LECTURE 1

Marketing Information and Research: Analyzing the Business Environment

Marketing Research

- The process of collecting, analyzing, and interpreting data about customers, competitors, and the business environment, in order to improve marketing effectiveness.

Information Needed to Make Good Marketing Decisions

Ongoing Information

- Daily or Weekly Information that Measures Progress Toward Marketing Goals.

- Weekly Sales Data

Monitored Information

Marketing Intelligence - Information About a Firms' External Environment that Affects or Creates Demand.

Specific Information

- Specific Information Needs Such as:

- Brand's Sales Performance

- Opportunities for New Products

The Steps in Marketing Research

1. Defining the Problem

2. Determining the Research Technique

3. Gathering Data

4. Ensuring the Quality of the Data

5. Implementing the Results

Marketing Research Process

Step 1. Defining the Problem

Defining the Problem Has Three Components:

Specifying Research Objectives
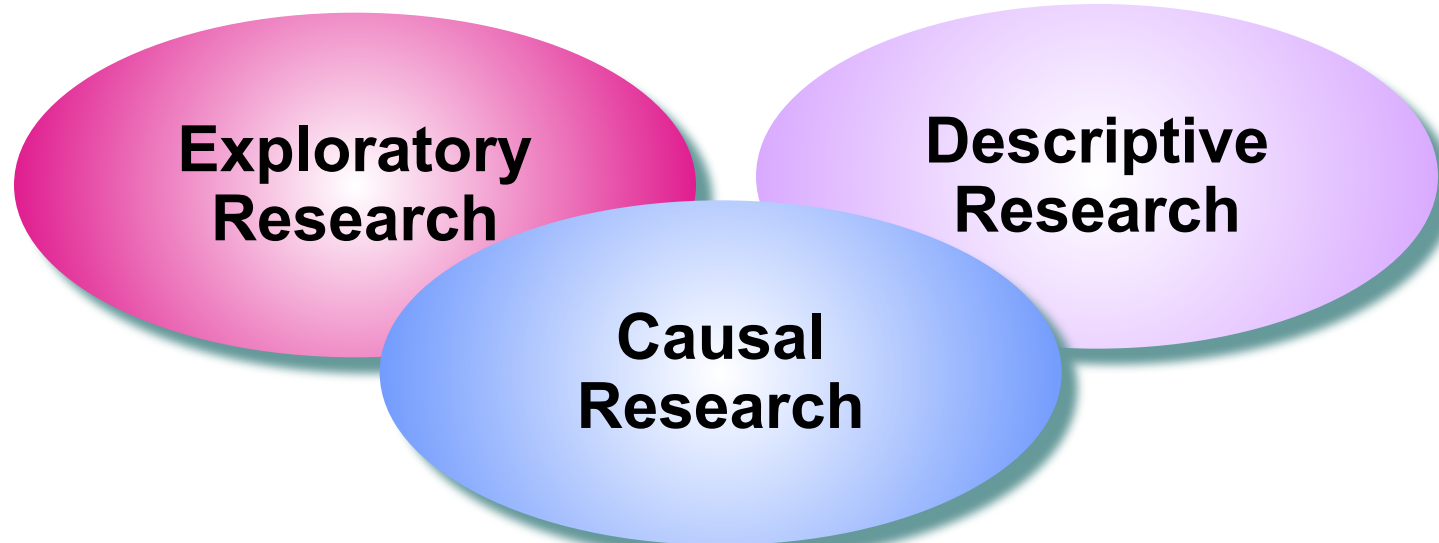
Identifying the Consumer
Population of Interest

Placing the Problem in an
Environmental Context

Marketing Research Process

Step 2. Determining the Research Technique

The Research Design Specifies What Information Will be Collected and What Type of Study Will be Done.

