Unit 5

MANAGING MARKETING INFORMATION

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Objectives

- Why marketing information is collected
- Key definitions
- Criteria for valuable information
- Marketing information and the marketing process
- Qualitative and quantitative research
- Quantitative techniques
- What users of market research should ask
- Legal and privacy issues

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# The Importance of Information

- Companies need information about their:
  - Customer needs,
  - Marketing environment,
  - Competition.
- Marketing managers don't need <u>more</u> information, they need <u>better</u> information.

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What is a Marketing Information System (MIS)?

- An MIS consists of people, equipment, and procedures to gather, sort, analyze, evaluate, and distribute needed, timely, and accurate information to marketing decision makers.

- The MIS helps managers to:
  - Assess Information Needs,
  - Develop Needed Information,
  - Distribute Information.

The Marketing Information System
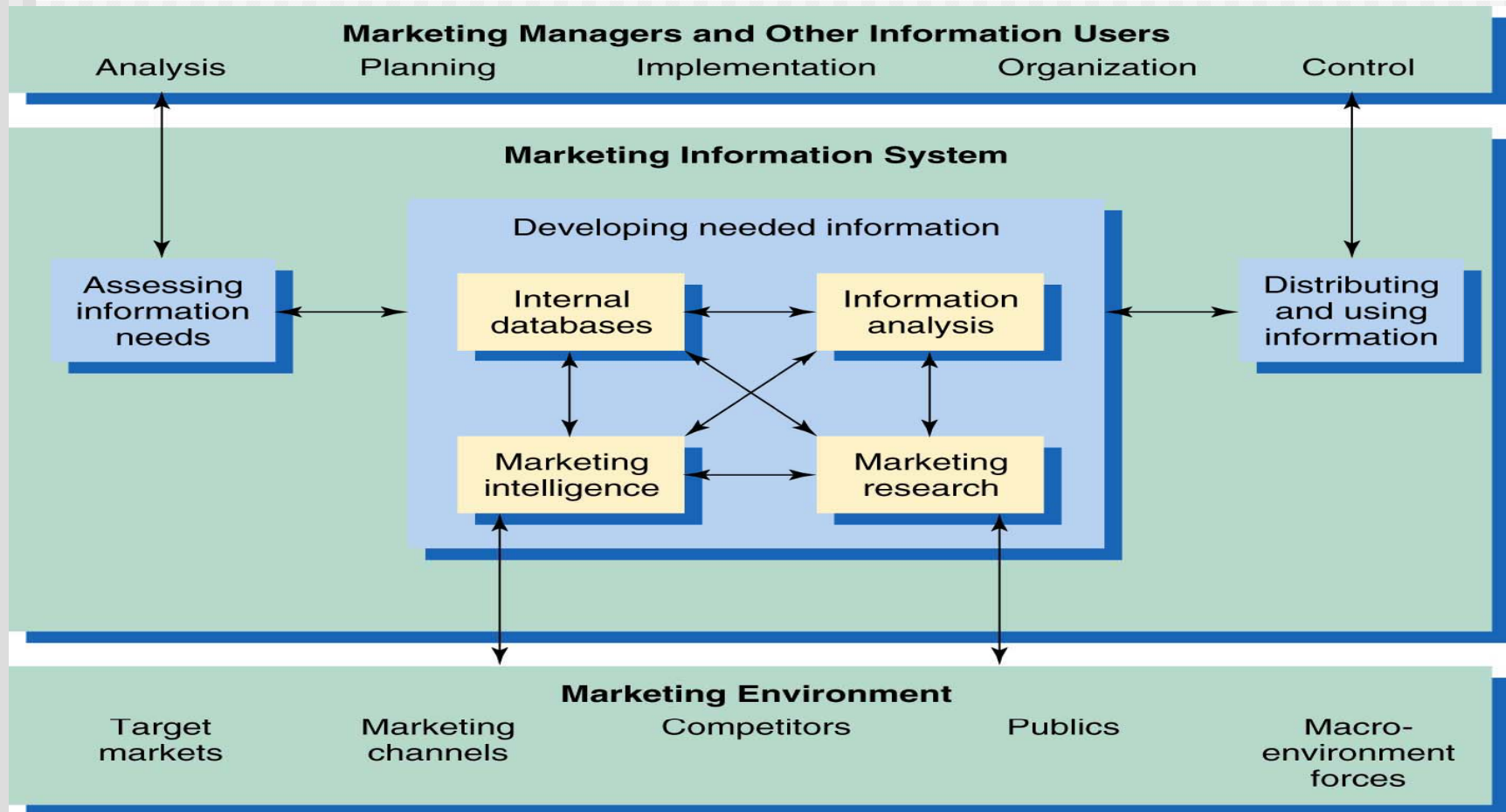
Functions of an MIS: Developing Marketing Information

