Chapter 4
MANAGING MARKETING INFORMATION TO GAIN CUSTOMER INSIGHTS

MARKETING STARTER: CHAPTER 4
P&G: Customer Insights and Creating Irresistibly Superior Experiences

Synopsis

Procter and Gamble (P&G) markets 65 top-selling consumer brands serving nearly 5 billion consumers in 180 countries and bringing in $67 billion in annual revenues and leading advertising worldwide. P&G's goal is to create innovative brands that give consumers an "irresistibly superior experience," so it needs to gain insights about what consumers want and need. The company invests $350 million in marketing research, conducting more than 15,000 research studies and interacting with more than 5 million consumers. Its research has resulted in an impressive stream of innovative new product and marketing successes. It has also used research to pivot when it failed.

P&G uses digital research platforms including online panels, web tracking, and mobile surveys, as well as big data collection and analytics. It uses sophisticated analytics to dig out actionable consumer insights from big data and delivers the insights to P&G marketers via decision cockpits, or interfaces that let them drill down into important information.

Discussion Objective

A focused 10-minute discussion of P&G's consumer research program will reveal just how much corporations need to focus on the opinions and needs of their customers. The chapter-opening P&G story underscores the importance of recognizing one's problems, gaining customer insights (even when it is painful), and then taking bold steps to re-invent a product or its branding. This discussion should also illustrate how P&G is adapting to lifestyle changes and going to where its customers are by using both social media, digital marketing, traditional media, and big data. It is adapting to who its customers are and using insights to create irresistibly superior experiences.

Starting the Discussion

Start this discussion by asking students what P&G products they are familiar with. Focus on the big ideas behind this case: recognizing issues that emerge through marketing research, gaining customer insights, and re-inventing one's strategies when necessary. Use the questions below to guide the discussion.

Discussion Questions

1. How is it possible that a successful corporation such as P&G, which invests $350 million in marketing research, sometimes fails to deliver what its customers want? (Consider how companies can weaken their market position and lose their competitive edge when they fail to conduct continual market research, revisiting customer preferences, checking out the competition, and double-checking their assumptions.)

2. How does P&G gain key customer insights into the underlying needs, emotions, and brand connections of its toy customers? How did it apply these customer insights in the development of Febreze and Ariel Ultra? (Here's a chance to dig into one of the main points of the P&G story—that companies must listen closely to their customers and be brutally honest in re-assessing their products and how they market them.)

3. How does P&G's story relate to the major points made in the rest of the Managing Marketing Information chapter? (The chapter discusses sources and approaches for obtaining and managing marketing information. But perhaps the most important point is made early in the chapter and is emphasized in the P&G story: The real value of marketing information lies in how it is *used*—in the *customer insights* that it provides.)

CHAPTER OVERVIEW
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This chapter looks at how companies develop and manage information about important market-place elements. This chapter is an examination of marketing information systems designed to assess the firm's marketing information needs, develop the needed information, and help managers to use the information to gain actionable customer and market insights.

CHAPTER OBJECTIVES
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1. Explain the importance of information in gaining insights about the marketplace and customers.

2. Define the marketing information system and discuss its parts.

3. Outline the role of marketing research and the steps in the marketing research process.

4. Explain how companies analyze and use marketing information.

5. Discuss the special issues some marketing researchers face, including public policy and ethics issues.

CHAPTER OUTLINE

p. 96 PPT 4-4	**INTRODUCTION** To gain deep customer insights, P&G employs a wide range of marketing research approaches – from traditional large-scale surveys and small-scale focus groups to real-time social media listening, mobile surveys, and big data analytics.	p. 97 Photo: P&G

	➢ **Opening Vignette Questions**
	  1. How does P&G utilize marketing research to learn about its customers and their wants and needs?
	  2. How does marketing research relate to P&G's goal of creating irresistibly superior experiences?	

p. 98 PPT 4-3	**Explain the importance of information in gaining insights about the marketplace and customers.** **MARKETING INFORMATION AND CUSTOMER INSIGHTS**	Learning Objective 1
p. 98 PPT 4-5	Far from lacking marketing information, marketers are overloaded with data and often overwhelmed by it.	p. 99

		Key Terms: Big data, Customer insights
	The value is in the *customer insights* gained from the information and how marketers use these insights to make better decisions.	
	The real value of marketing research and marketing information lies in how it is used—in the **customer insights** that it provides.	
	Customer insights teams collect customer and market information from a wide variety of sources.	
PPT 4-6	To create value for customers and build meaningful relationships with them, marketers must first gain fresh, deep insights into what customers need and want. Such customer insights come from good marketing information. Companies use these customer insights to develop a competitive advantage.	
PPT 4-7	Companies are forming *customer insight teams* that include all company functional areas. Their job is to develop actionable insights from marketing information and work strategically with marketing decision makers to apply those insights.	p. 99 Key Term: Marketing information system (MIS)
p. 99 PPT 4-8	A **marketing information system (MIS)** consists of people and procedures for assessing information needs, developing the needed information, and helping decision makers to use the information to generate and validate actionable customer and market insights.	
	Figure 4.1 shows that MIS begins and ends with information users—marketing managers, internal and external partners, and others who need marketing information.	p. 100 Figure 4.1: The Marketing Information System
	Review Learning Objective 1: Explain the importance of information in gaining insights about the marketplace and customers.	
	➢ **Assignments, Resources** Use *Discussion Question 4-1* here Use *Individual Assignments 1* here	
PPT 4-9	**Define the marketing information system and discuss its parts.**	Learning Objective 2

