

A Global Perspective

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Managing Marketing Information

Learning Objectives

After studying this chapter, you should be able to:

1. Explain the importance of information to the company and its understanding of the marketplace
2. Define the marketing information system and discuss its parts
3. Outline the steps in the marketing research process
4. Explain how companies analyze and distribute marketing information
5. Discuss the special issues some marketing researchers face, including public policy and ethics



Chapter Outline

1. Assessing Marketing Information Needs
2. Developing Marketing Information
3. Marketing Research
4. Analyzing Marketing Information
5. Distributing and Using Marketing Information
6. Other Marketing Information Considerations

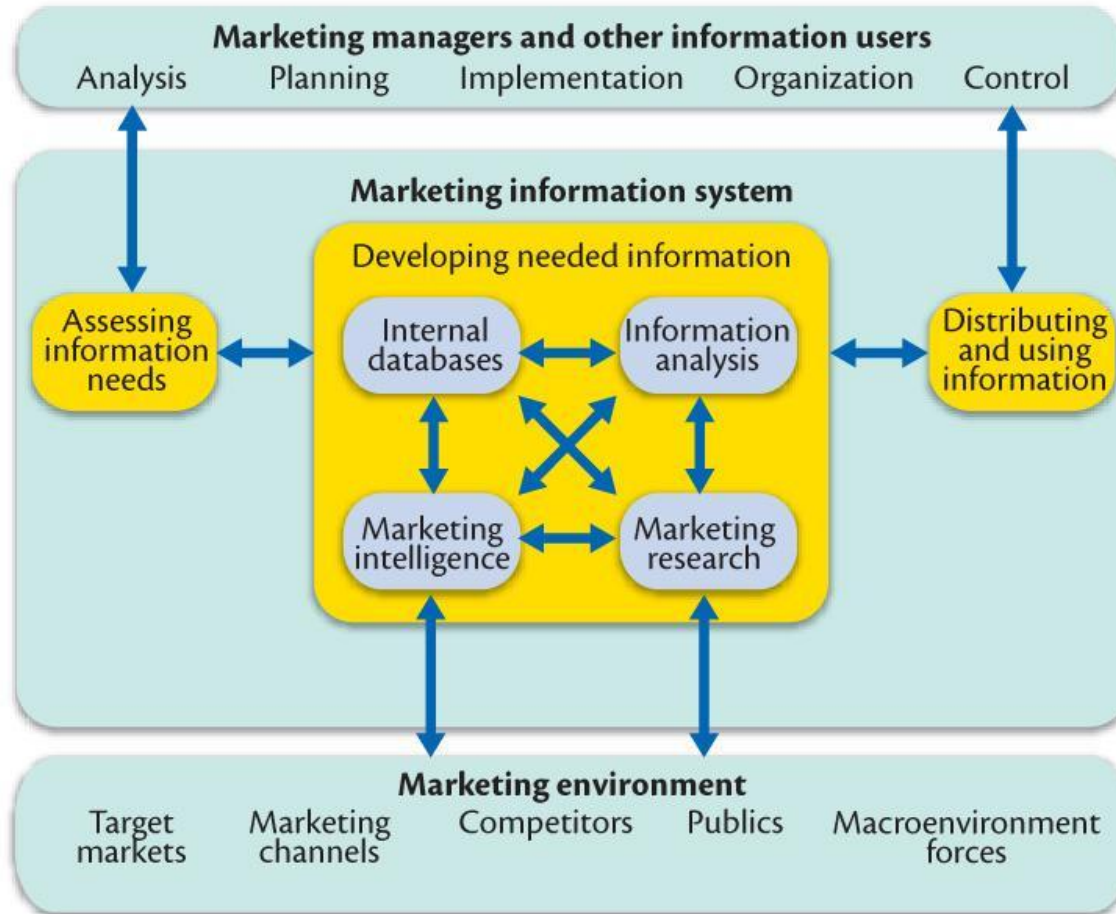


Assessing Marketing Information Needs

- A **marketing information system (MIS)** consists of people, equipment, and procedures to gather, sort, analyze, evaluate, and distribute needed, timely, and accurate information to marketing decision makers.
 - Assess the information needs
 - Develop needed information
 - Analyze information
 - Distribute information