Information Needed by Managers Can be Obtained From:

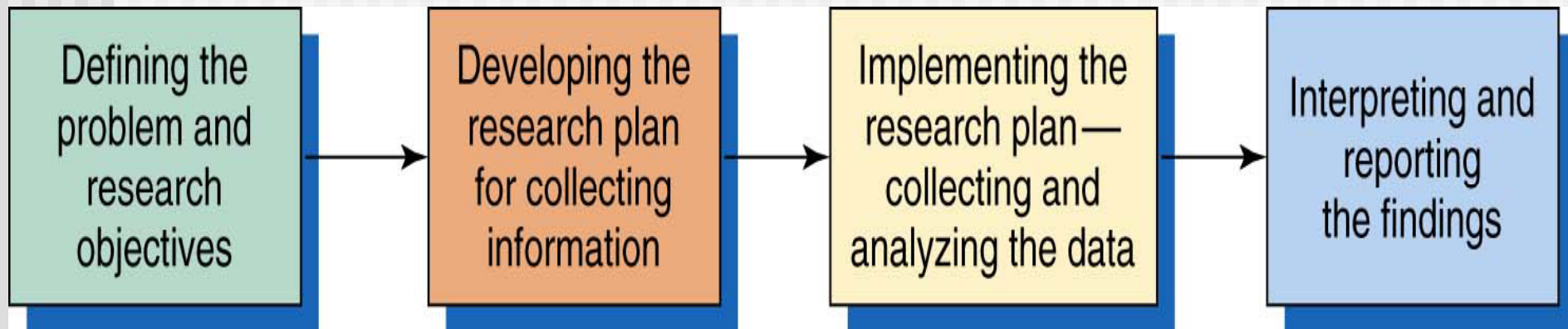|	
Internal Data	Electronic Collections of Information from Data Sources (i.e. Accounting) Within the Company
Marketing Intelligence	Publicly Available Information about Competitors and the Marketing Environment (i.e. Technological)
Marketing Research	Design, Collection, Analysis, and Reporting of Data about a Specific Marketing Situation

Criteria for Valuable Information

- Recency
- Relevance
- Accuracy
- Value versus cost

Discussion Question

■ What is an example of marketing intelligence?

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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 |

