

## Chapter 4

# MANAGING MARKETING INFORMATION TO GAIN CUSTOMER INSIGHTS

---

*Md. Afnan Hossain*

Lecturer, School of Business & Economics



# Marketing Information and Customer Insight

## Customer Insights are:

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

# Marketing Information and Customer Insights

## 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



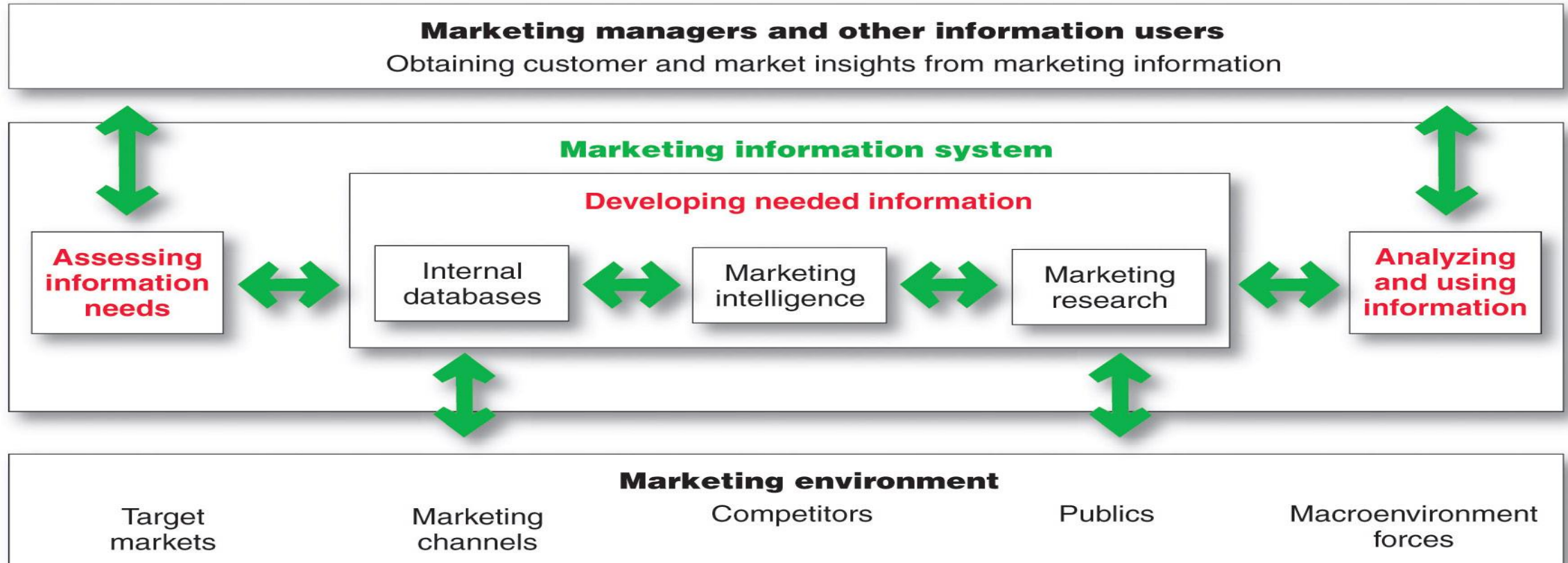
# Marketing Information and Customer Insights

## Marketing Information Systems (MIS)

**Marketing information system (MIS)** consists of people and procedures for:

- Assessing the information needs
- Developing needed information
- Helping decision makers use the information for customer

