

This session, ch 5.

We talk about the importance of information, marketing information systems, the marketing research process, how companies analyse and use marketing information.

Marketing Insight: information used to create value for customers. To know about the needs and wants of customers, they need to get a deep and unique insight about what their customers want. As you remember positioning always starts by differentiating...which comes from different insights about customers.

- One classic example of marketing insight is the insight apple used to launch the apple ipod to the public.
- We watch a video about this.
 - ProfQ: What is the unique insight that apple got from the market when they released the ipod? The market didn't want to listen to other people's selection, they wanted to listen to their own playlist. They made it personal.
- The information should be processed to turn into an insight. Raw info is not insight.
- Apple iPod sold more than 350 million units while it took Sony 30 years to sell 230,000 walkman players.
- Insight is the opposite of Marketing Myopia.
- Insight can be very difficult to obtain, why?
- The problem is not that companies don't have enough info. They are overloaded with it. But this is quantity, not quality info. Companies usually need to collect info from different sources of data.
- **Collecting info** is the first step to gaining insights from customers.

Marketing Information Systems: People and processes dedicated to assessing information needs, developing the information, delivering it to the right person in the right department to create that insight.

- Starts by assessing info needs by tracking information users.
- Who are the info users in the company? Marketing Managers, sometimes suppliers and internal analytics partners. In order to successfully handle these processes. MIS should develop this info and analyze it before providing it to the info users.
- Assessing marketing information needs primarily serves the company's marketing team and other managers. Suppliers, resellers, marketing agencies and other third parties might use this info too.
- Ex: this info can help suppliers better assess/optimize supply processes.

- Too much information can be misleading, so it's not always good to have more information.
 - Ex: We don't need the number of likes PER minute, each and every minute on our facebook marketing campaign.
- The cost of obtaining/analyzing info can quickly mount and should therefore be considered.

Developing Marketing Info:

- There are three main ways to *develop* info.
 - Internal databases: info sources within the company, already available at no cost. It's not always the best source for getting marketing insights. Ex: Customer service departments are internal sources of information.
 - What is the problem with using internal databases? Because it is collected for other purposes it can be wrong or incomplete for the current problem.
 - The *first* sources are internal databases but they are not the best sources.
 - Competitive marketing Intelligence: Using publicly available information e.g. databases which are not the company's internal databases. Ex: Coca Cola watches their social media in real time and study it. Many companies monitor social media in real time. We do not only look for customer info, we also look at competitors to benchmark ourselves against them.
 - There are databases like Lexisnexis and ?Ubers?
 - Marketing Research: tries to get insights relating to the specific marketing decisions. Ex: When they want to launch a specific product, Samsung wants to know who will buy their next generation television. This is not the first source for them to gather info..first they start from internal research, then they go to the competitive marketing intelligence and finally they go to marketing research. This is because marketing research is costly.
 - There are some special organizations that are experts in marketing research and provide it to other companies.

So the steps are:

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

Defining the problem and research objectives:

- Exploratory research: trying to get preliminary info. Ex: I want to know about the general attitude of customers to a new type of product. WE will talk about this research later.
 - Managers want to "general" knowledge about the customers. The next two types are more about *collecting data*.

- Descriptive research: to describe things. Ex: getting demographics data to describe customers. Constructs like customer satisfaction and customer loyalty...these marketing concepts are descriptive.
- Causal research: test hypotheses about cause-effect relationships.

Once we find an objective and which info is needed for our purpose we need to develop a research plan for collecting info.

- Should include sources, research approaches, contact methods and sampling plans, instruments for data collection. Instruments example: questionnaires.

Sources of Existing Data:

- EX: Red Bull
 - RB needs to measure the market potential for their product and it can all be done through marketing research.

There are two sources of data. Primary and Secondary.

Primary Data: is information collected for a specific problem. It must be relevant, current, accurate and unbiased.

Secondary Data: Since it is already available it is quicker to access and easier AND cheaper to use. But it may not directly match your research description and needs. It is useful for getting preliminary information about the problem.