Marketing Research Process
Step 1. Defining the Problem & Research Objectives

Exploratory Research	Gathers preliminary information that will help define the problem and suggest hypotheses.
Descriptive Research	Describes things as market potential for a product, or the demographics and consumers' attitudes.
Causal Research	Test hypotheses about cause-and-effect relationships.
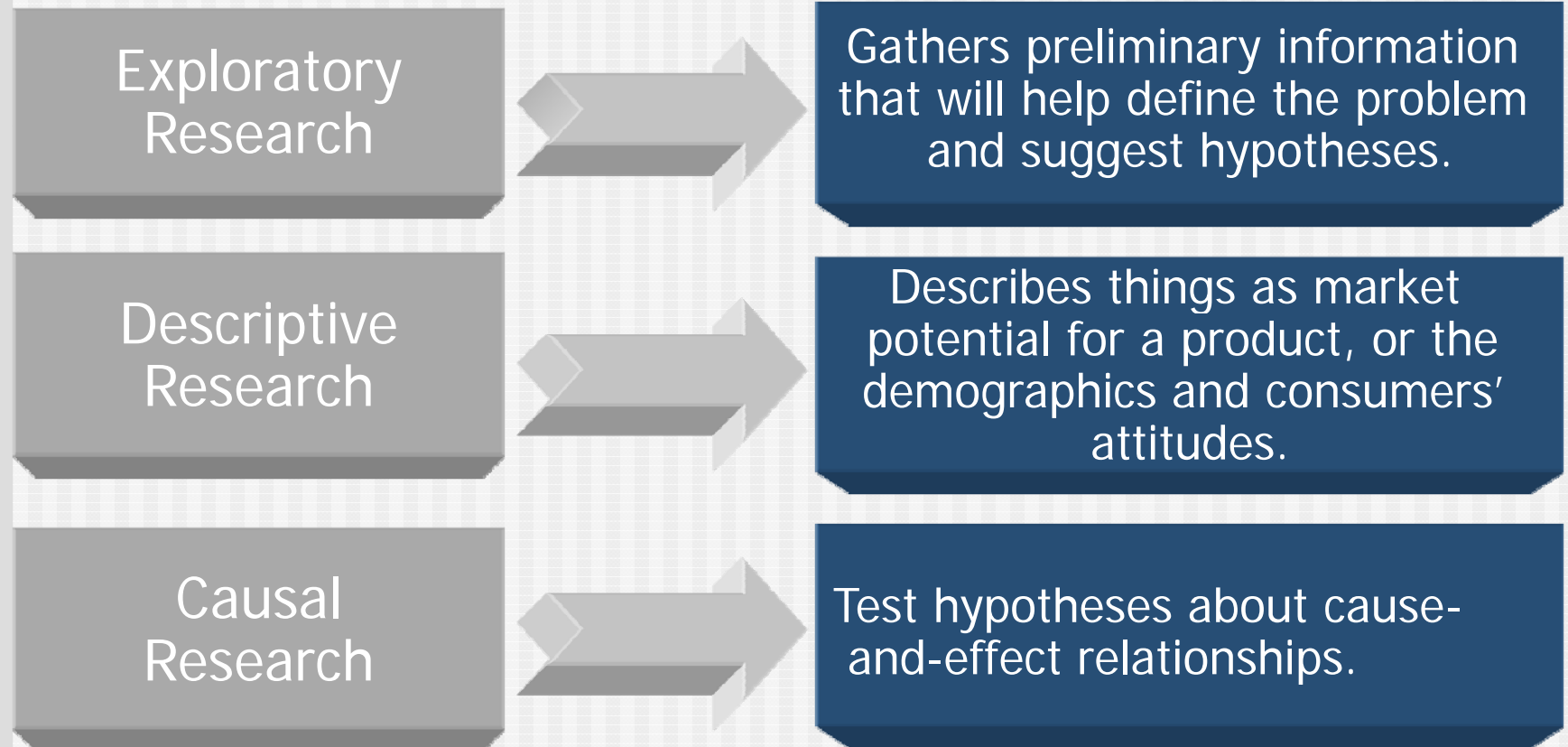
Marketing Research Process
Step 2. Developing the Research Plan

- **Research plan development follows these steps:**
  - Determining the Exact Information Needed
  - Developing a Plan for Gathering It Efficiently
  - Presenting the Written Plan to Management

Develop the Research Plan
Gathering Information

Secondary

Information That Already Exists Somewhere.

+ Obtained More Quickly, Lower Cost.

