

MANAGING MARKETING INFORMATION

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Lecture 3



MGM204

PRINCIPLE OF MARKETING



جامعة الجميع الذكية
EVERYONE'S SMART UNIVERSITY



Define the Marketing Information System (MIS)



Steps in the marketing research process .



Importance of MIS



Analyze and use marketing information



Marketing Information System (MIS)



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“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” Armstrong, Kotler & Opresnik (2017)

Marketing Information System

Marketing information system gives managers **the right information**, in the **right form**, at the **right time** and help them to **use** this information to create customer value engagement and stronger customer relationships.



“Marketers Don't need *more* information, they need *better* information, and they need to make better *use* of the information they already have”.

Armstrong, Kotler & Opresnik (2017)



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Importance of Marketing Information System (MIS)

Gain fresh deep insights into what customers want in order to create value for customers and develop a competitive advantage.

Effectively manage marketing information from a wide range of sources.

Help make marketing decisions in a rational manner.

help decision makers identify different alternatives and choose the best alternative

Helps the marketing department to do the right strategic planning
Fast-track marketing activities and processes.

Provide other departments with the necessary information on the quantity, quality and sizes of products required on the market

Helps plan new products.

Assists the organization in determining the appropriate price that will achieve profitability and satisfy the client.



Factors leading to interest in marketing information systems

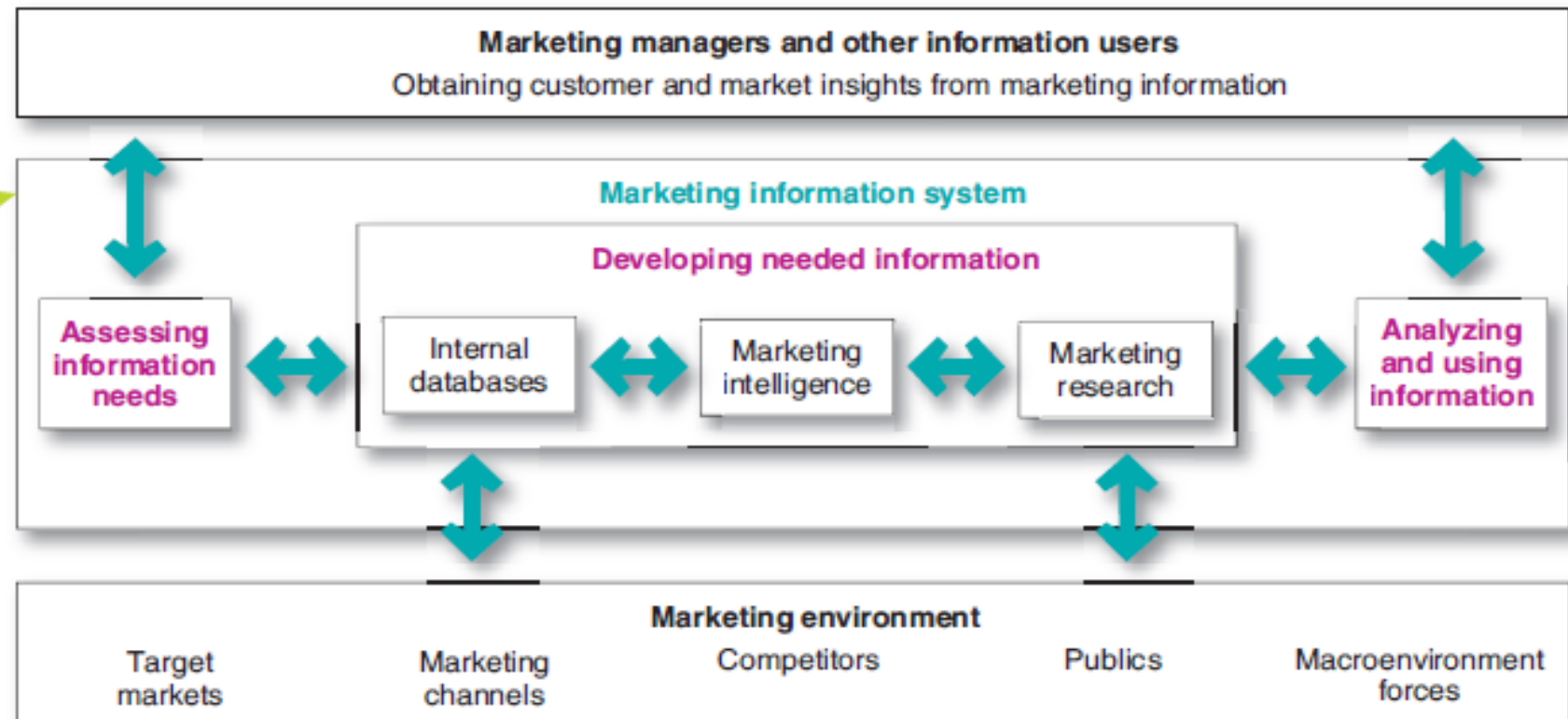
- The emergence of an uncertain environment.
- The transition of organizations from domestic to global markets.
- Going from satisfying buyers' needs to satisfying clients' needs and desires
- Switching from price competition to non-price competition that needs information
- The environment based on information, computers and ever-renewed knowledge.
- The emergence of the Internet revolution and technology offering diverse marketing information.
- The modern orientation of contemporary organizations to design and build information systems based on modern technology (