# Marketing Information System



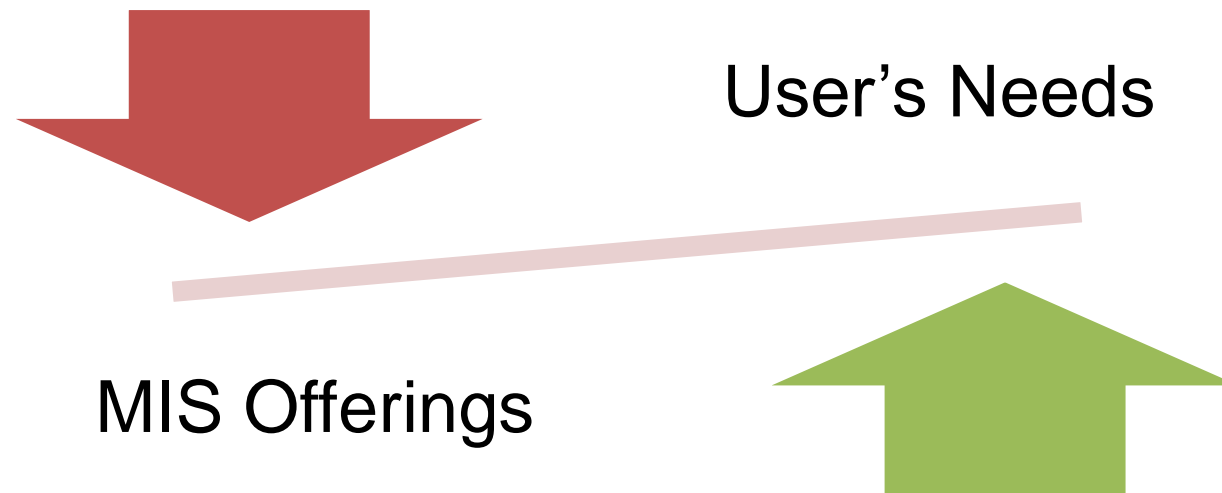
# Assessing Marketing Information Needs

**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

## 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

## Internal Data

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

# Developing Marketing Information

## Competitive Marketing Intelligence

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



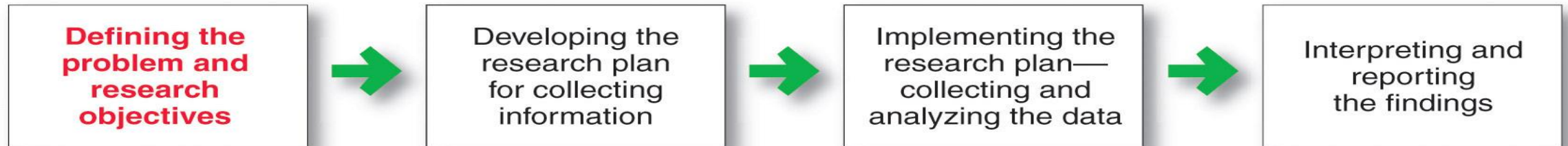
# Developing Marketing Information

## Marketing Research

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

# Developing Marketing Information

## Steps in the Marketing Research Process



# Developing Marketing Information

## Marketing Research

### Defining the Problem and Research Objectives

Exploratory research

Descriptive research

Causal research

# Developing Marketing Information

## 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

## Marketing Research Written Research Plan Includes:

**Management problem**

```
graph TD; A[Management problem] --> B[Research objectives]; B --> C[Information needed]; C --> D[How the results will help management decisions]; D --> E[Budget];
```

