ELEVENTH EDITION

EXPLORING
Marketing Research

Barry Babin | William Zikmund

Chapter 6
Secondary Data Research
in a Digital Age

LEARNING OUTCOMES

After studying this chapter, you should

1. Discuss the advantages and disadvantages of using secondary data

2. Understand common objectives addressed by secondary data

3. Identify various internal and proprietary sources of secondary data

4. Give examples of various external sources of secondary data

5. Describe the impact of single-source data and globalization on big data research

Introduction

- Market researchers are always working under budget constraints

- If the data for a given research question already exists, it can save both time and money

- This chapter focuses on instances where the data may indeed already exist in some usable format

Using Secondary Data in Marketing Research

- Secondary data
  - Data gathered and recorded by someone else prior to and for a purpose other than the current project

- Advantages
  - Available
  - Faster and less expensive than acquiring primary data
  - Requires no access to subjects
  - Inexpensive
  - May provide information otherwise not accessible

Secondary Data: Disadvantages

- Uncertain accuracy
- Data not consistent with needs
- Inappropriate units of measurement
- Time period inappropriate (outdated)

EXHIBIT 6.1   To Use or Not to Use Secondary Data?
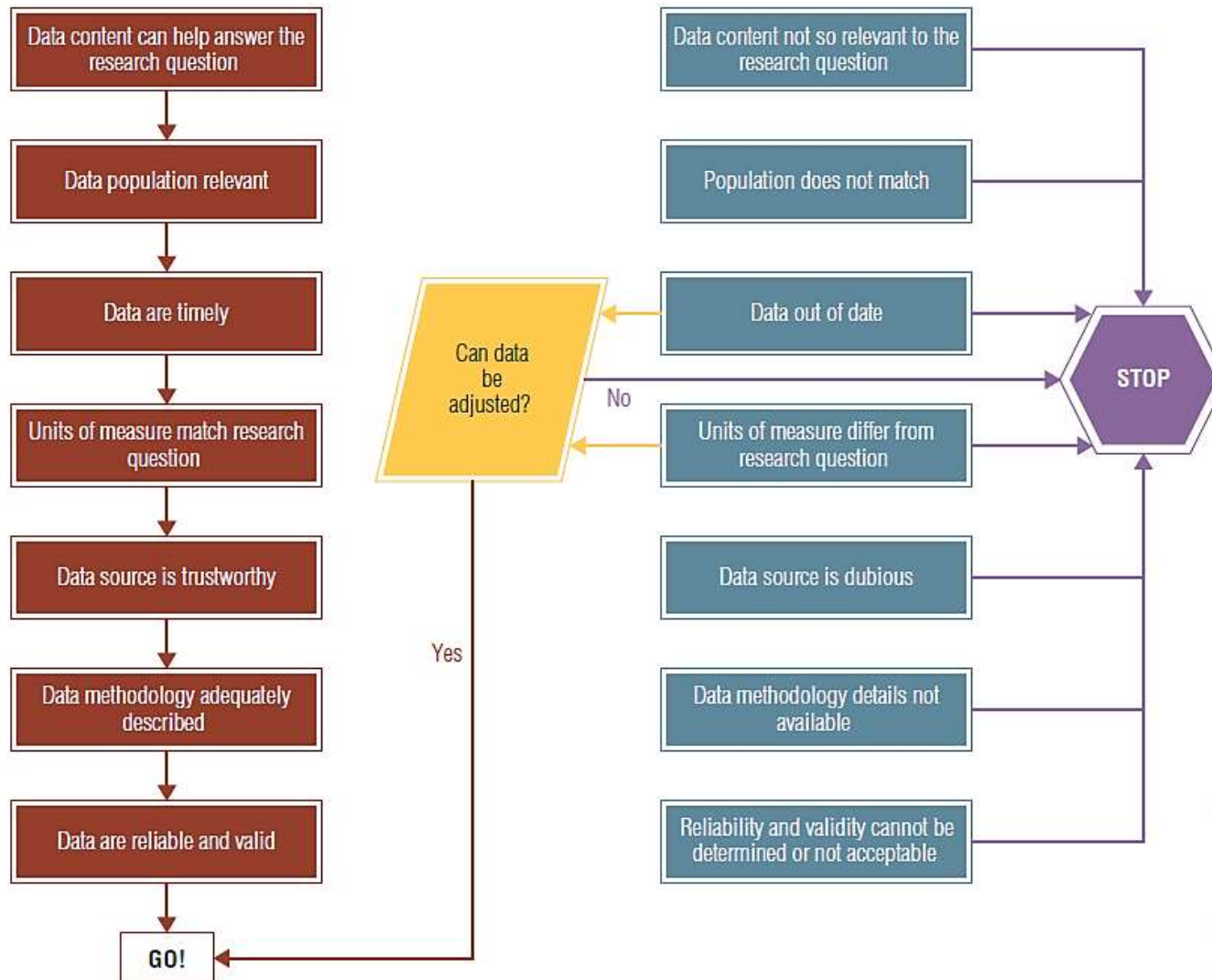
Using Secondary Data in Marketing Research (cont'd.)