Exploratory Research

Descriptive Research

Causal Research

Research Technique
Exploratory Research

Consumer Interviews

Ethnographies

Focus Groups

Qualitative Technique Used to Generate Insights for Future, More Rigorous Studies

Case Studies

Projective Techniques

Research Technique
Descriptive Research

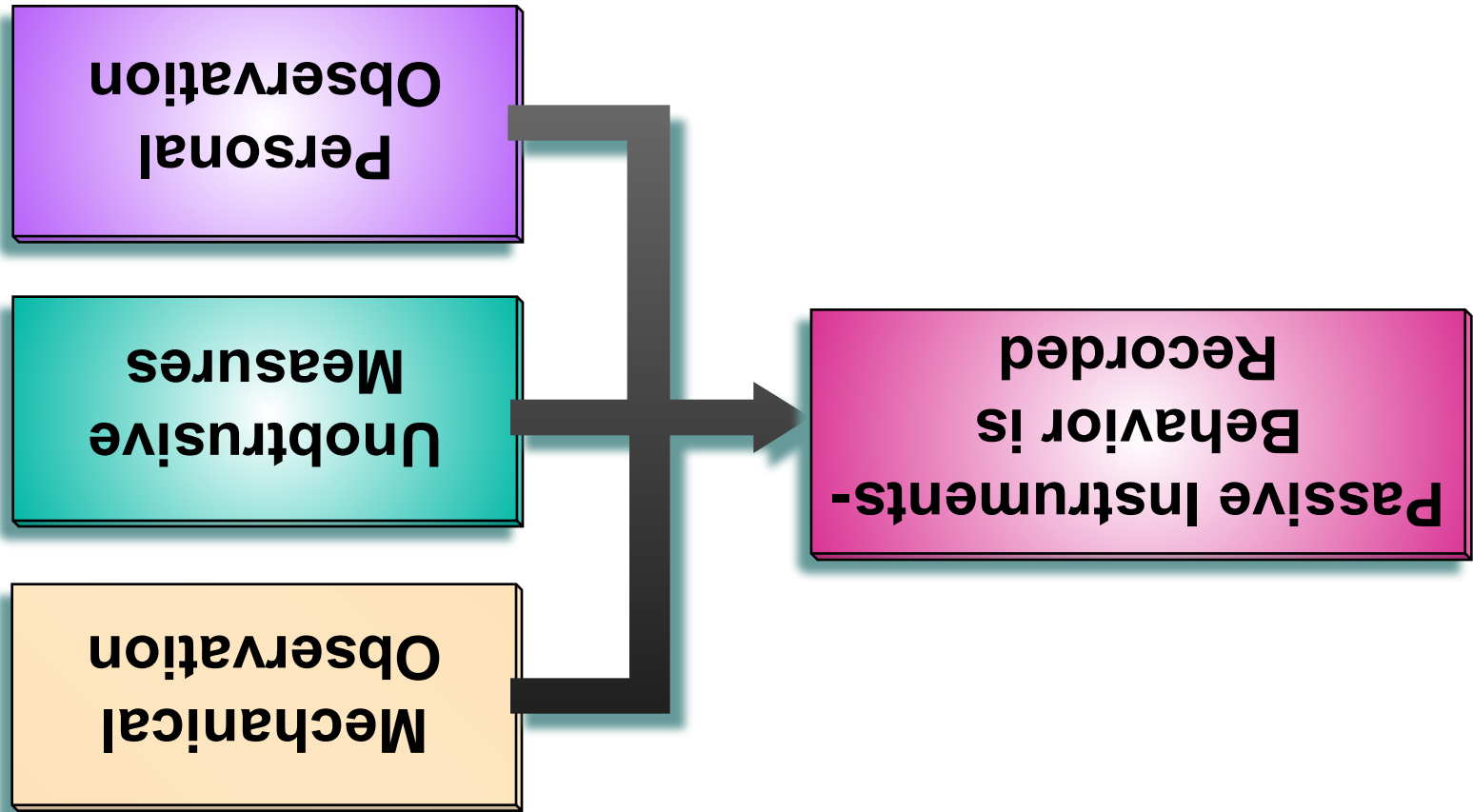**Quantitative Technique that Probes More Systematically and With More Respondents.**