The Marketing Information System

The Marketing Information System

This chapter is all about managing marketing information to gain customer insights. And this important figure organizes the entire chapter. Marketers start by assessing user information needs. Then they develop the needed information using internal data, marketing intelligence, and marketing research processes. Finally, they make the information available to users in the right form at the right time.



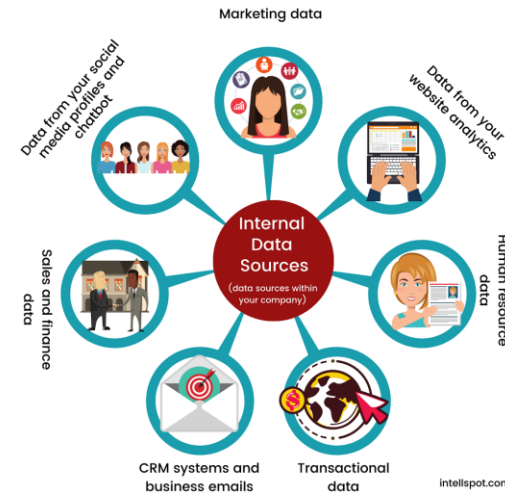
Assessing marketing information needs

- The Marketing Information System primarily serves the company's marketing and other managers. However, it may also provide information to external partners such as suppliers, resellers , or marketing services agencies.
- Too much information can be as harmful as too little.
- the MIS must monitor the marketing environment to provide decision makers with information they should have to make key marketing decisions.
- The costs of obtaining, analyzing, storing, and delivering information can mount quickly. The company must decide whether the value of insights gained from additional information is worth the cost of providing it and both value and cost are often hard to assess.

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Developing marketing information

- Marketers can obtain the needed information from 3 sources
 - Internal data
 - marketing intelligence
 - marketing research



1. INTERNAL DATA:

- **Internal databases** = Collections of consumer and market information obtained from the data sources within the company network.
- Information in an internal database can come from many sources:
 - the Marketing department
 - the Customer Service department
 - The Accounting department
 - Operations report on production, achievements and inventories
 - the Sales force reports
 - ...



1. INTERNAL DATA:

- Internal databases usually can be accessed more quickly and cheaply than other information sources
- Problems with Internet data:
 - Data may be incomplete or in the wrong form for making marketing decisions
 - Data also age quickly
 - Managing and mining the mountains of information that a large company produces requires highly sophisticated equipment and techniques



2. COMPETITIVE MARKETING INTELLIGENCE

- **Competitive marketing intelligence**= The systematic monitoring, collection, and analysis of publicly available information about consumers, competitors, and developments in the marketplace.
- The goal of competitive marketing intelligence is to improve strategic decision making by understanding the consumer environment, assessing and tracking competitors' actions, and providing early warnings of opportunities and threats.



2. COMPETITIVE MARKETING INTELLIGENCE

- **Marketing intelligence techniques :**
 - observing consumers first-hand
 - quizzing the company's own employees
 - benchmarking competitors' products
 - online research
 - monitoring social media buzz
 - Asking suppliers, resellers and key customers



2. COMPETITIVE MARKETING INTELLIGENCE

- Companies also need to actively monitor competitors' activity (their website and social media command centers, Internet search tracking consumer conversations about competing brands)
- firms use competitive marketing intelligence to gain early insights into competitive moves and strategies and to prepare quick responses.



Example



Amazon's competitive intelligence arm routinely purchases merchandise from competing sites to analyze and compare their assortment speed and surface quality

Marketing Command Center



3. MARKET RESEARCH:

- **Market research** = the systematic design, collection, analysis, and reporting of data relevant to a specific marketing situation facing an organization.
- For example, market research gives marketers insights into customer motivations, purchase behavior, and satisfaction. It can help them to assess market potential and market share, or measure the effectiveness of pricing, product, distribution, and promotion activities.



