

MARKETING INFORMATION SYSTEM AND MARKETING RESEARCH

Marketing and information

- Macroenvironment
- Customers
- Competition
- Strategic management

MIS - mainly concerned with how to manage information:

- Ongoing information eg sales record
- Monitored information - about the economy
- Requested information - Surveys

Marketing Information System

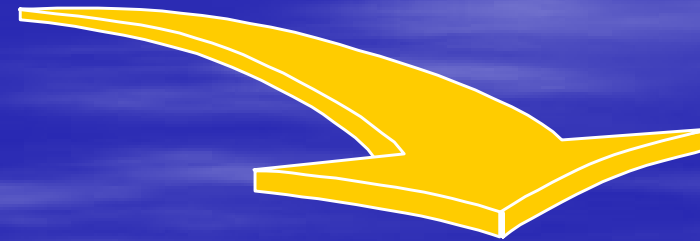
- An MIS consists of people, equipment, and procedures to gather, sort, analyze, evaluate, and distribute **needed, timely, and accurate information** to marketing decision makers.
- The MIS helps managers to:
 1. Assess Information Needs
 2. Develop Needed Information
 3. Distribute Information



FUNCTIONS OF MIS

1. Assessing Information Needs

**Conduct Interviews and Determine
What Information is
Desired, Needed, and Feasible to Obtain**



**Monitors Environment for
Information Managers
Should Have**

**Examine Cost/ Benefit of
Desired
Information**

2. Developing Information

Obtains Needed Information for Marketing Managers FROM:

Internal Data

Collection of Information from Data Sources Within the Company

+

Marketing Intelligence

Collection and Analysis of Publicly Available Information about Competitors and the Marketing Environment

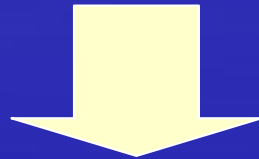
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Marketing Research

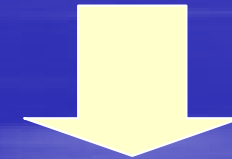
Design, Collection, Analysis, and Reporting of Data about a Situation

3. Distributing Information

Right Information + Right Time + Right
Managers



Distributes *Routine*
Information for
Decision Making



Distributes *Nonroutine*
Information for *Special*
Situations

The Marketing Information System

Marketing Managers and Other Information Users

Analysis

Planning

Implementation

Organization

Control

Marketing Information System

Developing needed information

Assessing information needs

Internal databases

Information analysis

Distributing and using information

Marketing intelligence

Marketing research

Marketing Environment

Target markets

Marketing channels

Competitors

Publics

Macro-environment forces

Marketing Research

- Marketing research is the **systematic** and objective identification, collection, analysis, dissemination, and use of information for the purpose of assisting management in decision making related to the identification and solutions of problems and opportunities in marketing
(Naresh Malhotra)

Purposes of Marketing Research

- Identify changes in the existing market
- Build up a knowledge bank
- Improve market awareness & opportunities
- Reduce risk and uncertainty
- Support marketing mix decisions
- Support marketing planning and controls
- Improve understanding of marketing
- Solve ad hoc problems

Marketing and Market Research

- **Marketing research** - is the gathering of information on all activities of marketing
- **Market research** - is the gathering of information on a particular market for a product or service
- *Marketing research has a wider scope than market research*

Types of research information

- **Market research** - information about the market for a given product/service
 - likely demand
 - market characteristics & trends
 - market share
- **Promotion research**
 - effects of advertising on sales
 - effectiveness of promotion methods/media; sales areas

Types of research information

- **Product research** covers information about the proposed/improved product:
 - competing products
 - customer acceptance
 - test marketing of potential new users
- **Price research**
 - customer perception of price/quality/value
 - profit margin
- **Distribution research**
 - location & design of distribution centre
 - costs of transportation/storage

Why Research?



- To Avoid ...
- To Reduce ...
- To Obtain ...

Focus



- What do you want to know?
- Why do you want to know it?
- *Specifically*, how are you going to use the information obtained?

The Marketing Research Process

Defining the Problem and the Research Objectives



Developing the Research Plan



Implementing the Research Plan



Interpreting and Reporting the Findings

Defining the problem and objectives

- Decision problem = „what needs to be done“?
- Research problem = „what information should be provided to help to decide what needs to be done?“ + „how the information can be best secured?“
- DP: Should we invest into new service investment?
- RP: Will the offer of the new service create such a surplus which would cover the investment and ensure the profit for the next 3 years?
- RO: Do customers want such service? Which segment of customers? What are their characteristics? Will the service make better image? How many customers would use this service?.....

