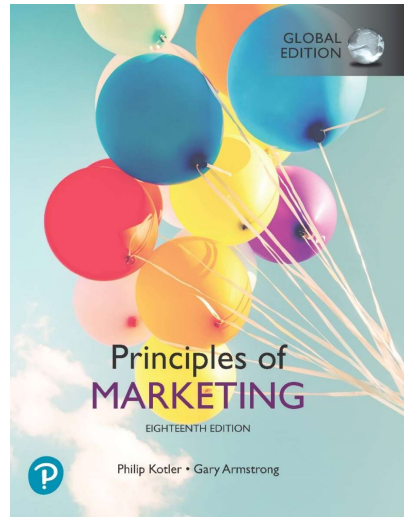


Principles of Marketing

Eighteenth Edition, Global Edition



 Pearson

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Chapter 4

Managing Marketing Information to Gain Customer Insights

1

Learning Objectives

- 4.1** Explain the importance of information in gaining insights about the marketplace and customers.
- 4.2** Define the marketing information system and discuss its parts.
- 4.3** Outline the role of marketing research and the steps in the marketing research process.
- 4.4** Explain how companies analyze and use marketing information.
- 4.5** Discuss the special issues some marketing researchers face, including public policy and ethics issues.

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Learning Objective 1

Explain the importance of information in gaining insights about the marketplace and customers.



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Ferrero: Managing Marketing Information and Customer Insights

Customer insights are fresh marketing information-based understandings of customers and the marketplace that become the basis for creating customer value, engagement, and relationships.

Ferrero successfully analyzes and uses marketing information and customer insights to better tailor its offerings to the local market. Its ability to gain fresh understandings of customers and the marketplace from marketing information has become the basis for the company's success.



Ekaterina Minaseva/Alamy Stock Photo



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Marketing Information and Customer Insights (1 of 4)

Customer insights

- Fresh and deep insights into customer needs and wants
- Companies use customer insights to develop a competitive advantage
- Insights can be difficult to obtain; marketers must manage marketing information from a wide range of sources



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Marketing Information and Customer Insights (2 of 4)

Marketing Information and Today's "Big Data"

- Big data is the huge and complex data sets generated by today's sophisticated information generation, collection, storage, and analysis technologies
- Big data comes from marketing research, internal transaction data, and real-time data flowing from its social media monitoring, connected devices, and other digital sources



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Marketing Information and Customer Insights (3 of 4)

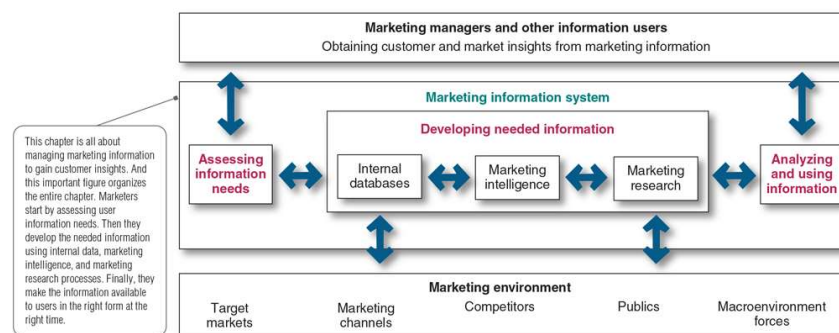
Managing Marketing Information

- 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
- A **marketing information system (MIS)** refers to the people and procedures dedicated to assessing information needs, developing the needed information, and helping decision makers to use the information to generate and validate actionable customer and market insights.

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Marketing Information and Customer Insights (4 of 4)

Figure 4.1 The Marketing Information System



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Learning Objective 2

Define the marketing information system and discuss its parts.

Assessing Marketing Information Needs (1 of 2)

A marketing information system (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 (2 of 2)

Characteristics of a Good MIS

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

- User's Needs
- MIS Offerings

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Developing Marketing Information (1 of 3)

Marketers obtain information from:

- Internal data
- Marketing intelligence
- Marketing research

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Developing Marketing Information (2 of 3)

Internal Data

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

Internal data: Through skillful customer database development and use, Stitch Fix has built high levels of customer satisfaction and loyalty.



Stitch Fix

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Developing Marketing Information (3 of 3)

Competitive Marketing Intelligence

Competitive marketing intelligence is the systematic collection and analysis of publicly available information about consumers, competitors, and developments in the marketing environment.

Competitive marketing intelligence: Mastercard's digital intelligence command center—called the Conversation Suite—monitors, analyzes, and responds in real time to millions of brand-related conversations across 43 markets and 26 languages around the world.



Mastercard

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Learning Objective 3

Outline the role of marketing research and the steps in the marketing research process.



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Marketing Research (1 of 18)

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

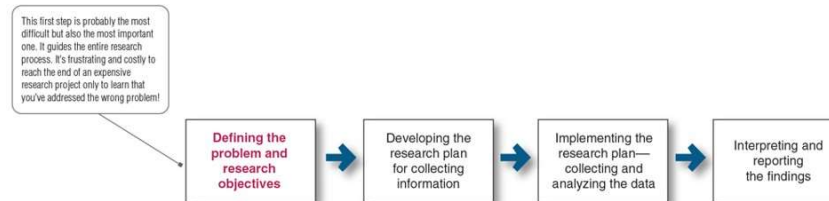


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Marketing Research (2 of 18)

Figure 4.2 The Marketing Research Process



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Marketing Research (3 of 18)

Defining the Problem and Research Objectives

- Exploratory research
- Descriptive research
- Causal research



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Marketing Research (4 of 18)

Developing the Research Plan

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

A decision by Nordsee to add “vegan fish” would call for marketing research that provides specific information.