p. 100	**ASSESSING INFORMATION NEEDS AND DEVELOPING DATA**	
PPT 4-10	MIS provides information to the company's marketing and other managers and external partners such as suppliers, resellers, and marketing service agencies.	
PPT 4-11	A good marketing information system balances the information users would *like* to have against what they really *need* and what is *feasible* to offer. Too much information can be as harmful as too little.	
	The MIS must monitor the marketing environment to provide decision makers with information and insights they should have to make key marketing decisions.	
	The company must decide whether the value of insights gained from additional information is worth the costs of providing it, and both value and cost are often hard to assess.	
p. 101	**DEVELOPING MARKETING INFORMATION**	
PPT 4-12	Marketers obtain information from internal data, marketing intelligence, and marketing research.	
	Internal Data	p. 101 Key Term: Internal databases
PPT 4-13	**Internal databases** are electronic collections of consumer and market information obtained from data sources within the company network.	
	Information in the database can come from many sources and is available quickly and cheaply.	p. 103 Ad: Stitch Fix
	Problems with internal data: - It may be incomplete or in the wrong form for making marketing decisions. - Keeping the database current requires a major effort because data ages quickly. - Managing all of the information requires highly sophisticated equipment and techniques.	
	Competitive Marketing Intelligence	
p. 101	**Competitive marketing intelligence** is the systematic collection and analysis of publicly available information about	p. 101

PPT 4-14 p. 102	consumers, competitors, and developments in the marketplace. Social media makes it easier than ever for people to converse, share opinions, needs, ideas, and complaints. Companies use specialized software to track trends and better respond to consumers. Competitive marketing intelligence gathering has grown dramatically. Firms use competitive intelligence to gain early warnings of competitor moves and strategies. Much competitor intelligence can be collected from people inside the company. Competitors often reveal intelligence information through their suppliers, resellers, key customers, and the internet. The gathering of competitive marketing intelligence raises a number of ethical issues. Most companies are now taking steps to protect their own information. **Review Learning Objective 2**: Define the marketing information system and discuss its parts.	Key Term: Competitive marketing intelligence p. 102 Photo: MasterCard
	➢ **Assignments, Resources** Use *Discussion Question 4-2* here	
p. 103 PPT 4-15 PPT 4-16 p. 104	**Outline the role of marketing research and the steps in the marketing research process.** **MARKETING RESEARCH** **Marketing research** is the systematic design, collection, analysis, and reporting of data relevant to a specific marketing situation facing an organization. **Traditional Marketing Research in Transition** New digital data-gathering technologies have transformed	Learning Objective 3 p. 103 Key Term: Marketing research p. 104 Photo: Mobile survey

PPT 4-17	market research. Traditional surveys and focus groups have given way to more immediate and agile digital data gathering methods. The key is to blend approaches into a unified marketing information system. The marketing research process has *four steps* (see Figure 4.2).	p. 104 Figure 4.2: The Marketing Research Process
PPT 4-18	**Defining the Problem and Research Objectives** Defining the problem and research objectives is often the hardest step in the research process. A marketing research project might have one of three types of objectives.	p. 105 Key Terms: Exploratory research, Descriptive research, Causal research
PPT 4-19 p. 105	1. **Exploratory research:** to gather preliminary information that will help define the problem and suggest hypotheses. 2. **Descriptive research:** to describe things, such as the market potential for a product. 3. **Causal research:** to test hypotheses about cause-and-effect relationships. Start with exploratory research and later follow with descriptive or causal research.	
p. 105 PPT 4-20 PPT 4-21	**Developing the Research Plan** The research plan outlines sources of existing data and spells out the specific research approaches, contact methods, sampling plans, and instruments that researchers will use to gather new data. Research objectives must be translated into specific information needs.	p. 107 Photo: Chick-fil-a
PPT 4-22 p. 106	The research plan should be presented in a *written proposal* that covers the management problems addressed, research objectives, information needed, how the results will help management decisions, and budget. **Secondary data** consist of information that already exists somewhere, having been collected for another purpose. **Primary data** consist of information collected for the specific	p. 106 Key Terms: Secondary data, Primary data

| | purpose at hand.

Gathering Secondary Data

Researchers usually start by gathering secondary data.

Using commercial online databases, marketing researchers can conduct their own searches of secondary data sources.

Secondary data is usually obtained more quickly and at a lower cost than primary data.

Secondary sources can provide data an individual company cannot collect on its own.

Secondary data can present problems.

