

Marketing Debate

What is the best type of marketing research?

Take a position:

1. Marketing research should be quantitative.

or

2. Marketing research should be qualitative.

Marketing Discussion

- When was the last time you participated in a survey?
- How helpful do you think the information you provided was?
- Could the research have been done differently?

Thank You

Q & A