- Units of measurement
  - Data conversion (data transformation): the process of changing the original form of the data to a format suitable to achieve the research objective

- Reliability and validity
  - Cross-checks: the comparison of data from one source with data from another source to determine the similarity of independent projects

EXHIBIT 6.2 Common Objectives of Secondary Data Studies

Broad Objective	Specific Research Example
Fact-Finding	Identifying Web traffic, consumption patterns, tracking trends
Model Building	Forecasting market potential, sales in a time-period, selecting locations, determining relationships with sales
Database Marketing	Developing prospect lists, predicting future customer behavior, data mining

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Typical Objectives for Secondary-Data Research Designs

- Fact-finding
  - Identification of consumer behavior for a product category
  - Trend analysis
    - Market tracking: observation and analysis of trends in industry volume and brand share over time
  - Environmental scanning
    - Information gathering and fact-finding that is designed to detect indications of environmental changes in their initial stages of development

Typical Objectives for Secondary-Data Research Designs (cont'd.)

- **Model building**
  - A mathematical representation of the relationship between two or more variables
  - Estimating market potential for geographic areas
  - Forecasting sales
  - Analysis of trade areas and sites
    - Site analysis techniques—use secondary data to select the best location for retail or wholesale operations
    - Index of retail saturation—describes the relationship between retail demand and supply
  - Advertising response

EXHIBIT 6.3 Market Potential for Select Geographic Areas by Country

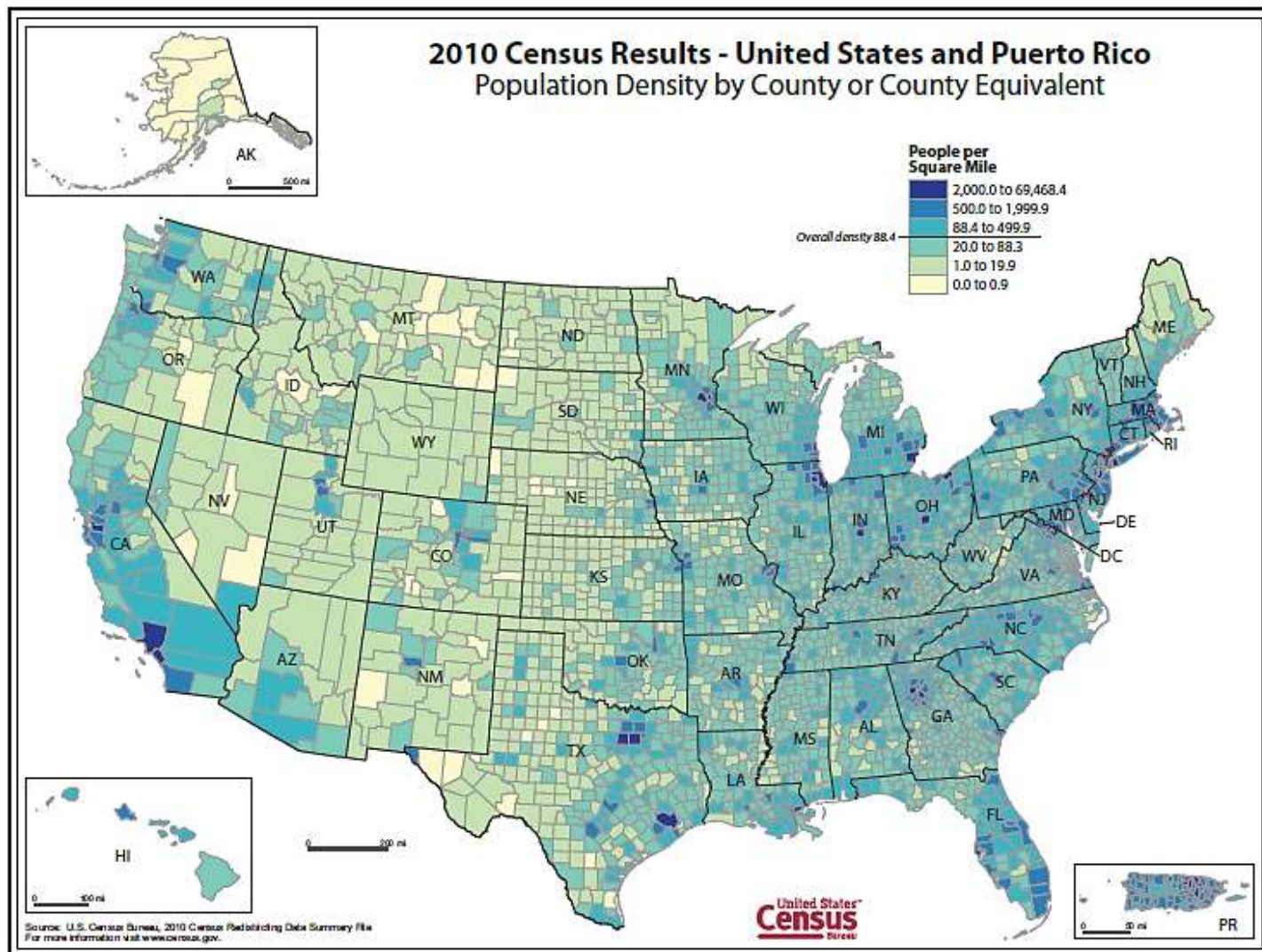| Country	2015 Population (thousands)	Annual Volume Consumed (liters)	Annual per Capita Beer Consumption (liters)	Share of World Market
Czech Republic	10,500	1,911	182	0.01
Germany	81,000	8,650	107	0.05
Australia	22,750	1,830	80	0.01
United States	320,000	24,250	75	0.13
Brazil	203,000	12,800	63	0.07
China	1,400,000	44,201	32	0.24