- The needed information may not exist.
- The data might not be very usable.
  - *Relevant* (fits research project needs)
  - *Accurate* (reliably collected and reported)
  - *Current* (up-to-date enough for current decisions)
  - *Impartial* (objectively collected and reported) | |

| | ➢ **Assignments, Resources**
Use *Discussion Question 4-4* here
Use *Critical Thinking Exercise 4-6* and *4-8* here
➢ **Troubleshooting Tip**
Although today's students have grown up with computers, the idea of an "information system" may be very new to them. They typically will not have conducted much research, and any jobs they've held will most likely have entailed very basic, entry-level tasks. To get them past this, you could discuss the type of information the university has for each student— their major, coursework, grades, current address, home address, parents' names, whether they are paying full tuition or are on scholarship, what high school they attended and their grade point average there, what sports they play or activities they participate in, and so forth. Then discuss how the university might use that information to understand the current student population to determine how to target future students who are in high school. This should help them grasp how data gets turned into information, and then to knowledge. | |

p. 106 PPT 4-24 PPT 4-25	**Primary Data Collection**	p. 107 Table 4.1: Planning Primary Data Collection
	Research Approaches	
	Observational research involves gathering primary data by observing relevant people, actions, and situations.	
	Observational research can obtain information that people are unwilling or unable to provide through questioning.	p. 107 Key Term: Observational research
	Ethnographic research involves sending trained observers to watch and interact with consumers in their "natural habitat."	
	Ethnographic research often yields the kinds of details that don't emerge from traditional research questionnaires or focus groups.	p. 107 Key Term: Ethnographic research
p. 107	Disadvantages:	p. 107 Photo: Ethnographic research
PPT 4-26	• Some things cannot be observed. • Long-term or infrequent behavior is also difficult to observe. • Observations can be very difficult to interpret.	
p. 108	**Survey research**, the most widely used method for primary data collection, is the approach best suited for gathering *descriptive* information.	p. 108 Key Term: Survey research
	The major advantage of survey research is its flexibility.	
	Disadvantages:	
PPT 4-27	• Sometimes people are unable to answer survey questions. • People may be unwilling to respond to unknown interviewers or about things they consider private. • Respondents may answer survey questions even when they do not know the answer.	
p. 108	• Busy people may not take the time, or they might resent the intrusion into their privacy.	p. 108 Key Term: Experimental research
p. 108	**Experimental research** is best suited for gathering *causal* information. Experimental research tries to explain cause-and-effect relationships.	

	Contact Methods ***Mail, Telephone, and Personal Interviewing*** *Mail questionnaires* can be used to collect large amounts of information at a low cost per respondent. Respondents give more honest answers to personal questions. No interviewer is involved to bias the respondent's answers. Disadvantages: - Not very flexible - Take longer to complete - Very low response rate - As a result, more marketers are now shifting to email and online surveys. *Telephone interviewing* is the one of the best methods for gathering information quickly, and it provides greater flexibility than mail questionnaires. Interviewers can explain difficult questions. Response rates are higher than with mail questionnaires. Disadvantages: - Cost per respondent is higher than with mail questionnaires. - People may not want to discuss personal questions with an interviewer. - Introduces interviewer bias - Different interviewers may interpret and record responses differently. - Increasingly high rates of hang-ups *Personal interviewing* takes two forms—individual and group interviewing. - *Individual interviewing* involves talking with people one-on-one. - *Group interviewing* (**focus group interviewing**)	
p. 109		
PPT 4-28		p. 109 Key Term: Focus group interviewing

	consists of inviting six to ten people to meet with a trained moderator to discuss a product, service, or organization. Many companies are now moving away from traditional, formal research approaches and employing new ways of listening to consumers.	p. 109 Photo: The Mom Complex
p. 110 PPT 4-29 PPT 4-30	***Online Marketing Research*** Increasingly, researchers are collecting primary data through **online marketing research**. Online research usually costs much less than research conducted through mail, phone, or personal interviews. The internet is well suited to *quantitative* research, but researchers are also adopting *qualitative* approaches. A primary qualitative web-based research approach is **online focus groups**. Web-based research has drawbacks, including control of who is in the online sample. In addition, consumer privacy is a major ethical concern. **Behavioral targeting** is using online consumer tracking data and analytics to target advertisements and marketing offers to specific consumers.	p. 110 Key Term: Online marketing research p. 110 Photo: Snap Surveys p. 111 Key Term: Online focus groups p. 111 Photo: FocusVision p. 112 Key Term: Behavioral targeting
	Assignments, Resources Use *Real Marketing 4.1* here	
p. 112 PPT 4-31	**Sampling Plan** A **sample** is a segment of the population selected for marketing research to represent the population as a whole. Designing the sample requires three decisions. 1. *Who* is to be studied (what *sampling unit*)? 2. *How many* people should be included (what *sample size*)? 3. *How* should the people in the sample be *chosen* (what *sampling procedure*)? The two types of samples are:	p. 112 Key Term: Sample p. 114

		Table 4.2: Types of Samples
	1. Probability samples 2. Nonprobability samples	
p. 115	**Research Instruments** The *questionnaire* is the most common data collection instrument. Closed-end questions include all the possible answers, and subjects make choices among them. Open-end questions allow respondents to answer in their own words. Care should be given to the *wording* and *ordering* of questions. Researchers also use *mechanical instruments* to monitor consumer behavior. *People meters* and *checkout scanners* are examples. Neuromarketing techniques can measure consumer involvement and emotional responses, but these can be difficult to interpret.	p. 115 Photo: Expedia
p. 116 PPT 4-33	**Implementing the Research Plan** The data collection phase of the marketing research process must be carried out carefully to make sure the plan is implemented correctly. Researchers must process and analyze the collected data to isolate important information and findings. **Interpreting and Reporting the Findings** Researchers should present important findings and insights that are useful in the major decisions faced by management. However, interpretation should not be left only to researchers. Managers should work closely alongside them. **Review Learning Objective 3**: Outline the role of marketing research and the steps in the marketing research process.	

