



*it's good and
good for you*

Chapter 4

Managing marketing information to gain customer insights

Learning objectives

Topic outline

- **Marketing information and customer insights**
- **Assessing marketing information needs**
- **Developing marketing information**
- **Marketing research**
- **Analysing and using marketing information**
- **Other marketing information considerations**



Marketing information and customer insights

Customer insights are:

- Fresh and deep insights into customers' needs and wants.
- Difficult to obtain
 - Not obvious
 - Customer's unsure of their behaviour.
- Better information and more effective use of existing information.



Marketing information and customer insights (Continued)

Customer insights

- Companies are forming customer insights teams
 - Include all company functional areas
 - Collect information from a wide variety of sources
 - Use insights to create more value for their customers.



Marketing information and customer insights (Continued)

Marketing information systems (MIS)

Marketing information systems (MIS) consist of people and procedures for:

- assessing the information needs
- developing needed information
- helping decision makers use the information for customer.



Marketing information system

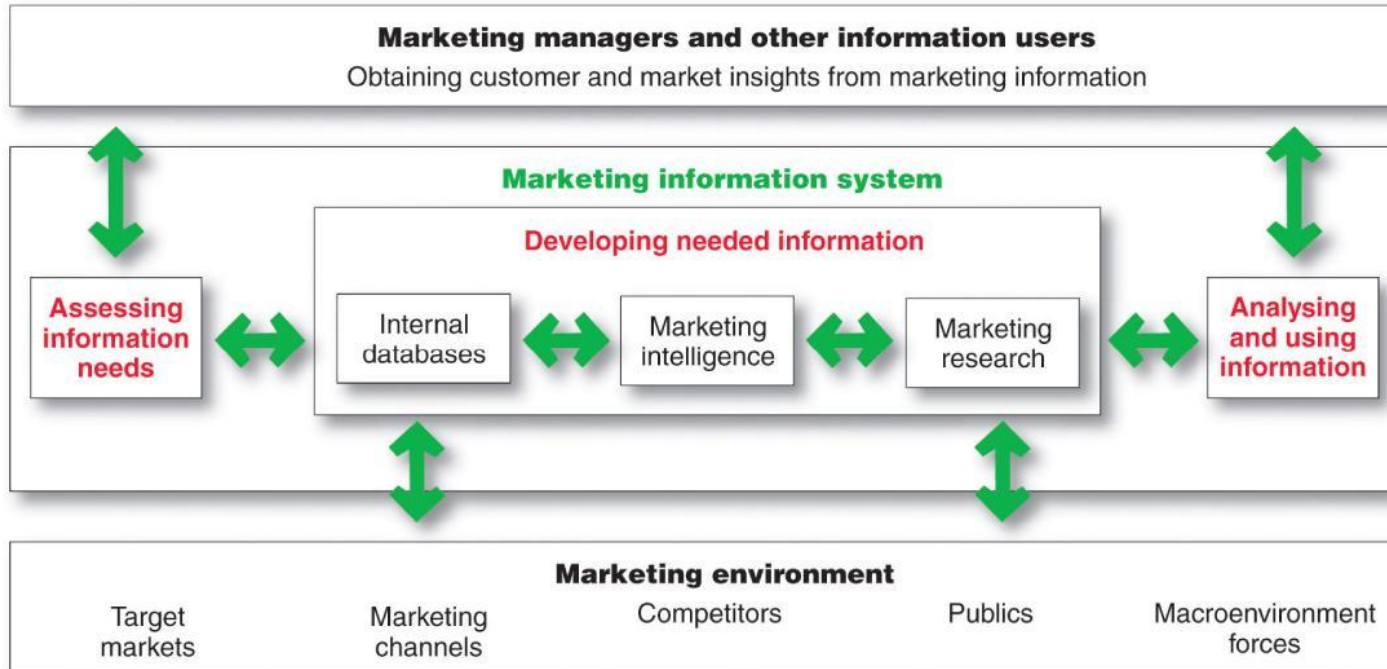


Figure 4.1 The marketing information system



Assessing marketing information needs

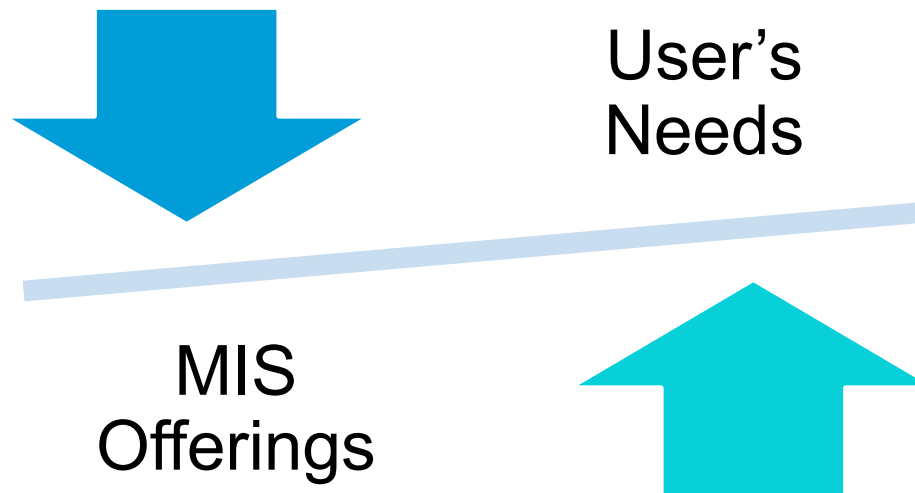
MIS provides information to the company's marketing and other managers and external partners such as suppliers, resellers and marketing service agencies.