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EXHIBIT 6.4 Secondary Data for Major League Baseball Ticket Prices

Year	Average Ticket Price ($)	Percentage Change from Previous Year	Three-Year Moving Average
1996	11.20	5.2%	3.5%
1997	12.36	10.4%	5.8%
1998	13.59	10.0%	8.5%
1999	14.91	9.7%	10.0%
2000	16.67	11.8%	10.5%
2001	18.99	13.9%	11.8%
2002	18.30	−3.6%	7.4%
2003	19.01	3.9%	4.7%
2004	19.82	4.3%	1.5%
2005	21.17	6.8%	5.0%
2006	22.21	4.9%	5.3%
2007	22.70	2.2%	4.6%
2008	25.43	12.0%	6.4%
2009	26.64	4.5%	6.3%
2010	26.74	0.4%	5.6%
2011	26.92	0.7%	1.9%
2012	26.98	0.2%	0.4%
2013	27.73	2.7%	1.2%
2014	27.93	0.7%	1.2%

EXHIBIT 6.5 Data Mining Tools May Analyze Population Densities or Traffic Patterns

2010 Census Results - United States and Puerto Rico
Population Density by County or County Equivalent

People per Square Mile
- 2,000.0 to 69,468.4
- 500.0 to 1,999.9
- 88.4 to 499.9
- 20.0 to 88.3
- 1.0 to 19.9
- 0.0 to 0.9

Overall density 88.4

Source: U.S. Census Bureau, 2010 Census Redistricting Data Summary File
For more information visit www.census.gov.

United States Census Bureau

Data Mining

- Data mining
  - The use of powerful computers to dig through volumes of data to discover patterns about an organization's customers and products
  - Applies to many different forms of analysis
- Neural network
  - A form of artificial intelligence in which a computer is programmed to mimic the way that human brains process information

Data Mining (cont'd.)

- Market-basket analysis
  - A form of data mining that analyzes anonymous point-of-sale transaction databases to identify coinciding purchases or relationships between products purchased and other retail shopping information

- Customer discovery
  - Involves mining data to look for patterns identifying who is likely to be a valuable customer

Database Marketing and Customer Relationship Management

- Database marketing
  - The use of customer relationship management (CRM) databases to promote one-to-one relationships with customers and create precisely targeted promotions
  - Effective database marketing requires vast amounts of secondary data to be integrated into a CRM system

Sources of Internal Secondary Data

- Internal data are data that originate in the organization

  ➤ Represent events recorded by or generated by the organization

- Proprietary data is secondary data owned and controlled by the organization

Internal and Proprietary Data

- Examples: sales invoices, salespeoples' call reports, customer complaints, service records, warranty card returns, product returns, etc.