	➢ **Assignments, Resources** Use *Critical Thinking Exercise 4-7* here ➢ **Troubleshooting Tip** Most students will be unfamiliar with the market research process. They have not had to collect information in any large-scale process, although they might have been involved with collecting information from members of a student organization regarding group activities. One effective way to discuss this issue is to talk about end-of-year course evaluations. Explain that the evaluations are not to rate instructors but to provide valuable feedback to the university, the department, and the instructor on course offerings, course content, and instructor competence. Also, give examples of poorly designed surveys and show how they lead the respondent to answer in a given way. Especially helpful are questionnaires that use leading or loaded questions, or double-barreled questions that are difficult to answer.	
p. 116 PPT 4-34 p. 116 PPT 4-35 PPT 4-36	**Explain how companies analyze and use marketing information.** **ANALYZING AND USING MARKETING INFORMATION** **Customer Relationship Management (CRM)** Companies capture information at every possible customer *touch point*. **Customer relationship management (CRM)** is used to manage detailed information about individual customers and carefully manage customer touch points to maximize customer loyalty. CRM integrates everything that a company knows about individual customers to provide a 360-degree view of the customer relationship. By using CRM to understand customers better, companies can provide higher levels of customer service and develop deeper customer relationships. They can use CRM to pin-point high-value customers, target them more effectively, cross-sell the company's products, and create offers tailored to specific customer requirements.	Learning Objective 4 p. 116 Key Term: Customer relationship management

p. 117	**Big Data and Marketing Analytics**	p. 7 Key Term: Marketing analytics
	Marketing analytics consists of the analysis tools, technologies, and processes by which marketers dig out meaningful patterns in big data to gain customer insights and gauge marketing performance.	
		p. 117 Photo: Netflix
p. 118	Analytics employ **artificial intelligence**, technology by which machines think and learn in a way that looks and feels human but with a lot more analytical capacity.	
	Distributing and Using Marketing Information	p. 118
	The marketing information system must make the information available to managers and others who make marketing decisions or deal with customers.	
	Many companies use a company *intranet* to facilitate information distribution. The intranet provides ready access to data, stored reports, and more.	p. 118 Photo: Zappos
	Companies are increasingly allowing key customers and value-network members to access account and product information, along with other information, through *extranets*.	
	Review Learning Objective 4: Explain how companies analyze and use marketing information.	

	➢ **Assignments, Resources**
	    Use *Discussion Question 4-3* here
	    Use *Marketing by the Numbers* here
	    Use *Real Marketing 4.2* here	

p. 120 PPT 4-37	**Discuss the special issues some marketing researchers face, including public policy and ethics issues.**	Learning Objective 5
PPT 4-38	**OTHER MARKETING INFORMATION CONSIDERATIONS**	
	Marketing Research in Small Businesses and Nonprofit Organizations	
	Managers of small businesses and nonprofit organizations can obtain marketing insights through observation or informal surveys using small convenience samples.	p. 121 Photo: GoldieBox

	Many associations, local media, and government agencies provide special help to small organizations.	
	Managers can glean a wealth of competitive data and information by turning to the internet.	
	International Marketing Research	
p. 121	International marketing researchers follow the same steps as domestic researchers.	
p. 122	The international researcher may have a difficult time finding good secondary data.	p. 122 Ad: Nielsen
	International researchers frequently must collect their own primary data.	
	Reaching respondents is often not easy in other parts of the world.	
	Cultural differences from country to country cause additional problems for international researchers.	
	Language is the most obvious obstacle.	
	Even when respondents are *willing* to respond, they may not be *able* to because of high functional illiteracy rates.	
p. 123	Although the costs and problems associated with international research may be high, the costs of not doing it might be even higher.	
p. 123	**Public Policy and Ethics in Marketing Research**	
	Intrusions on Consumer Privacy	
	Many consumers strongly resent or even mistrust marketing research.	p. 124 Photo: Data breach
	Increasing consumer resentment has led to lower survey response rates in recent years.	
p. 124	The best approach is for researchers to ask only for the information they need, to use it responsibly to provide	

	customer value, and to avoid sharing information without the customer's permission.	
	Most major companies have now appointed a chief privacy officer (CPO).	
	Misuse of Research Findings	
p. 124	Many research studies appear to be little more than vehicles for pitching the sponsor's products.	
	Several associations have developed codes of research ethics and standards of conduct.	
	In the end, unethical actions cannot be regulated away. Each company must accept responsibility for its own conduct.	
	Review Learning Objective 5: Discuss the special issues some marketing researchers face, including public policy and ethics issues.	
➢ **Assignments, Resources** Use *Discussion Question 4-5* here Use *Marketing Ethics* here Use *Online, Mobile, and Social Media Marketing* here Use *Company Case* here		

END OF CHAPTER MATERIAL

Discussion and Critical Thinking

<u>**Discussion Questions**</u>

4-1 Explain how marketing intelligence differs from marketing research. Which is more valuable to a company? Why? (AACSB: Written and Oral Communication; Reflective Thinking)

Answer:
Companies use both marketing research and marketing intelligence to make business decisions. The value of each depends on several factors: cost, ease of accessing information, reliability, and relevance.