Assessing Marketing Information Needs



The marketing information system



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

- A good MIS balances the information users *would like* to have against what they *need* and what is *feasible* to offer.
- Issues to consider:
 - Amount of information
 - Availability of information
 - Costs



Developing Marketing Information

Marketers can obtain information from:

- Internal data
- Marketing intelligence
- Marketing research



Developing Marketing Information

Internal Data

- **Internal databases** are electronic collections of consumer and market information obtained from data sources within the company network, including accounting, marketing, customer service, and sales departments.



Developing Marketing Information

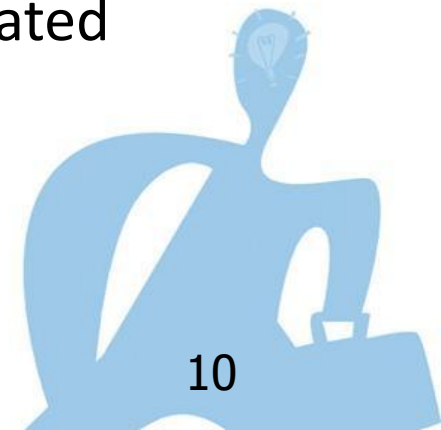
Advantages and Disadvantage of Internal Databases

Advantages:

- Can be accessed more quickly
- Less expensive

Disadvantages:

- Incomplete information
- Wrong form for decision making
- Timeliness of information
- Amount of information
- Need for sophisticated equipment and techniques



Developing Marketing Information

Marketing Intelligence

- **Marketing intelligence** is the systematic collection and analysis of publicly available information about competitors and developments in the marketplace.
- The goal of marketing intelligence is to:
 - Improve strategic decision making,
 - Assess and track competitors' actions, and
 - Provide early warning of opportunities and threats.



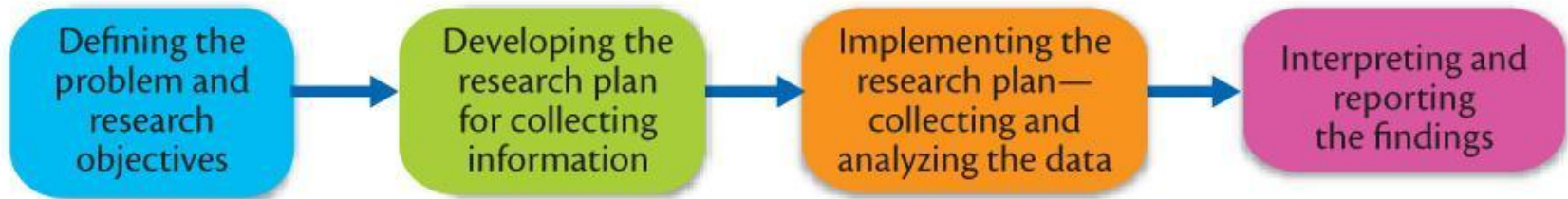
Marketing Research

Marketing research is the systematic design, collection, analysis, and reporting of data relevant to a specific marketing situation facing an organization.



Marketing Research

Steps in the marketing research process



1. Defining the problem and research objectives
2. Developing the research plan
3. Implementing the plan
4. Interpreting and reporting the findings



Marketing Research

Defining the Problem and Research Objectives

Types of objectives:

- Exploratory research
- Descriptive research
- Causal research



Marketing Research

Defining the Problem and Research Objectives

- **Exploratory research** is the gathering of preliminary information that will help to define the problem and suggest hypotheses.
- **Descriptive research** is to describe things such as market potential for a product or the demographics and attitudes of consumers who buy the product.
- **Causal research** is to test hypotheses about cause-and-effect relationships.