- Might Not be Usable Data.
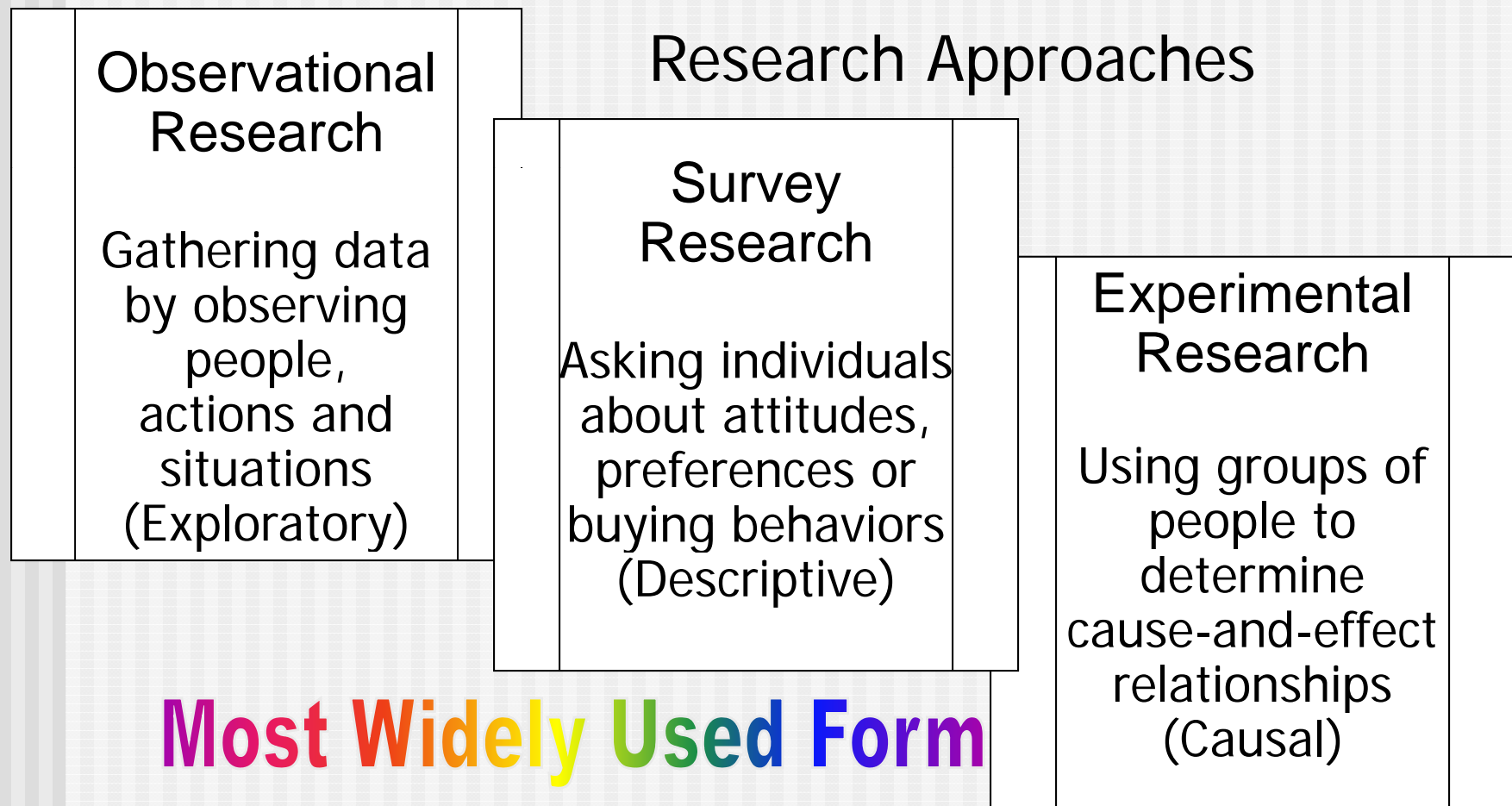
Both Must Be:

Relevant

Accurate

Current

Impartial

Primary

Information Collected for the Specific Purpose at Hand.

Develop the Research Plan
Primary Data Collection

Research Approaches

Observational Research

Gathering data by observing people, actions and situations (Exploratory)

Survey Research

Asking individuals about attitudes, preferences or buying behaviors (Descriptive)

Experimental Research

Using groups of people to determine cause-and-effect relationships (Causal)

Most Widely Used Form

Qualitative & Quantitative Research

	Qualitative	Quantitative
Objectives	Discover, scope & Explore	Measure how much, how many
Format	Spontaneous and interactive	Logical format
Questions	Unstructured, semi-structured, open-ended and probing	More structured and closed ended
Responses	Creative	Rational
Analysis	Dependent on researcher Interpretation	Statistical, less dependent on researcher

Develop the Research Plan - Strengths & Weaknesses of Contact Methods

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

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Interactive Student Assignments

- Form small groups of three to five people and discuss what type of research would be appropriate in the following situation, and explain why.
  - Kellogg wants to investigate the impact of young children on their parents' decisions to buy breakfast foods.

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Develop the Research Plan
Sampling Plan

- Sample – segment of the population selected to represent the population as a whole.

- Requires 3 Decisions:
  - Who is to be surveyed?
    - Sampling unit
  - How many people should be surveyed?
    - Sample size
  - How should the people in the sample be chosen?
    - Sampling procedure