Competitive marketing intelligence is the systematic collection and analysis of publicly available information about consumers, competitors, and developments in the marketplace. The goal of competitive marketing intelligence is to improve strategic decision making by understanding the consumer environment, assessing and tracking

competitors' actions, and providing early warnings of opportunities and threats. Marketing intelligence techniques range from observing consumers firsthand to quizzing the company's own employees, benchmarking competitors' products, researching the internet, and monitoring internet buzz.

In addition to marketing intelligence information about general consumer, competitor, and marketplace happenings, marketers often need formal studies that provide customer and market insights for specific marketing situations and decisions. *Marketing research* is the systematic design, collection, analysis, and reporting of data relevant to a specific marketing situation facing an organization. Companies use marketing research in a wide variety of situations. For example, marketing research gives marketers insights into customer motivations, purchase behavior, and satisfaction. It can help them to assess market potential and market share or measure the effectiveness of pricing, product, distribution, and promotion activities.

4-2 Differentiate between exploratory research, descriptive research, and causal research. (AACSB: Communication; Reflective Thinking)

Answer:
Exploratory research helps define the problem and suggest hypotheses. Descriptive research can describe marketing problems, situations, or markets, including things like the market potential for a product or the demographics of consumers. Causal research tests hypotheses about cause-and-effect relationships.

4-3 What three questions need to be answered when a researcher designs the sample? When would a marketing researcher use a nonprobability sample? What is the weakness of nonprobability samples relative to probability samples? (AACSB: Communication; Reflective Thinking)

Answer:
Researchers must understand who is going to be studied, how many people should be included, and how the people in the sample should be chosen. Nonprobability samples are used when probability sampling is expensive or takes too much time. The downside is sampling error cannot be measured in nonprobability samples.

4-4 What is customer relationship management (CRM)? How is it related to big data and artificial intelligence? Provide an example of a company using artificial intelligence. (AACSB: Communication, Reflective Thinking)

Answer:
CRM consists of sophisticated software and analysis tools that integrate customer and marketplace information from all sources, analyze it, and apply the results to build stronger customer relationships. CRM integrates everything that a company's sales, service, and marketing teams know about individual customers, providing a 360-degree view of the customer relationship. Artificial intelligence uses machines to learn from these big data sets

and provides human-like thinking with enhanced analytical capacity. Artificial intelligence can help a salesperson or marketer more efficiently digest a lot of information. Examples of applications of artificial intelligence are plentiful, but artificial intelligent assistants like Siri and Alexa are often top-of mind for students.

4-5 Marketers make heavy use of both primary and secondary data. What is primary data? What is secondary data? What are possible benefits or drawbacks of using each of these data types? (AACSB: Communication, Reflective Thinking)

Answer:
Primary data consist of information collected for the specific purpose at hand. Secondary data consist of information that already exists somewhere, having been collected for another purpose.

Benefits of primary data: It has been collected for a specific purpose, to gather certain information. Marketers have greater control over the data collection and research process and the ability to conduct more in-depth research on specific issues. Drawbacks to primary data: It can take quite a long time to develop the research parameters and to determine the research approaches, contact methods, the sampling plan, and the research instruments. It will be significantly more expensive than using secondary data.

Benefits of secondary data: It can usually be obtained more quickly and at a lower cost than primary data. Secondary sources can sometimes provide data that an individual company cannot collect on its own (either not available or too expensive). Drawbacks to using secondary data: Rarely can all the needed data be found from secondary sources. Even when available, the information might not be very usable. The researcher must evaluate secondary information carefully to make certain it is *relevant* (fits the research project's needs), *accurate* (reliably collected and reported), *current* (up-to-date enough for current decisions), and *impartial* (objectively collected and reported).

4-6 What are the similarities and differences when conducting research in another country versus the domestic market? What research strategies might a company use to address the differences in various markets? (AACSB: Communication; Reflective Thinking)

Answer:
International researchers follow the same steps as domestic researchers, from defining the research problem and developing a research plan to interpreting and reporting the results. However, these researchers often face more and different problems. Whereas domestic researchers deal with fairly homogeneous markets within a single country, international researchers deal with diverse markets in many different countries. These markets often vary greatly in their levels of economic development, cultures and customs, and buying patterns.

In many foreign markets, the international researcher may have a difficult time finding good secondary data. Whereas U.S. marketing researchers can obtain reliable secondary data from dozens of domestic research services, many countries have almost no research services at all. Even when secondary information is available, it usually must be obtained from many

different sources on a country-by-country basis, making the information difficult to combine or compare.

Because of the scarcity of good secondary data, international researchers often must collect their own primary data. However, obtaining primary data may be no easy task. For example, it can be difficult simply to develop good samples. U.S. researchers can use current telephone directories, email lists, census tract data, and any of several sources of socioeconomic data to construct samples. However, such information is largely lacking in many countries. Once the sample is drawn, the U.S. researcher usually can reach most respondents easily by telephone, by mail, online, or in person. However, reaching respondents is often not so easy in other parts of the world.