**Research objectives**

**Information needed**

**How the results will help  
management decisions**

**Budget**

# Developing Marketing Information

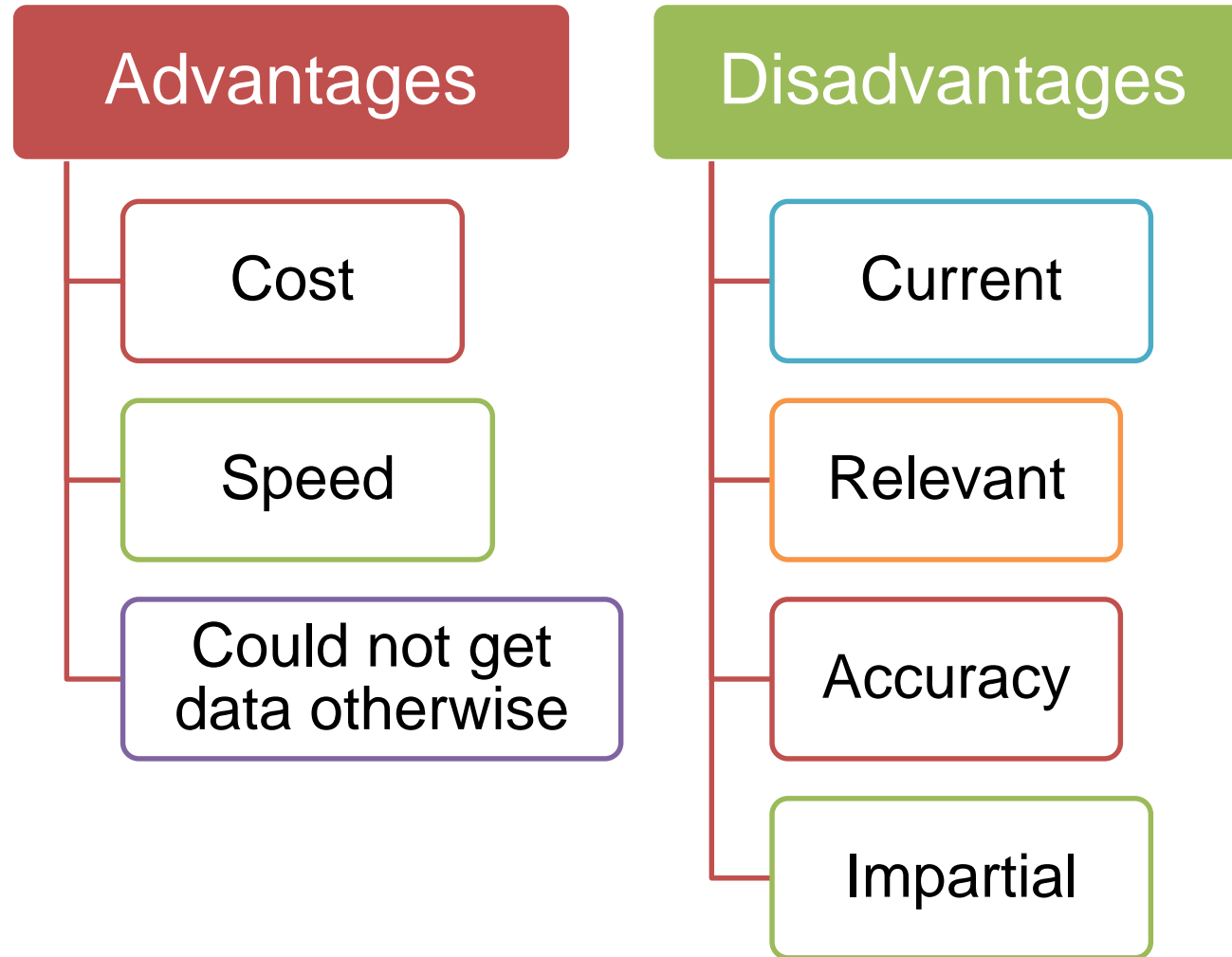
## Marketing Research Developing the Research Plan

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



# Developing Marketing Information

## Secondary Data



# Developing Marketing Information

## Marketing Research Developing the Research Plan

**Primary data** consists of information gathered for the special research plan

# Developing Marketing Information

## Marketing Research

*Planning Primary Data Collection*

Research approaches

Contact methods

Sampling plan

Research instruments

# Developing Marketing Information

## 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

## Market 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

# Developing Marketing Information

## Market Research Research Approaches

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

# Developing Marketing Information

## 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

# Developing Marketing Information

## Marketing Research Contact Methods

- Focus Groups
  - Six to 10 people
  - Trained moderator
  - Challenges
    - Expensive
    - Difficult to generalize from small group
    - Consumers not always open and honest





# Developing Marketing Information

## Marketing Research Contact Methods

**Online  
marketing  
research**

**Internet  
surveys**

**Online  
panels**

**Online  
experiments**

**Click-stream  
data**

**Online focus  
groups**

# Developing Marketing Information

## Marketing Research Online Research

### Advantages

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

# Developing Marketing Information

## 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

## 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
Nonprobability 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