Develop the Research Plan
Primary Data Collection

Research Instruments

Questionnaire

- What questions to ask?
- Form of each question?
  - Closed-end
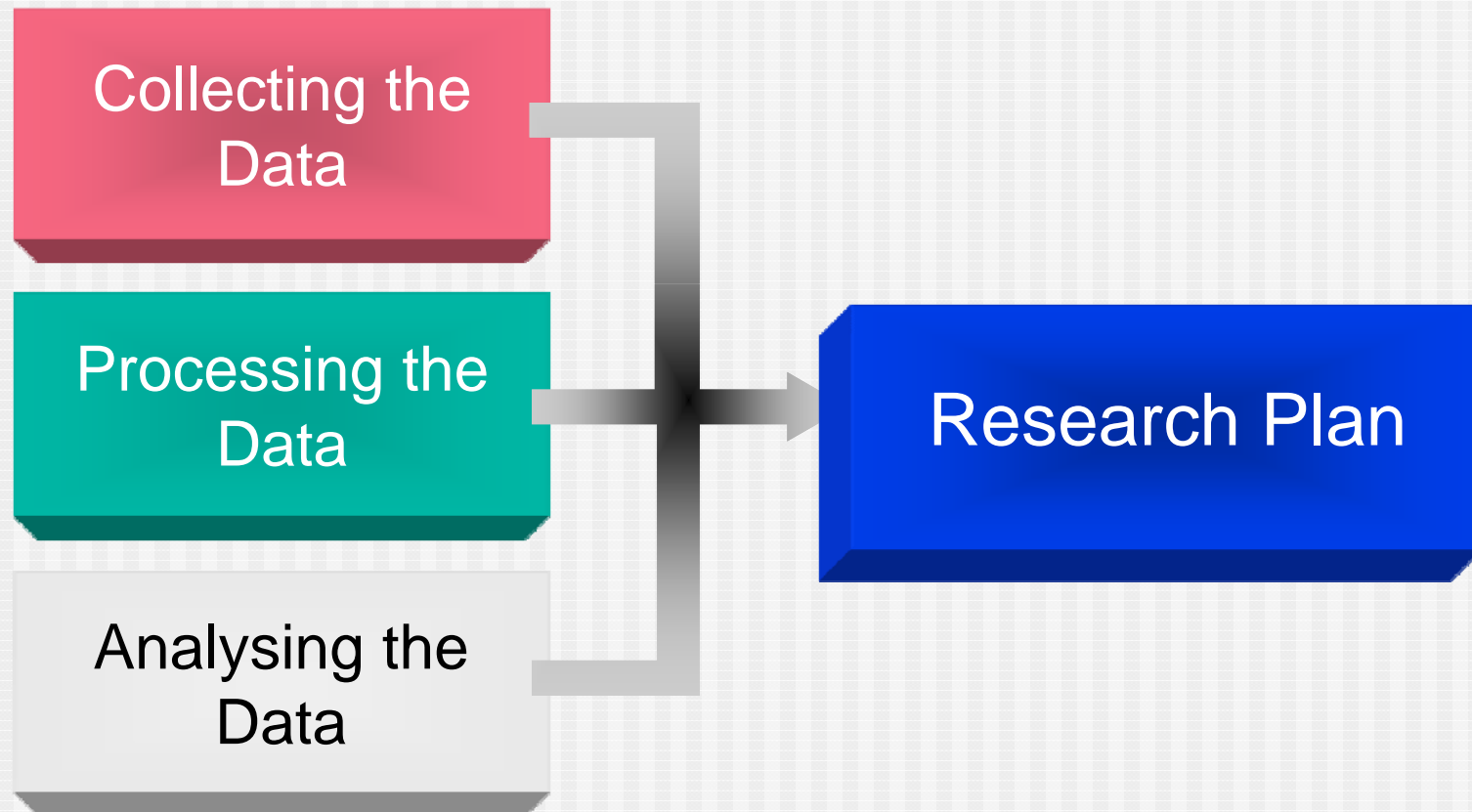 - Open-end
- Wording?
- Ordering?

Mechanical Devices

- People Meters
- Supermarket Scanners
- Galvanometer
- Eye Cameras

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Marketing Research Process
Step 3. Implementing the Research Plan