Cultural differences from country to country cause additional problems for international researchers. Language is the most obvious obstacle. For example, questionnaires must be prepared in one language and then translated into the languages of each country researched. Responses then must be translated back into the original language for analysis and interpretation. This adds to research costs and increases the risks of error. Even within a given country, language can be a problem.

Critical Thinking Exercises

4-7 Visit www.nielsen.com/us/en/insights/reports.html and select an example of a recent research report. Include the URL in a response that describes the study or studies that informed the report. Where did Nielsen get the data that informed the insights in the report? (The report may include more than one source of data.) What are the strengths and weaknesses of the types of data used? How is the information presented? How will people who see the results of the study likely respond based on the presentation? Provide one example of how the insight might be used by a marketer. (AACSB: Communication; Reflective Thinking)

Answer:
Student responses will vary based on the examples they select. Most reports include survey data and secondary data from Nielsen's tracking databases. Responses may include information about the methods used and/or the way the information is presented. When it comes to the analysis of how the insight is distributed and an example of how the insight might be applied, students should be praised for recognizing shortcomings associated with the types of research, particularly if they impact the application of the findings.

4-8 Imagine you own a pet grooming business. You want to use market research to identify how you can grow your business but you are on a limited budget. Review the marketing research techniques outlined in the chapter to determine which ones can be used for your small business. What information will you need and how will you obtain it? (AACSB: Written and Oral Communication; Reflective Thinking)

Answer:

Students will need to begin with some assumptions about their pet grooming business, perhaps choosing one in their community as a base of information. Some of the considerations to determine key customer insights include what is the business niche?; how does it differentiate the business?; who are its customers and are customer needs being met? Small businesses can obtain much useful market and customers insights without spending a lot of money. Many of the marketing research techniques discussed in this chapter can be used by smaller organizations in a less formal manner and at little or no expense. Information sources included everything from observation and online secondary data searches to informal surveys using small convenience samples.

4-9 Go to Google Trends (trends.google.com). Assume you are a consumer goods marketer that oversees a sparkling water product. How could the Google Trends information help your company improve its understanding of its market? Conduct a search that could provide information that might increase profits. Explain what you searched and what insights you gained that could inform decision making. (AACSB: Communication; Reflective Thinking)

Answer:
Ask students to share their unique searches and analyses in class. Although student responses may vary, examples that demonstrate the difference between data and insights should be highlighted in the discussion.

Applications and Cases

Online, Mobile, and Social Media Marketing: The Trail You Leave Behind

Marketers are always interested in collecting as much valuable data as possible regarding customer likes, preferences, and trends. Web activity and social media platforms such as Twitter, Facebook, Instagram, and various blog sites are gold mines for marketers. All of these access points create information that can be aggregated and used to a company's competitive advantage, which allows firms to stay in tune with what is currently trending in the marketplace. Businesses can also use these same access points to track competitor activity, which can then be used in competitive marketing intelligence.

4-10 Have you ever thought about the data you leave behind for marketers to collect? Marketers are always looking for digital footprints, which are traceable sources of online activities. Visit www.internetsociety.org/your-digital-footprint-matters and review the various resources available. Select one of the tutorials and present what you learned from the video. (AACSB: Communication; Reflective Thinking)

Answer:
Student answers will vary based on the tutorial they choose. Several possible links are: What is a Digital Footprint? www.internetsociety.org/your-digital-footprint/what-is; Who is Tracking Me and How Do They Do It? www.internetsociety.org/your-digital-footprint/tracking; What Dynamics Are at Work in the World of Digital Footprints? www.internetsociety.org/your-digital-footprint/dynamics

4-11 After reviewing the tutorials on www.internetsociety.org/your-digital-footprint-matters, do you plan to alter your online habits? Are you concerned about your digital footprint and the data trail you leave behind, and do you plan to actively manage it? Why or why not? (AACSB: Communication; Reflective Thinking)

Answer:

After watching the following video: How Can I Manage My Digital Footprints? www.internetsociety.org/your-digital-footprint/manage, answers should address "The Four-layered Approach": 1. Improve understanding of basic issues; 2. Develop basic hygiene habits; 3. Become a sophisticated user of online tools and services; 4. Find and use privacy-enhancing tools.

Marketing Ethics: WeChat

WeChat, an app in China, offers its users a "one-stop shop" for features. Users can chat, shop, form new social connections, order and pay for food, make payments, identify crowded locations, make investments, and make doctor's appointments—among other things—all without leaving the app. As a result, WeChat collects large amounts of valuable data about its consumers and their habits that it monetizes by selling advertising. Companies in China are required to share this information with the government, which has a history of human rights violations. Technology companies in the United States aim to develop similar capabilities in order to keep people engaged and gather volumes of valuable data, which may be one reason Facebook moved to allow users of Facebook Messenger, Instagram, and WhatsApp messengers to communicate across platforms. While consumers value the convenience and personalized offers they gain by letting WeChat gather data, there are concerns about privacy intrusions and other entities that can access the data.