Assessing marketing information needs (Continued)

Characteristics of a good MIS

- Balancing what the information users would like to have against what they need and what is feasible to offer.



Developing marketing information

Marketers obtain information from

Internal data

Marketing intelligence

Marketing research



Developing marketing information (Continued)

Internal data

Internal databases are electronic collections of consumer and market information obtained from data sources within the company network.



Developing marketing information (Continued)

Competitive marketing intelligence

The systematic collection and analysis of publicly available information about consumers, competitors and developments in the marketplace.



Developing marketing information (Continued)

Marketing research

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



Developing marketing information (Continued)

Steps in the marketing research process

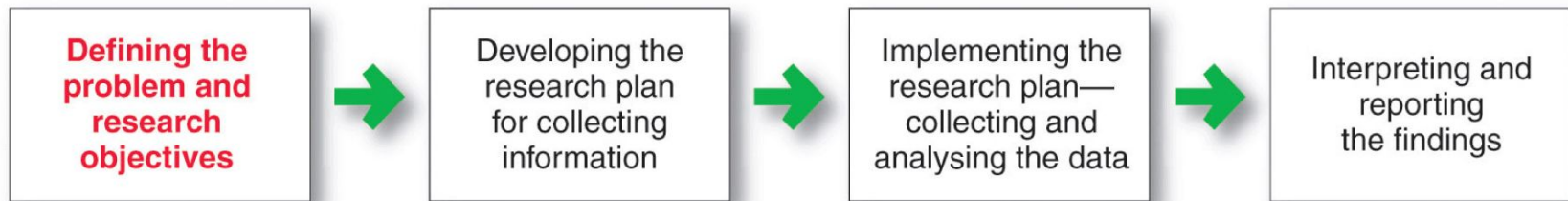


Figure 4.2 The marketing research process



Developing marketing information (Continued)

Marketing research

Defining the problem and research objectives

Exploratory research

Descriptive research

Causal research



Developing marketing information (Continued)

Marketing research

Developing the research plan

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



Developing marketing information (Continued)

Marketing research

Written research plan includes:

Management problem



Research objectives



Information needed



**How the results will help
management decisions**



Budget



Developing marketing information (Continued)