1. Defining the Problem & Objectives

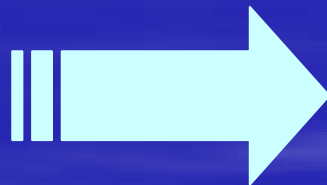


Exploratory Research



Gathers preliminary information that will help define the problem and suggest hypotheses.

Descriptive Research



Describes „something“ (e.g., market potential for a product, demographics or attitudes).

Causal Research



Tests hypotheses about cause-and-effect relationships.

Exploratory Research

- Generally provides qualitative data
- May take several forms
 - Consumer interviews
 - Focus groups
 - Case studies
 - Ethnography
 - Projective techniques

Descriptive Research

- Utilizes a large sample of participants as base
- Generally provides quantitative data
- Designs
 - Cross-sectional design involves the systematic collection of quantitative information from one or more samples of respondents at one point in time
 - Longitudinal design tracks the responses of the same sample of respondents over time

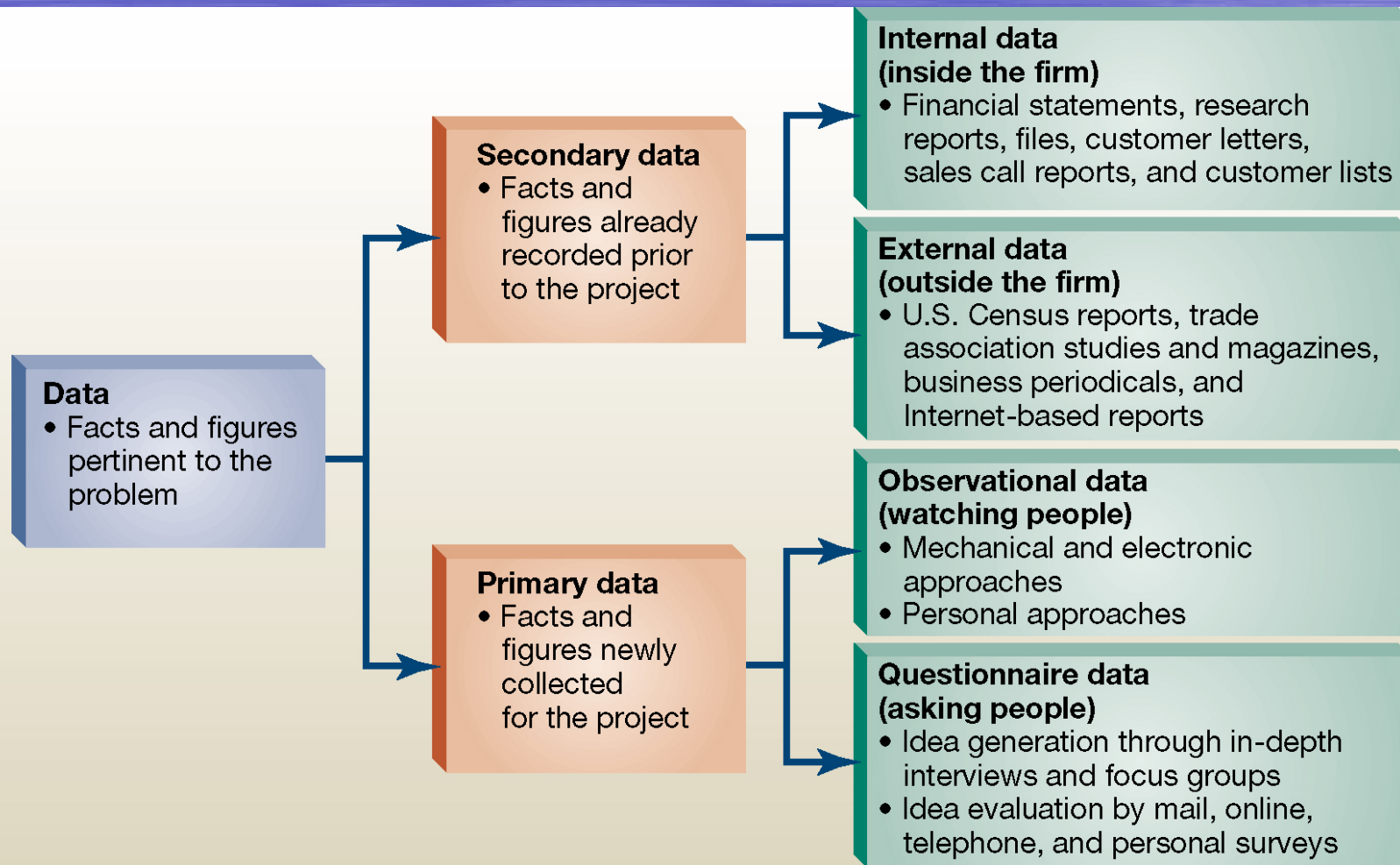
Causal Research

- Attempts to understand cause-and-effect relationships
- Factors that might cause a change are independent variables while the variables that are affected are dependent variables
- Experimental design allows researchers to control possible explanations for the effect