4-12 If you used an app like WeChat, what information would you be comfortable having tied to your identity? What information would you prefer not be tracked? What is the trade-off between convenience and privacy? (AACSB Communication; Reflective Thinking)

Answer:
Student answers will vary based on their feelings about privacy and their device usage. Many mobile device apps that students may use, such as Google Maps and The Weather Channel, use location tracking to be able to provide the information the user is requesting. Twitter tweets provide the time and date a tweet was posted. Users check into locations using apps such as Foursquare and Facebook, which leave behind location, date, and time data.

4-13 Is it ethical for marketers to gather massive amounts of data about everything a consumer does and sell advertising using the information. What types of protections do you value as a consumer? (AACSB: Communication; Ethical Reasoning)

Answer:

Student opinions on whether it is ethical will be influenced by their concerns about privacy and security of the information they provide online. Many consumers are not aware that they can be identified, and some students will argue that this is unethical. However, the data can assist marketers in targeting individualized ads and offers, which may benefit consumers.

Marketing by the Numbers: Descriptive Statistics

As you read in the chapter, the objective of descriptive research is to describe things, such as the market potential for a product or the demographics and attitudes of consumers who buy the product. Three common statistics used in descriptive research are mean, median, and mode. From these simple statistics, marketers can learn from the multitude of data available what the average value of something is, such as the average time a consumer spends on a website or the average attitude toward their brand. That is the mean, found by adding up all the values and dividing by the number of data points added together. Marketers are also interested in the middle value (that is, median) because outliers may skew a mean high or low. To find the median, marketers order the values from highest to lowest and locate the value in the middle of the dataset. Finally, mode tells the marketing researcher how often a value occurs. Creating graphs like histograms of the data are useful for visually showing the frequency of each value. Use the following consumer attitude data, collected using an attitude statement ranging from 1 = "strongly dislike" to 5 = "strongly like" concerning the brand, to calculate descriptive statistics.

Consumer	Attitude Toward Brand Score (1-5)
Charlie	5
Cameron	2
Daisy	4
Frank	5
Susie	5
Jamal	3
Amy	3

4-14 Calculate the mean, median, and mode for this data. (AACSB: Communication; Analytical Reasoning)

Answer:

Mean = average = (5+2+4+5+5+3+3) ÷ 7 = 27 ÷ 7 = 3.86

Median = middle value = 2, 3, 3, **4**, 5, 5, 5 = 4

Mode = most frequent value = 5 (occurs 3 times)

4-15 Create a histogram (that is, a bar chart) that shows the number of times each attitude score is given by a consumer in the dataset. What conclusions can you draw from these descriptive statistics? (AACSB: Communication; Analytical Reasoning)

Answer:

Students' graphs will vary. Below are two examples:
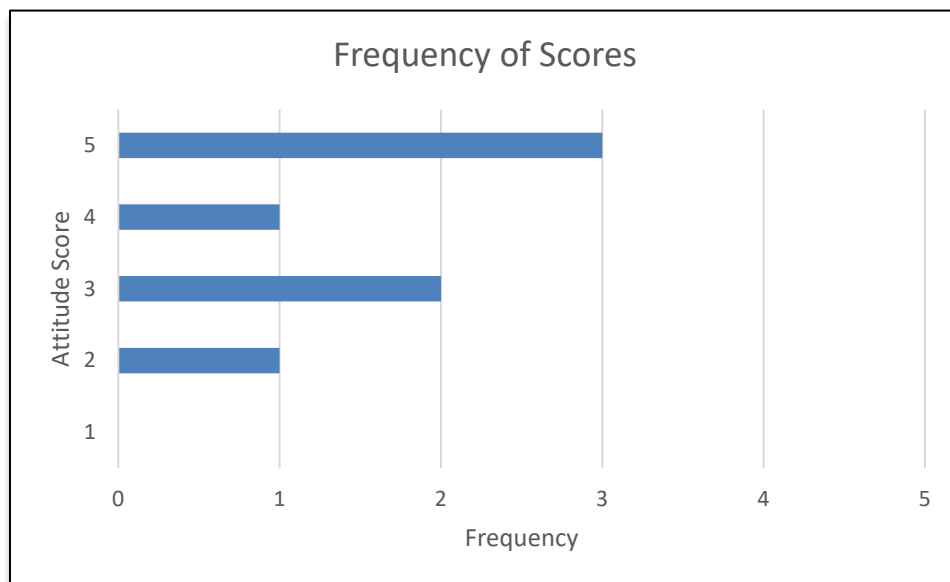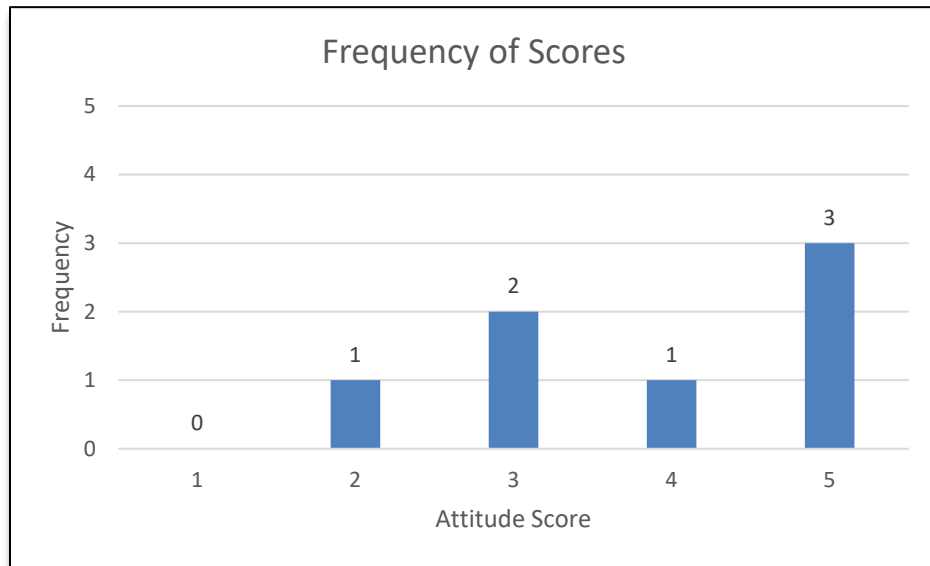
Students' conclusions will vary, but the descriptive statistics show that attitude scores are relatively favorable, with nobody giving the brand a score of 1 (strongly dislike), the average (3.86) and median (4) being above the mid-point (score = 3), and 5 ("strongly like") being the most frequently given score.