- Enterprise search
  - ➢ Focuses on data within the enterprise's internal network

- Open-source innovation
  - ➢ Effort that involves allowing other firms real-time access to otherwise proprietary data within the enterprise in an effort to expand the solution space developing innovations

External Secondary Data Sources

- **External data**
  - ➢ Facts observed, recorded by an entity other than the researcher's organization
- **Information as a product and its distribution**
  - ➢ Libraries
  - ➢ The Internet
  - ➢ Vendors
  - ➢ Producers
    - ❖ Periodicals, government, media, trade associations, and commercial sources

EXHIBIT 6.6 Selected Internet Sources for Secondary Data

Source	Description	URL
U.S. Census Bureau	Demographic information about the United States overall and by state and county. Information about U.S. business and the economy.	www.census.gov
CIA *Factbook*	Profiles of over 250 countries providing descriptive statistics of population, commerce, geography, religion, history, and much more.	www.cia.gov
FedStats	A portal containing links to reports and data compiled by most federal agencies ranging from agriculture to education.	fedstats.sites.usa.gov/
Datamonitor	Offers a very large collection of current business reports on industries, countries, markets, consumption statistics as well as tracking data for new product launches. Subscription required.	www.datamonitor.com
Advertising Age	Media source for advertising industry news and access to hundreds of research reports on specific issues within and affecting the industry (for a fee).	www.adage.com
YouTube	Online access to over 10 billion videos. User videos can reveal insights into product improvements. Huge source for television and video advertising.	www.youtube.com
Kantar Media	Source focusing on the integrated global media industry. Excellent source for statistics and reports on viewership, Internet usage, and basic consumer profiles such as the British teen market.	www.kantarmedia.com

EXHIBIT 6.6 Selected Internet Sources for Secondary Data (cont'd.)

Source	Description	URL
European Union Commission	Comprehensive collection of statistics on Europe overall and the individual nations within the European Union. Statistics include detailed economic performance data, immigration, demographic data, and much more.	ec.europa.eu/eurostat
The Wall Street Journal Online	Provides a real-time view of business news and financial statistics including stock values, exchange rates, and more. Some content is free.	www.wsj.com
Harvard Business School	Not a database per se but like at most libraries, links to dozens of sources for data both public and private can be found here.	http://www.library.hbs.edu/all_databases.html
The ACSI	Customer satisfaction ratings for hundreds of large firms doing business in the U.S. Data are available by industry and free of charge.	http://theacsi.org/
Quandl.com	A venture launched by a Canadian technology company that aims to become a repository for quantitative data of all types, with a particular emphasis on economic data and data on international markets.	http://Quandl.com
Chinability	A convenient collection of reports and links to data reports and other sources related to the Chinese economy and business climate.	www.chinability.com

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Commercial Sources

- Market-share data
- Consumer attitude and public opinion research
- Consumption and purchase behavior data
- Advertising research
- Consumer data
  - All information left behind online intentionally or unintentionally
  - Includes social network posts, consumer feedback on sites like Tripadvisor, and much more

Single-Source and Global Research Data

- Single-source data-integrated information
  - Diverse types of data offered by a single company
  - Usually integrated on the basis of a common variable
- Government agencies
  - Global secondary data has the same limitations as domestic secondary data
  - Additional pitfalls of global secondary data: unavailability in some countries, questionable accuracy (political influences), etc.
  - CIA's World Factbook and National Trade Data Bank (NTDB) are useful to overseas marketing

EXHIBIT 6.7 Some Sources of Global Marketing Information

- United States
  fedstats.sites.usa.gov/

- South Africa
  http://www.statssa.gov.za

- Australia
  http://www.nla.gov.au/oz/stats.html

- Japan
  http://www.stat.go.jp/

- United Kingdom
  http://www.statistics.gov.uk

- France
  http://www.insee.fr

- South America
  http://www.internetworldstats.com/south.htm

- Norway
  http://www.ssb.no

- United Nations
  http://www.un.org/esa

- Global Information from the *CIA Factbook*
  http://www.cia.gov

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