Marketing Research

Developing the Research Plan

The **research plan**

- Outlines sources of existing data
- Spells out the specific research approaches, contact methods, sampling plans, and instruments that researchers will use to gather data



Marketing Research

Developing the Research Plan

The **research plan** is a written proposal that includes:

- Management problem
- Research objectives
- Information needed
- How the results will help management decisions
- Budget



Marketing Research

Developing the Research Plan

- **Secondary data** consists of information that already exists somewhere, having been collected for another purpose
- **Primary data** consists of information gathered for the special research plan



Marketing Research

Gathering Secondary Data

+ Advantages:

- Speed
- Cost
- Provides data that a company cannot collect on its own

– Disadvantages:

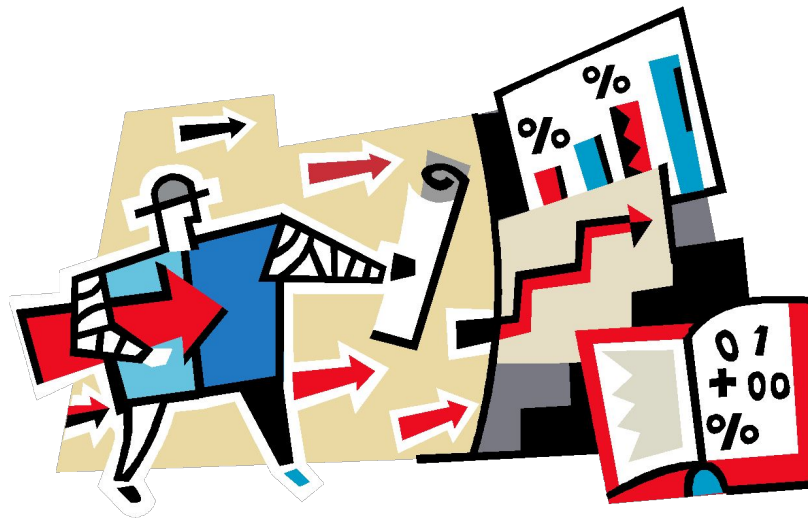
- Availability
- Relevance
- Accuracy
- Impartial



Marketing Research

Primary Data Collection

- Research approaches
- Contact methods
- Sampling plan
- Research instruments



Marketing 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.



Marketing 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



Marketing Research

Research Approaches

- **Experimental research** is best for gathering causal information
- Tries to explain cause-and-effect relationships.



Marketing Research

Contact Methods

Mail questionnaires

- Collect large amounts of information
- Low cost
- Less bias with no interviewer present
- Lack of flexibility
- Low response rate
- Lack of control of sample



Marketing Research

Contact Methods

Telephone interviewing

- Collects information quickly
- More flexible than mail questionnaires
- Interviewers can explain difficult questions
- Higher response rates than mail questionnaires
- Interviewers communicate directly with respondents
- Higher cost than mail questionnaires
- Potential interviewer bias



Marketing Research

Contact Methods

Mail, telephone, and personal interviewing

- Personal interviewing
 - Individual interviewing
 - Group interviewing



Marketing Research

Contact Methods

- Personal interviewing
 - **Individual interviewing**
 - Involves talking with people at home or the office, on the street, or in shopping malls
 - Flexible
 - More expensive than telephone interviews
 - **Group interviewing or focus group interviewing**
 - Involves inviting 6 to 10 people to talk with a trained moderator