Company Case

Qualtrics: Managing the Complete Customer Experience

Synopsis
In today's environment of data proliferation, companies don't need more data—they need better data. Qualtrics provides a suite of online data gathering and analysis tools that give companies the ability to handle the data they have access to. As a pioneer in online surveys, Qualtrics has evolved, creating a suite of products that go beyond conducting marketing research through surveys to assessing the complete customer experience. Qualtrics continues to innovate and expand its capabilities with the advent of artificial intelligence products.

Teaching Objectives

The teaching objectives for this case are to:

1. Introduce students to the concept of a marketing information system.
2. Illustrate the importance of a marketing research plan.
3. Explore non-traditional methods for marketing research.
4. Gain perspective for integrating traditional and non-traditional research methods.

Discussion Questions

1. How does Qualtrics fit in with the big data trend?
   Qualtrics not only fits in, it led the way. As one of the pioneers in online surveys, Qualtrics helped to create an infrastructure to handle a stream of data that had yet to emerge.

   Big data is being driven by an ever-increasing number of data gathering hubs—from apps to web browsing to transactions to smart appliances. Qualtrics doesn't just gather data through surveys. Its recent innovations like the XM platform and Qualtrics iQ are capable of compiling and analyzing data from numerous sources. The Jetblue example in the case is evidence of this.

   Students should also recognize the "user friendly" aspect of Qualtrics as one of the challenges of big data is being able to handle it.

2. Discuss how Qualtrics's services facilitate the discovery of customer insights.

This should be discussed in the context of the marketing information system. As illustrated in Figure 4.1, marketing managers and other information users obtain customer and market insights from marketing information. And marketing information is extracted from the marketing environment through the marketing information system as a whole. See the response to Question 3 for specifics on how Qualtrics' services fit into the marketing information system.

3. Which components of the marketing information system do Qualtrics's tools facilitate?
Based on the information in the case, the tools made available by Qualtrics fit into internal database and marketing research components of the marketing information system. Online surveys collect primary data that qualifies as marketing research. Transactional data is obtained from internal company databases. Through the suite of XM products as well as iQ, Qualtrics simultaneously integrates and analyzes the data from these different silos to produce customer insight. There isn't any evidence from the case that Qualtrics products track the sources of data that would qualify as competitive marketing intelligence.

4. Discuss Qualtrics' tools in the context of research approaches.
There are three basic research approaches—observational, survey, and experimental. The most obvious approach taken by Qualtrics tools is survey. That is the tool that is at the root of most of Qualtrics services. While there is no evidence of an experimental approach, some of the data Qualtrics accesses and integrates into its suite of products qualifies as observational. Any kind of online listening (social media listening, for example) is observational in nature.

5. What challenges does Qualtrics face in the future?
To date, it would seem that Qualtrics faces few challenges. It is a pioneer of the field it helped to create. It has proven that it is innovative to the extent that it has consistently developed new tools that take the capabilities of its products to new levels. There are certainly competitors, but the market for the services Qualtrics provides is exploding at a rate that there is plenty of business for all. And while Qualtrics faces challenges in taking the company public, the prospect likely brings more opportunities than it does threats.

Thus, the main challenge Qualtrics faces is remaining on the cutting edge. This is particularly challenging given the exponential rate at which data is growing. Thus, it is clear that if not for innovation and improvement, Qualtrics current products have a limited life expectancy.

Teaching Suggestions

This is a somewhat difficult case for students to relate to their own personal experience as the products and services Qualtrics provides are enterprise offerings—not items that students have

much experience with. Create a foundation of understanding by asking students to consider all the requests to complete surveys they come across. Ask students to pull out receipts from retailers and check them for survey opportunities. You might even start by providing time for them to complete some of these surveys. Once complete, discuss what the objectives of those surveys seem to be.

This case was developed for use with Chapter 4. This case also works well with the new product chapter (Chapter 9) and the direct and online chapter (Chapter 17).