# Developing Marketing Information

## 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

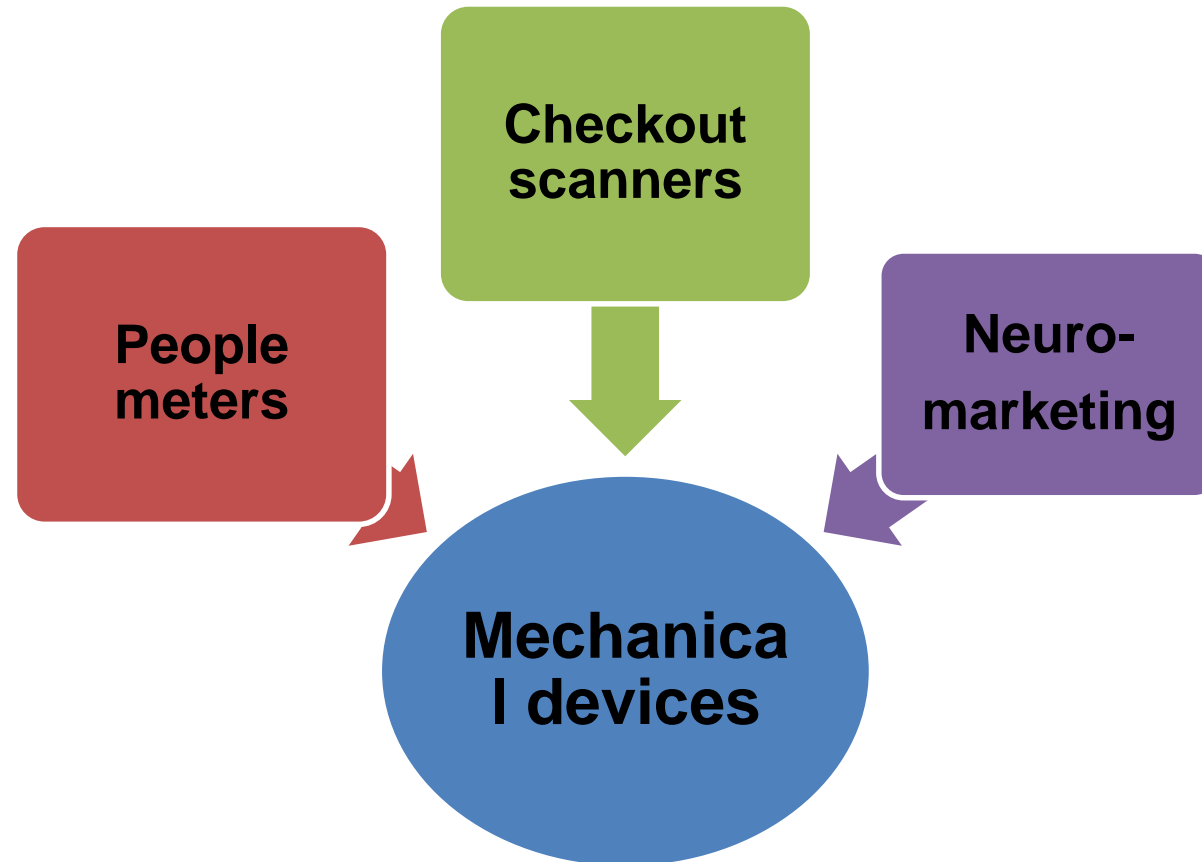
# Developing Marketing Information

## 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

## Marketing Research Research Instruments



# Developing Marketing Information

## Marketing Research Implementing the Research Plan

**Collecting the information**

**Processing the information**

**Analyzing the information**

**Interpret findings**

**Draw conclusions**

**Report to management**



# Analyzing and Using Marketing Information

## Customer Relationship Management (CRM)

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

# Analyzing and Using Marketing Information

## 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 Nonprofit Organizations**

**International Market Research**

**Public Policy and Ethics**

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

Thank  
You