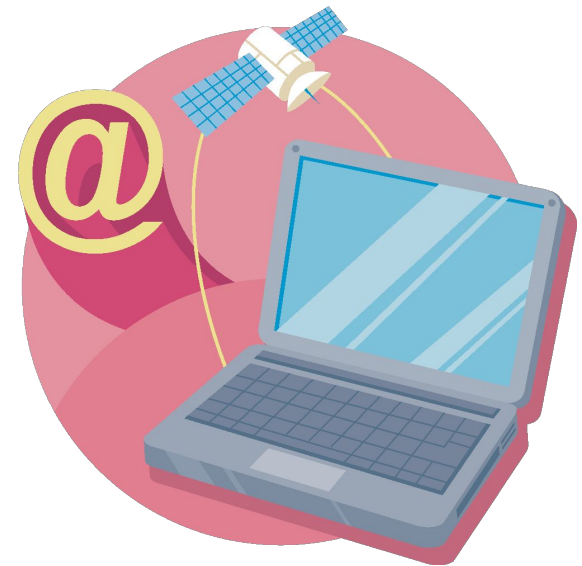


Marketing Research

Contact Methods

Online marketing research

- Internet surveys
- Online panels
- Online experiments
- Online focus groups



Marketing Research

Contact Methods

Online marketing research

- Low cost
- Speed to administer
- Fast results
- Good for hard-to-reach groups
- Hard to control who's in the sample
- Lack of interaction
- Privacy concerns

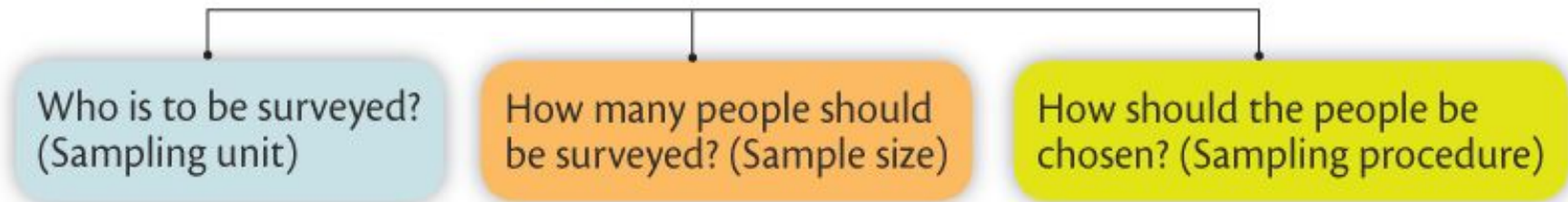


Marketing Research

Sampling Plan

- A **sample** is a segment of the population selected for marketing research to represent the population as a whole.
 - Who is to be surveyed?
 - How many people should be surveyed?
 - How should the people be chosen?

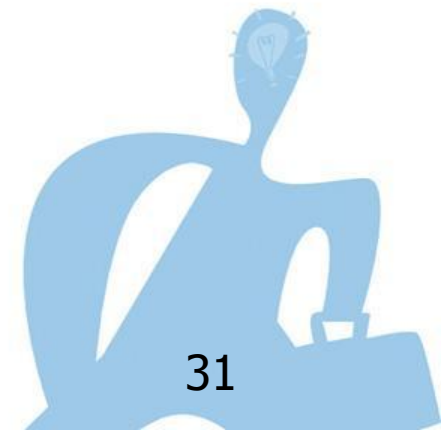
Sampling Plan Decisions



Marketing Research

Sampling Plan

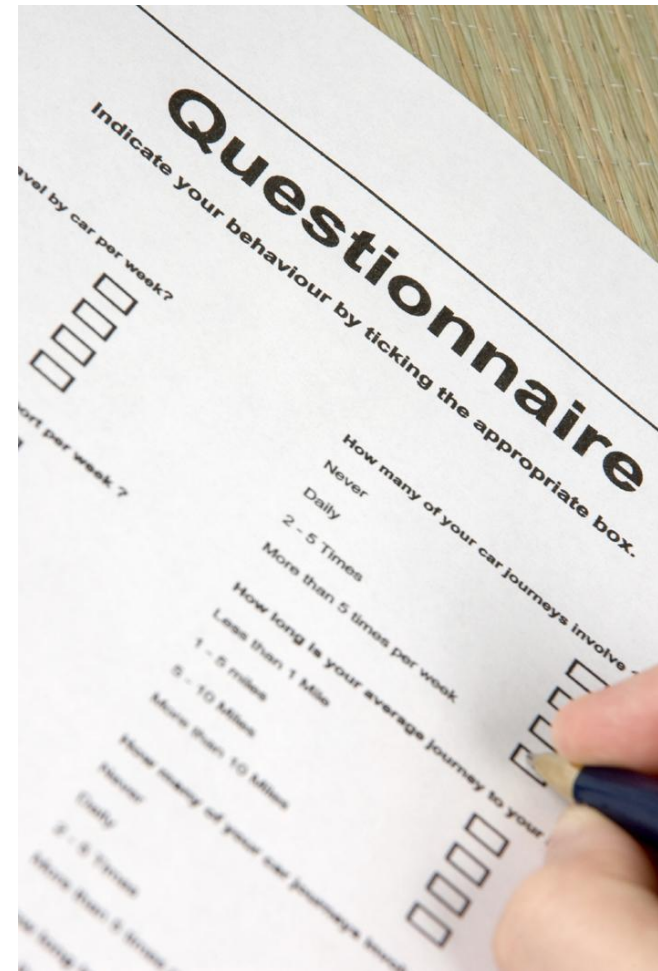
- **Probability samples:** Each population member has a known chance of being included in the sample.
- **Non-probability samples:** Used when probability sampling costs too much or takes too much time.