Most Expensive & Subject to Error

Collecting the Data

Processing the Data

Analysing the Data

Research Plan

Marketing Research Process
Step 4. Interpreting and Reporting Findings

Researcher Should Present Important Findings that are Useful in the Major Decisions Faced by Management.
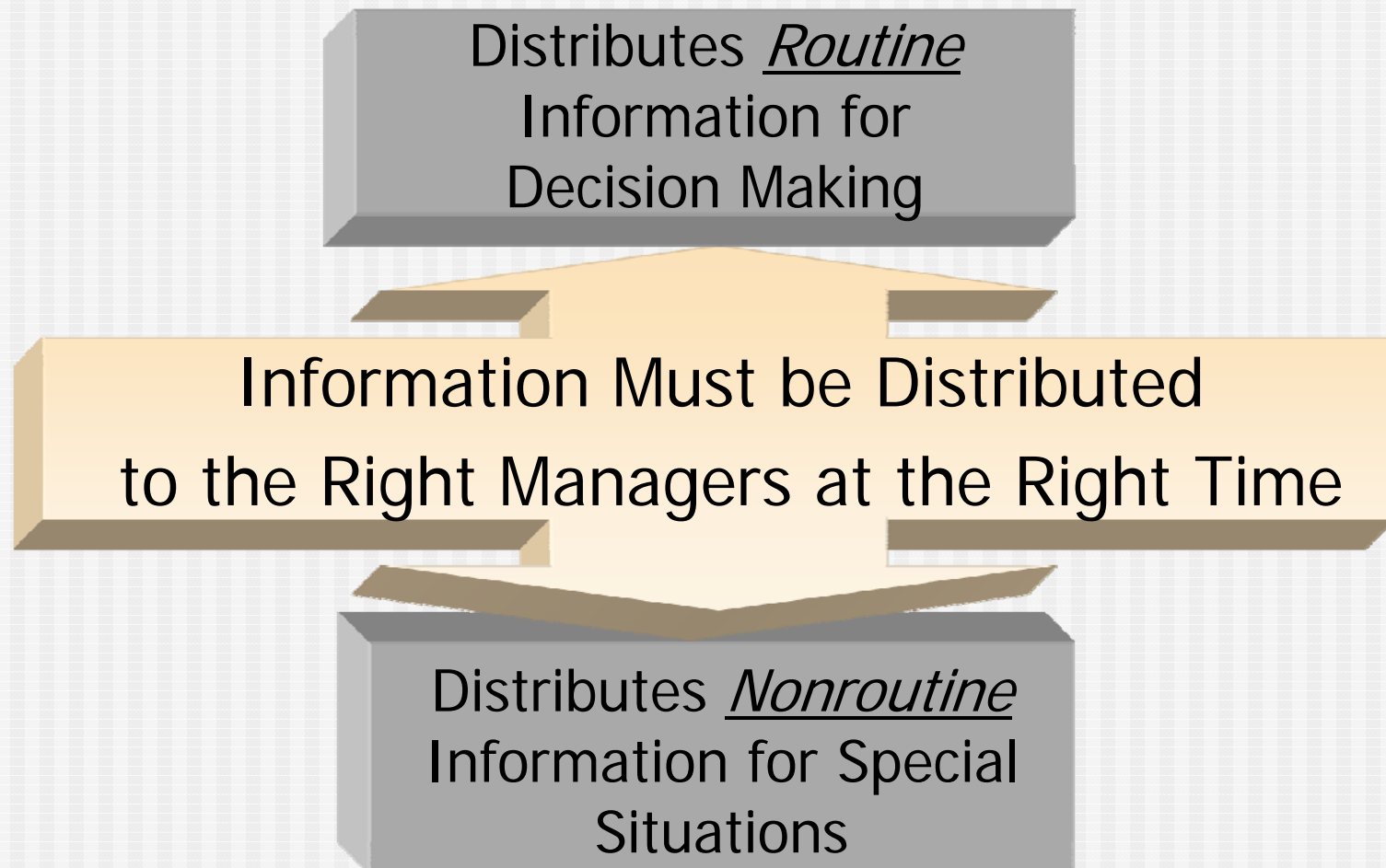
Step 1. Interpret the Findings

Step 2. Draw Conclusions

Step 3. Report to Management

Analyzing Marketing Information

- Many companies utilize customer relationship management (CRM)
  - Software & analytical tools that integrate customer information from all sources,
  - Analyzes it in depth,
  - Applies the results to build stronger customer relationships.
- Companies look for customer *touch points*.
- CRM analysts develop *data warehouses* and use *data mining* techniques to find information out about customers.

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Functions of an MIS: Distributing and Using Marketing Information

Distributes *Routine* Information for Decision Making

Information Must be Distributed
to the Right Managers at the Right Time

Distributes *Nonroutine* Information for Special Situations

Other Marketing Research Considerations

Marketing Research in Small Businesses and Nonprofit Organizations → **International Marketing Research** → **Public Policy and Ethics in Marketing Research**

Reviewing the Concepts

- Explain the importance of information to the company.
- Define the marketing information system and discuss its parts.
- Outline the steps in the marketing research process.
- Compare the advantages and disadvantages of various methods of collecting information.
- Discuss the special issues some marketing researchers face, including public policy and ethics issues.

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