- Already collected for other purposes but it is beneficiary for us as well.
- Databases, database services such as Lexis Nexis which are paid...but some are free such as Govt. Agencies.
- Social media provides a good quantity of info but not necessarily quality. It is not very *specific*.
- Internal databases come from previous transactions.

Regarding the research approach for primary data collection:

TABLE 5.1 is relevant.

- Observation
 - The best observation comes when you don't interrupt/influence targets. Just try to observe them without any interruption. Sometimes it is impossible to observe feeling...to get this we need deeper communication...but observation can still give valuable insights about consumption behaviours.
 - This is also useful when, more direct methods such as surveys do not yield results because people are unwilling to share. Therefore Observation yields *hidden* information.

- Ex: Observation is not limited to the consumer...you can observe the environment such as foot traffic in the area...this would help decide the real estate location for a new store for example.
- It is key for the target of observation to be in their natural habitat. This is because they would not feel that they are under observation.
- We watch a video about eye tracking in grocery stores.
 - PROFQ: What is the purpose of that study? A: to measure the consumer's interest/demand/behaviours. We use instruments to observe consumer behaviours.
- Survey
 - Most used method.
 - Useful for demographics...consumer satisfaction...measurable marketing constructs.
 - In a survey you cannot study the cause and effect relationship because you measure all the info at the end..you cannot change any factor and measure it at the beginning and at the outcome.
 - Contact methods: mail, telephone, personal, and online. TABLE 5.2
 - Personal can be through personal or group interview. The questions can be open-ended. BUT the interviewer is a human person...we need to control the "effects" of interpersonal interaction e.g. your interviewer can be intimidating/you may not share everything with the interviewer. Group interviews include focus groups and try to generalize the resulting insights onto their target market.
 - Key criteria are flexibility, collectable quantity, control of interviewer effects, control of sample/sampling plan, speed of data collection, response rate and cost.
 - A Sample is a segment of the pop. selected for marketing research to represent the population as a whole.
 - Sampling is also an important part in data collection.
 - How many people should be included? What sample size. The sample size must be accurate but must not be too big since that would be costly.
 - How should people in the sample be chosen? What sampling procedure? (ex: random sampling vs nonrandom sampling).
 - After choosing the sampling plan we go to the next step which is choosing the research instruments.
 - Experiment
 - You can alter variables and measure their impact.

RECAP:

We look at internal databases first. Then our research method, our sample, our instruments.

Research instruments:

- Questionnaires:
 - Can be M.C.Q, Long-Form Questions, or Yes/No question.
 - Open ended questions allow for us to extract *extra* information from the person surveyed.
 - The wording of the questions should be simple and unbiased. The wording should create interest and should not be about personal information.
 - Ex: Neuromechanical instruments are becoming more popular because they can get good insight from the customer..but they have to be used in tandem with other Data collecting methods because it is not enough on its own.
 - We can use this info to change our bundling, offering, product assortment...

Implementing the research plan:

- It is very important to verify the accuracy of the data. Also, we need to process and analyze the data and present it to the manager correctly. These data are used for getting insights and it is therefore important that they be accurate.

Implementing and reporting the findings:

When presenting the info to the managers, make sure the managers are not biased. In this stage they have to prevent the managers from _____ the buyer's decisions. *****

Customer relationship management is the department responsible for analyzing all this information, identifying new market opportunities and encouraging customer loyalty.

- Companies use CRM to build relationships and pinpoint and track customers deeply in order to identify new marketing opportunities.

On small organizations and nonprofits

It is important to know that marketing research and data collection is not limited to small organizations and nonprofits at almost no cost. How? Through secondary data!.

International Mark. Res.

Because of its scarcity, good data is even more important when looking at international data. This plus cultural differences.

Ethics in Marketing research:

PROFQ: do you think it's a good thing that companies track people? A: it could be personalized but it could also be unwanted.