Marketing Research

Research Instruments

- Questionnaires
- Mechanical devices



Marketing Research

Research Instruments

- Questionnaires
 - Most common
 - Administered in person, by phone, or online
 - Flexible
 - Open-end questions
 - Closed-end questions



Marketing Research

Research Instruments

- **Closed-end questions** include all the possible answers, and subjects are to make choices among them.
 - Provides answers that are easier to interpret and tabulate
- **Open-end questions** allows respondents to answer in their own words.
 - Useful in exploratory research



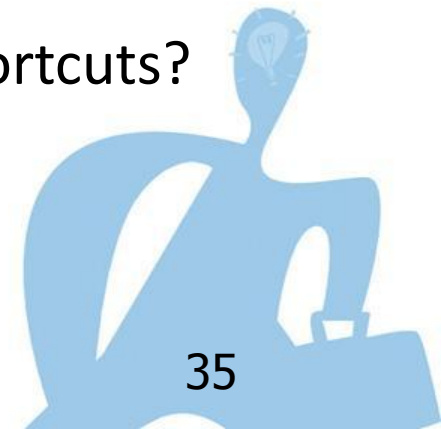
Marketing Research

Implementing the Research Plan

- Collecting data
- Processing the information
- Analyzing the information

Issues to consider:

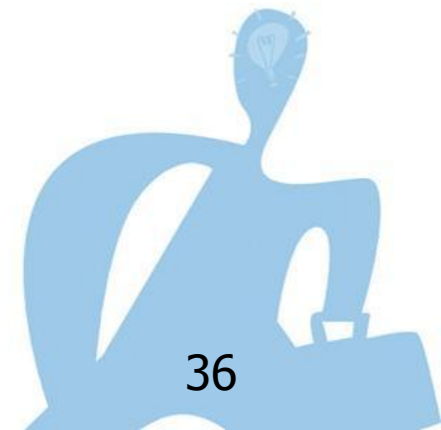
- What if respondents refuse to cooperate?
- What if respondents give biased answers?
- What if interviewer makes mistakes or takes shortcuts?



Analyzing Marketing Information

Customer Relationship Management (CRM)

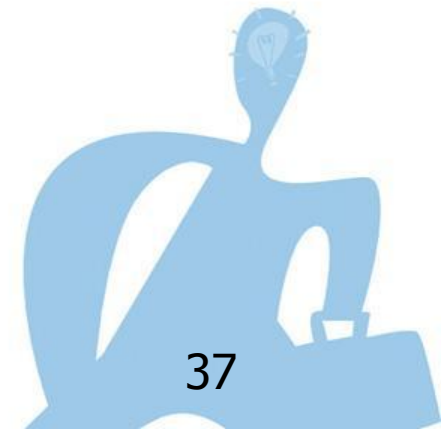
- Consists of sophisticated software and analytical tools
- Integrates customer information from all sources
- Analyzes it in depth
- Applies the results to build stronger customer relationships



Analyzing Marketing Information

Customer Relationship Management (CRM)