2. Developing research plan

- What, how, when, who, where?????
- Includes:
 - Determining the exact information needed
 - Developing a plan for gathering it efficiently
 - Deciding the form of the final results presentation
- Outlines:
 - Sources of data and information
 - Specific research approaches
 - Contact methods
 - Sampling plans
 - Instruments for data collection

Types and sources of data and information



Using secondary data

- **As a backdrop to primary research** eg when doing basis research in unfamiliar territory
- **As a substitute for research** - information already available or in cases where it is not worth doing primary research
- **As a technique in itself** - eg for collecting historic data on market trends

Comparison on Data Types

Secondary

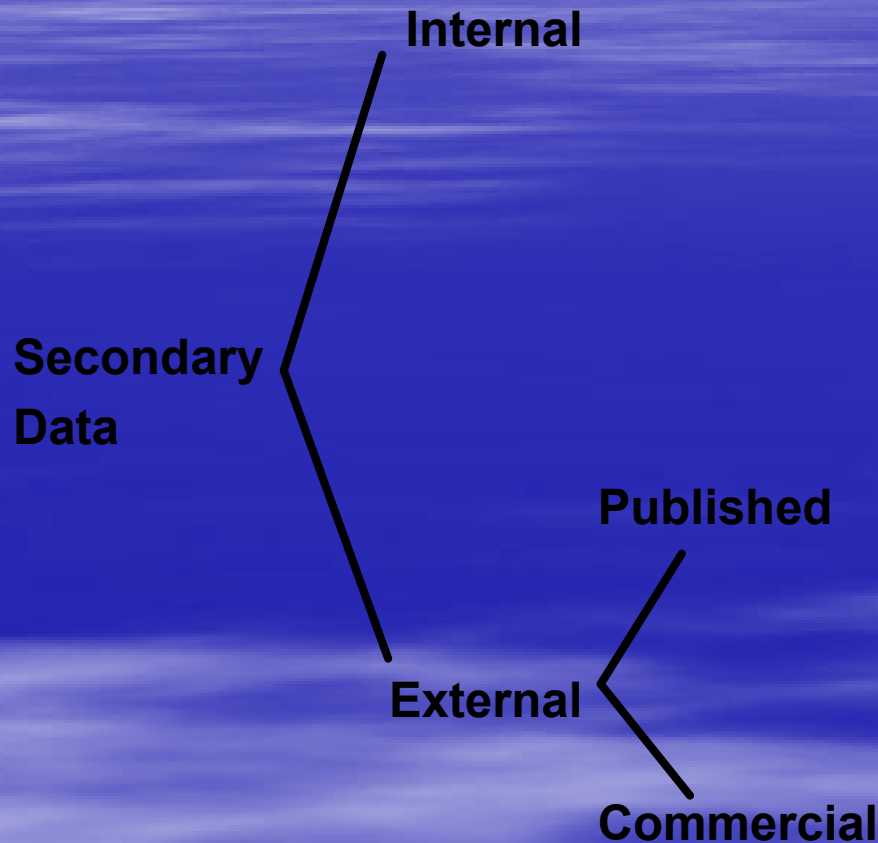
- Dfn: data already exist
- Exs: census, government, Dun&B CDROMs, corporate library, scanner data (Nielsen,)
- +'s: quick, cheap, easy, focuses research, can answer Q, benchmark
- -'s: doesn't fit problem, outdated

Primary

- Dfn: data you collect for purpose at hand
- Exs: focus group, survey, interviews, telemarketing
- +'s: tailored to needs, current
- -'s: takes time to collect, expensive

Strengths and weaknesses are complementary!
So...**any good research project should have both!**

TYPES OF SECONDARY DATA



Examples

- Sales invoice
- Salesperson's call reports
- Salesperson's expense account
- Credit memos
- Warranty cards

General works

- Directories
- Periodicals
- Statistical sources
- Financial records
- Geodemographic data
- Diary panel data
- Store audit data
- Scanner data
- Advertising exposure data

Primary Data

■ *Research Approach:*

- Observation research →
using people or machines
 - Discovers behavior but not motivations
- Survey research ↘
 - who, what, when, why, where, how....
- Experimental research
 - investigates cause and effect relationships
 - What if....