Cross-Sectional Design - "One Shot Studies"

Longitudinal Design - Same Sample Over Time

**Surveys
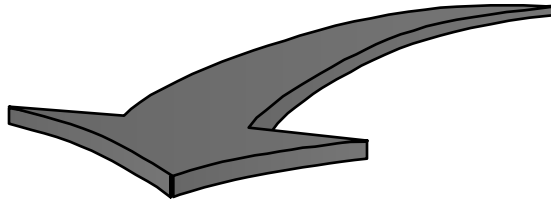Mail, Telephone, Face-to-Face, Online**

Research Technique
Descriptive Research

```
Personal
Observation
```

```
Unobtrusive
Measures
```

```
Mechanical
Observation
```

```
Passive Instruments-
Behavior is
Recorded
```
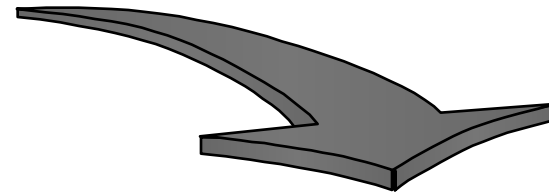
Research Technique
Causal Research

Techniques That Attempt to Understand Cause-and-Effect Relationships.

Experiments
Test in a Controlled Environment

Field Studies
Test in the "Real World"

Marketing Research Process
Step 3. Gathering Data

Determining the Specific Information Needs

Secondary Information

Information that has
been collected
by other organizations.

Primary Information

Information collected
for the specific purposes
of the study.

Gathering Data in Foreign Countries

- Conducting market research globally can be difficult because:
  - Market conditions may vary widely,
    - Lack of phones
    - Low literacy rates
  - Local customs,
  - Cultural differences,
  - Language differences which may be overcome through back-translation.

Single-Source Data

- Information that is integrated from multiple sources to monitor the impact of marketing communications on a particular customer group over time.

- Multiple sources such as:
  - in-store coupon redemption,
  - sales data from checkout scanners,
  - household data,

- Up to 90% of apparel, electronics, and grocery purchases in the U.S. are scanned.

Data Mining

Data Mining is Sophisticated Analysis Techniques Used by Firms to Take Advantage of the Massive Amount of Transaction Information Now Available.

Applications for Marketers:

- Customer Acquisition
- Customer Retention
- Customer Abandonment
- Market Basket Analysis

Market Research Process
Ensuring the Quality of the Research

Validity

Did Research Measure What it Was Intended to Measure?

Reliability

Are the Research Techniques Free of Errors?

Representativeness

Is the Group Measured Similar to the Population?

Market Research Plan

Step 4. Implementing the Research Results

- Marketers must analyze and report the research to help solve problems and to plan.

- The report should answer the following questions:
  - What was the problem being studied?
  - What were the limitations?
  - What are the important findings?
  - What are the recommendations for action based on the results?

Integrating Feedback into Long-Term Planning

- A Marketing Information System continuously gathers, sorts, analyzes, and distributes relevant and timely marketing information to its managers.

- This marketing information includes:
  - internal data such as sales records, customer lists, inventories, costs, and
  - external data on competition and demographic, cultural and social trends.

Predicting the Future

- Futurists specialize in predicting the future and anticipating marketplace conditions.

- They try to imagine different scenarios, or possible situations, and assign a level of probability to each.

- Marketers try to predict consumers' preferences for a variety of products.

Summary

- Describe the marketing research process.
- Understand the differences among exploratory, problem-solving, and causal research, and describe the variety of research techniques available to marketers.
- Understand the issues involved in making sense of the research results.
- Discuss how marketers implement research results.