- **Data warehouses** are comprehensive companywide electronic databases of finely-tuned, detailed customer information.
- Uses:
 - To understand customers better
 - To provided higher levels of customer service
 - To develop deeper customer relationships
 - To identify high-value customers



Customer Relationship Management

```
graph TD; CRM[Customer Relationship Management] --- Pros[+ Pros]; CRM --- Cons[- Cons];
```

+ Pros

- Understand customer better
- Pinpoint high-value customers
- Cross-sell company's products
- Create tailor-made offerings

- Cons

- Viewed only as a technology and software solution

Analyzing Marketing Information

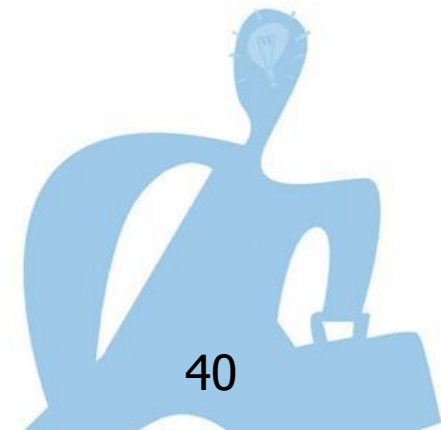
Customer Relationship Management (CRM)

- **Touch points:** Every contact between the customer and company
 - 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

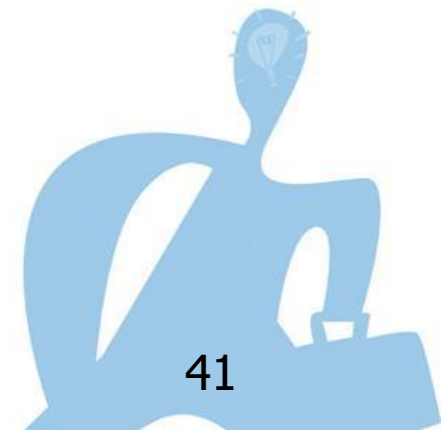
- **Information distribution** involves entering information into databases and making it available in a time-useable manner.
- Intranet provides information to employees and other stakeholders.
- Extranet provides information to key customers and suppliers



Other Marketing Information Considerations

Marketing Research in Small Businesses and Nonprofit Organizations

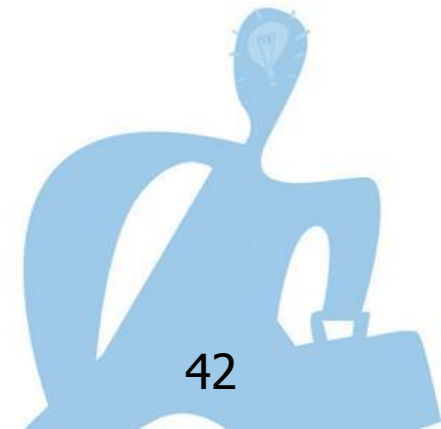
- Need information about their industry, competitors, potential customers, and reactions to new offers
- Must track changes in customer needs and wants, reactions to new products, and changes in the competitive environment



Other Marketing Information Considerations

Marketing Research in Small Businesses and Nonprofit Organizations

- Sources of marketing information:
 - Observing their environment
 - Monitoring competitor advertising
 - Evaluating customer mix
 - Visiting competitors
 - Conducting informal surveys
 - Conducting simple experiments



Other Marketing Information Considerations

Marketing Research in Small Businesses and Nonprofit Organizations

- Sources of marketing information:
 - Secondary data
 - Trade associations
 - Chambers of commerce
 - Government agencies
 - Media



Other Marketing Information Considerations

International Marketing Research

- Additional and different challenges:
 - Level of economic development
 - Culture
 - Customs
 - Buying patterns
 - Difficulty in collecting secondary data
 - Hard-to-reach respondents



Other Marketing Information Considerations

Public Policy and Ethics in Marketing Research

- Intrusions on consumer privacy
- Consumer resentment
- Misuse of research findings