The gathering of primary data by observing relevant people, actions, and situations.

Ethnographic research:

- Observation in “natural environment”

Mechanical observation:

- People meters
- Checkout scanners

Qualitative V Quantitative Research

- **Qualitative research**
-seeks in-depth, open-ended and unquantifiable information describing opinions, values etc, rather than sizes and amounts in numerical form
- **Quantitative research**
-seeks structured responses that can be quantified in numerical form rather than general, open-ended information

Collection methods

- Communication

- Mail questionnaires
- Telephone interviews
- Face-to-face interviews
- Online questionnaires



SURVEY

- Observation + recording

- Personal
- Mechanical ... People Meters, Supermarket Scanners, Galvanometer, Eye Cameras

Communication - inquiry

FACE – to – FACE - Personal interview survey_

- In-home (door-to-door) interview
- Focus-group interview
- Telephone depth interview
- Shopping mall intercept interviews
- On-site computer interviews

PROBLEMS?????

- What questions to ask
- Form of each question
 - Closed-ended, Dichotomous, Open-ended, Multiple-Choice...
- Wording
- Ordering

Typical problems in wording questions

| PROBLEM | SAMPLE QUESTION | EXPLANATION OF PROBLEM |
|-------------------------------|---|--|
| Leading question | Why do you like Wendy's fresh meat hamburgers better than those of competitors? | Consumer is led to make statement favoring Wendy's hamburgers. |
| Ambiguous question | Do you eat at fast-food restaurants regularly? <input type="checkbox"/> Yes <input type="checkbox"/> No | What is meant by word <i>regularly</i> —once a day, once a month, or what? |
| Unanswerable question | What was the occasion for eating your first hamburger? | Who can remember the answer? Does it matter? |
| Two questions in one | Do you eat Wendy's hamburgers and chili? <input type="checkbox"/> Yes <input type="checkbox"/> No | How do you answer if you eat Wendy's hamburgers but not chili? |
| Nonexhaustive question | Where do you live? <input type="checkbox"/> At home <input type="checkbox"/> In dormitory | What do you check if you live in an apartment? |
| Nonmutually exclusive answers | What is your age? <input type="checkbox"/> Under 20 <input type="checkbox"/> 20–40 <input type="checkbox"/> 40 and over | What answer does a 40-year-old check? |

Choosing the Sample

- **Sample** – segment of the population selected to represent the population as a whole.

- **Requires 3 Decisions:**
 - Who is to be surveyed?
 - Sampling unit
 - How many people should be surveyed?
 - Sample size
 - How should the people in the sample be chosen?
 - Sampling procedure

– Sampling

- Population—all the elements, units, or individuals of interest to researchers for specific study
- Sample—a limited number of units chosen to represent the characteristics of a total population

– Types of sampling

- Probability—each element has an known chance for study
- Random—each element has an equal chance for study
- Stratified—study population divided into like groups
- Nonprobability: element's likelihood of study is unknown
- Quota: population is grouped and elements are arbitrarily chosen

3. Implementing the research plan

Collecting and analysing the data

- Pilot research – to test the research approach, sample, objectives, quality of
- Collection
- Coding
- Tabulating
- Calculating, summarizing, analysing
- Interpretation

4. Interpreting and Reporting the Findings

Prepare the Research Report

- Executive summary
- A description of research methods
- Discussion of results
- Limitations of study
- Conclusions and recommendations

Key concept in assessing the quality of research.

- **Validity:** refers to how well a research design (and the research method and the measures or questions used) measure what it claims to measure.
- **Reliability :** refers to the consistency of research results. In other words, if we repeat the research, or if a different interviewer undertake the fieldwork, will we get the same result
- **Representativeness:**

Basic information about survey



| | |
|-------------------------------|---|
| Type of research: | Omnibus |
| Research agency: | GfK - Centre for Market Research |
| Research topic: | Structure of book buyers in Croatia |
| Method: | Face-to-face in-home interviews |
| Sample size: | 1.000 respondents, aged 15+ years |
| Sampling: | two-stage stratification by region and size of residence; at each sampling point the addresses are drawn at random, and in each household respondents are randomly selected |
| Duration of fieldwork: | 10. - 24. March 2005. |
| Output: | Analysis of the results Tables by standard statistics |
| Project manager: | Senka Brajovic Tel.: +385 (0)1 4921 222 / ext.111 GSM: +385 (0)91 4921 111 Fax: +385 (0) 1 4921 223 E-mail: senka.brajovic@gfk.hr |

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