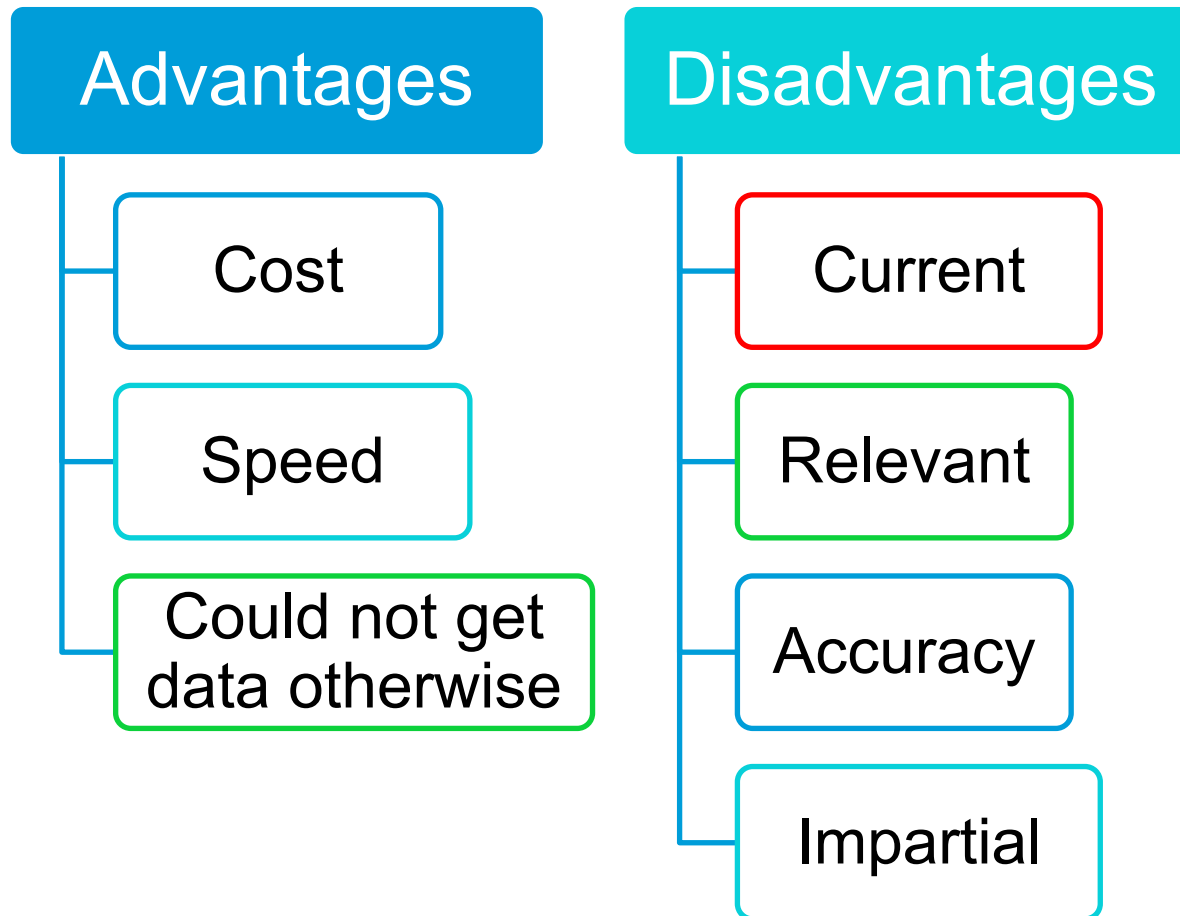
Marketing research

Developing the research plan

Secondary data consists of information that already exists somewhere, having been collected for another purpose.



Developing marketing information (Continued) Secondary data



Developing marketing information (Continued)

Marketing research

Developing the research plan

Primary data consists of information gathered for the specific research plan.



Developing marketing information (Continued)

Marketing research

*Planning primary data
collection*

Research
approaches

Contact methods

Sampling plan

Research
instruments



Developing marketing information (Continued)

Market 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.

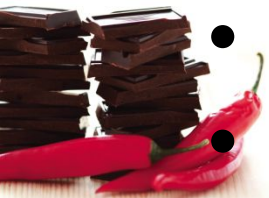


Developing marketing information (Continued)

Market research Research approaches

Survey research is the most widely used method and is best for descriptive information—knowledge, attitudes, preferences and buying behaviour.

- Flexible
- People can be unable or unwilling to answer
- Gives misleading or pleasing answers
- Privacy concerns



Developing marketing information (Continued)

Market research

Research approaches

Experimental research is best for gathering causal information—cause-and-effect relationships.



Developing marketing information (Continued)

Marketing research

Strengths and weakness of contact methods

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

Table 4.3 Strengths and weaknesses of contact methods



Developing marketing information (Continued)

Marketing research Contact methods

- Focus groups
 - 6 to 10 people
 - Trained moderator
 - Challenges
 - Expensive
 - Difficult to generalise from small group
 - Consumers not always open and honest



Developing marketing information (Continued)

Marketing research Contact methods

**Online
marketing
research**

**Internet
surveys**

**Online
panels**

**Online
experiments**

**Click-stream
data**

**Online focus
groups**



Developing marketing information (Continued)

Marketing research Online research

Advantages

- Low cost
- Speed
- Higher response rates
- Good for hard to reach groups



Developing marketing information (Continued)

Marketing research Sampling plan

Sample is a segment of the population selected for marketing research to represent the population as a whole.

- Who is to be studied?
- How many people should be studied?
- How should the people be chosen?