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Marketing Research (5 of 18)

Defining the Problem and Research Objectives

Written proposal

- Management problem
- Research objectives
- Information needed
- How the results will help management decisions
- Budget



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Marketing Research (6 of 18)

Developing the Research Plan

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

Primary data is information collected for the specific purpose at hand.



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Marketing Research (7 of 18)

Gathering Secondary Data

- Advantages
 - Lower cost
 - Obtained quickly
 - Cannot collect otherwise
- Disadvantages: Data may not be
 - Relevant
 - Accurate
 - Current
 - Impartial



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Marketing Research (8 of 18)

Primary Data Collection

- Research Approaches
- Contact Methods
- Sampling Plan
- Research Instruments

Marketing Research (9 of 18)

Table 4.1 Planning Primary Data Collection

Research Approaches	Contact Methods	Sampling Plan	Research Instruments
Observation	Mail	Sampling unit	Questionnaire
Survey	Telephone	Sample size	Mechanical instruments
Experiment	Personal	Sampling procedure	
	Online		

Marketing Research (10 of 18)

Primary Data Collection 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 environments.”

Ethnographic research: Under Intuit’s “follow me home” program, teams of Intuit employees visit customers in their homes or offices to watch them use the company’s products in real life.



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Marketing Research (11 of 18)

Primary Data Collection

Research Approaches

- **Survey research** involves gathering primary data by asking people questions about their knowledge, attitudes, preferences, and buying behavior.
- **Experimental research** involves gathering primary data by selecting matched groups of subjects, giving them different treatments, controlling related factors, and checking for differences in group responses.



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Marketing Research (12 of 18)

Experimental Research: Online experiments can be simple and inexpensive. For example, an online “A/B test” for Microsoft’s Bing search engine formatting yielded performance-enhancing results in only hours.



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Marketing Research (13 of 18)

Primary Data Collection: Contact Methods

- Mail, telephone, and personal interviewing
 - Mail questionnaires
 - Telephone interviewing
 - Personal interviewing
 - Individual interviewing
 - Group interviewing
- Focus Group Interviewing

New focus group designs: The Mom Complex uses “Mom Immersion Sessions” to help brand marketers understand and connect directly with their “mom customers” on important brand issues.



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Marketing Research (14 of 18)

Primary Data Collection: Contact Methods

Online marketing research

- Internet and mobile surveys
- Online focus groups
- Consumer tracking
- Experiments
- Online panels and brand communities

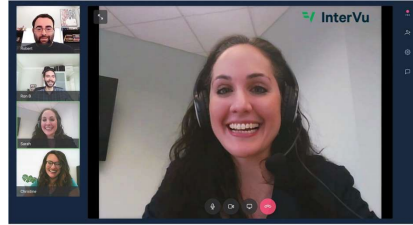


Image provided courtesy of FocusVision, the leading research technology software provider for simple to sophisticated qualitative and quantitative projects.

Online focus groups: Focus Vision's InterVu service lets focus group participants at remote locations see, hear, and react to each other in real-time, face-to-face discussions.



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Marketing Research (15 of 18)

Primary Data Collection

Online behavioral and social tracking and targeting

- Behavioral targeting
- Online listening
- Social targeting



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Marketing Research (16 of 18)

Table 4.2 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 (such as age groups), and random samples are drawn from each group.
Cluster (area) sample	The population is divided into mutually exclusive groups (such as blocks), and the researcher draws a sample of the groups to interview.

Nonprobability Sample

Convenience sample	The researcher selects the easiest population members from which to obtain information.
Judgment sample	The researcher uses his or her judgment to select population members who are good prospects for accurate information.
Quota sample	The researcher finds and interviews a prescribed number of people in each of several categories.



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Marketing Research (17 of 18)

Primary Data Collection

Research Instruments

- Questionnaires
 - Open-ended questions
 - Closed-ended questions
- Mechanical instruments



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Biological and neurological measures: Online travel giant Expedia's "Usability Lab" uses biometrics and observation to learn about the deep-down tensions and delights customers experience during their trip-planning journeys.



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Marketing Research (18 of 18)

- **Implementing the Research Plan**
 - Collecting the information
 - Processing the information
 - Analyzing the information
- **Interpreting and Reporting Findings**
 - Interpret findings
 - Draw conclusions
 - Report to management

Learning Objective 4

Explain how companies analyze and use marketing information.

Analyzing and Using Marketing Information (1 of 2)

Customer Relationship Management (CRM)

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



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Analyzing and Using Marketing Information (2 of 2)

Big Data, Marketing Analytics, and Artificial Intelligence

Marketing analytics involves analysis tools, technologies, and processes by which marketers dig out meaningful patterns in big data to gain customer insights and gauge marketing performance.

Some analytics employ artificial intelligence (AI), technology by which machines think and learn in a way that looks and feels human but with a lot more analytic capacity.



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Learning Objective 5

Discuss the special issues some marketing researchers face, including public policy and ethics issues.



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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



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