Developing marketing information (Continued)

Marketing research Sampling plan—types of samples

| Probability sample | |
|--------------------------|---|
| Simple random sample | Every member of the population has a known and equal chance of selection |
| Stratified random sample | The population is divided into mutually exclusive groups and random samples are drawn from each group |
| Cluster (area) sample | The population is divided into mutually exclusive groups and the researcher draws a sample |
| Non-probability sample | |
| Convenience sample | The research selects the easiest population members |
| Judgment sample | The researcher uses their judgment to select population members |
| Quota sample | The researcher finds and interviews a prescribed number of people in each of several categories |

Table 4.4 Types of samples



Developing marketing information (Continued)

Marketing research Research instruments

Questionnaires

- Most common
- Administered in person, by phone or online
- Flexible
- Research must be careful with wording and ordering of questions.



Developing marketing information (Continued)

Marketing research

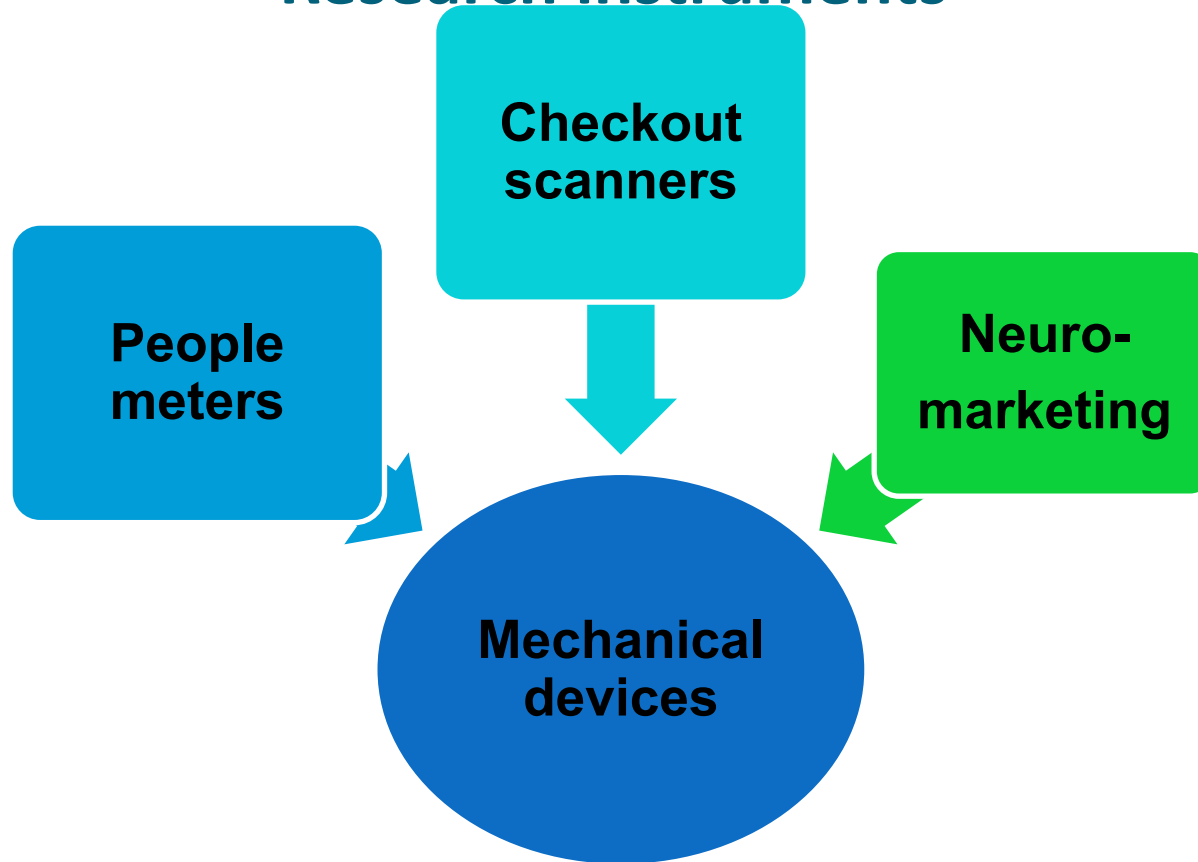
Research instruments—questionnaires

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



Developing marketing information (Continued)

Marketing research
Research instruments



Developing marketing information (Continued)

Marketing research
Implementing the research plan

Collecting the information

Processing the information

Analysing the information

Interpret findings

Draw conclusions

Report to management



Analysing and using marketing information

Customer relationship management (CRM)

Managing detailed information about individual customers and carefully managing customer touch points to maximise customer loyalty.



Analysing and using marketing information (Continued)

Customer relationship management Touchpoints

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 non-profit organisations

International market research

Public policy and ethics

- **Customer privacy**
- **Misuse of research findings**