The marketing research process



The marketing research process

1. Defining the problem & research objectives:

- Marketing managers and researchers must work together closely to define the problem and agree on research objectives
- Defining the problem and research objectives is often the hardest step in the research process.
- After the problem has been defined carefully, the manager and the researcher may set the research objectives.
- The statement of the problem and research objectives guides the entire research process



The marketing research process

- There are three types of objectives:
 - **Exploratory research**= gather preliminary information that will help define the problem and suggest hypotheses.
 - **Descriptive research** = describe things, such as the market potential for a product or the demographics and attitudes of consumers who buy the product.
 - **Casual research** = to test hypotheses about cause-and-effect relationships
- Managers often start with exploratory research and later follow with descriptive or casual research

2. Developing the Research Plan:

The research plan outline sources of existing data and spells out specific research approaches, contact methods, sampling plans, and instruments that researchers will use to gather new data.



- The Mexican food chain “Chili’s” wants to know how customers will react to the addition of drive-through service to its restaurants.
- Reason: Increase sales as 24% of sales is generated by drive-through services





- The proposed research might call for the following specific information:
 - The demographic, economic and lifestyle characteristics of current Chili's customers
 - The characteristics and usage patterns of the broader population of fast-food and fast-casual dinners.
 - Impact on the Chili's customer experience
 - Chili's employee reaction to drive-through service
 - Forecasts of both inside and drive-through sales and profits

Primary vs. Secondary data

- To meet the managers information needs, the research plan can call for gathering secondary data, primary data or both.
- **Secondary data** consists of information that already exists somewhere, having been collected for another purpose.
- **Primary data** consists of information collected for the specific purpose at hand

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Secondary data

- It searches usually start by getting a secondary data
- the sources of secondary data can be:
 - the company's internal database
 - companies can buy secondary data from outside suppliers like research agencies
 - use commercial online databases
 - Use Internet search engines ...
- Secondary data can usually be obtained more quickly and at lower cost than primary data
- Secondary sources can sometimes provide data and individual company cannot collect on its own.
- The researcher must evaluate secondary information carefully to make certain it is relevant, accurate, current and impartial.



1. Research Approaches

Observation

Surveys

experiments.

• 1.1. Observational Research:

- Observational research involves gathering primary data by observing relevant people, actions, and situations.
- Marketers not only observe what consumers do but also observe what consumers are saying (They listen in on consumer conversation on blogs, social networks, and website)
- Observing provide inputs that simply can't be gained through more structured and formal research approaches
- Observations can me made either in labs on in real-life situations
- Observation is best suited for exploratory research.



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EXAMPLE: FISHER-PLAY LAB



• 1.2. Survey Research:

- It is the gathering of primary data by asking people questions about their knowledge, attitudes, preferences, and buying behavior.
- It is the most widely used method for primary data collection and it is the approach best suited for gathering descriptive information
- The major advantage of survey research is its flexibility: it can be used to obtain many kinds of information in many different situations
- Survey addresses almost any marketing question or decision. And it can be contacted by phone, or mail, in person, or online.



- **Problems with Survey research:**

- Sometimes people are unable to answer the question because they cannot remember or have never thought about what they do or why they do it.
- People may be unwilling to respond to unknown interviewers or about things they consider private.
- People may respond to survey questions even when they do not know the answer just to appear smarter or more informant.
- They may try to help the interviewer by giving pleasing answers.
- Busy people may not take the time, or they might resent intrusion in their privacy.

- **1.3. Experimental Research:**
 - Gathering primary data by selecting matched groups of subjects, giving them different treatments, controlling related factors, and checking for differences in Group responses.
 - Experimental research is best suited for gathering casual information



CONTACT METHODS

- **Mail questionnaires:** Send questionnaires by mail to consumers it allows to collect large amounts of information at a low-cost respondent.
- **Telephone:** One of the best methods of gathering information quickly and it has greater flexibility than mail questionnaires.
- **Personal Interviewing:**
 - Involves talking with people in their homes or offices on the street or in the shopping malls such interviews is flexible.
 - **Focus groups interviewing:** Personal interviewing that involves inviting small groups of people together for a few hours with a trained interviewer to talk about a product, service, or an organization. The interviewer focuses the group discussion on important issues.
- **Online marketing research:** Collecting primary data online through Internet service, online focus groups, web-based experiments, or tracking of consumers online behavior.



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Strengths and weaknesses of Contact Methods

Strengths and weaknesses of Contact Methods

	Mail	Telephone	Personal	Online
Flexibility	Poor	Good	Excellent	Good
Quantity of data that can be 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

Source: Based on Donald S. Tull and Del I. Hawkins, *Marketing Research: Measurement and Method*, 7th ed. (New York: Macmillan Publishing Company, 1993). Adapted with permission of the authors.



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Primary vs. Secondary data

Primary data is a type of data researchers directly collect from main sources

Includes real-time data

Collected to address a current research problem

Accessing primary data includes a relatively long process

Data collection tools include observations, surveys, questionnaires, physical testing, online questionnaires, personal or telephone interviews, case studies, and focused group discussions

Secondary data refers to already existing data produced by the previous researchers

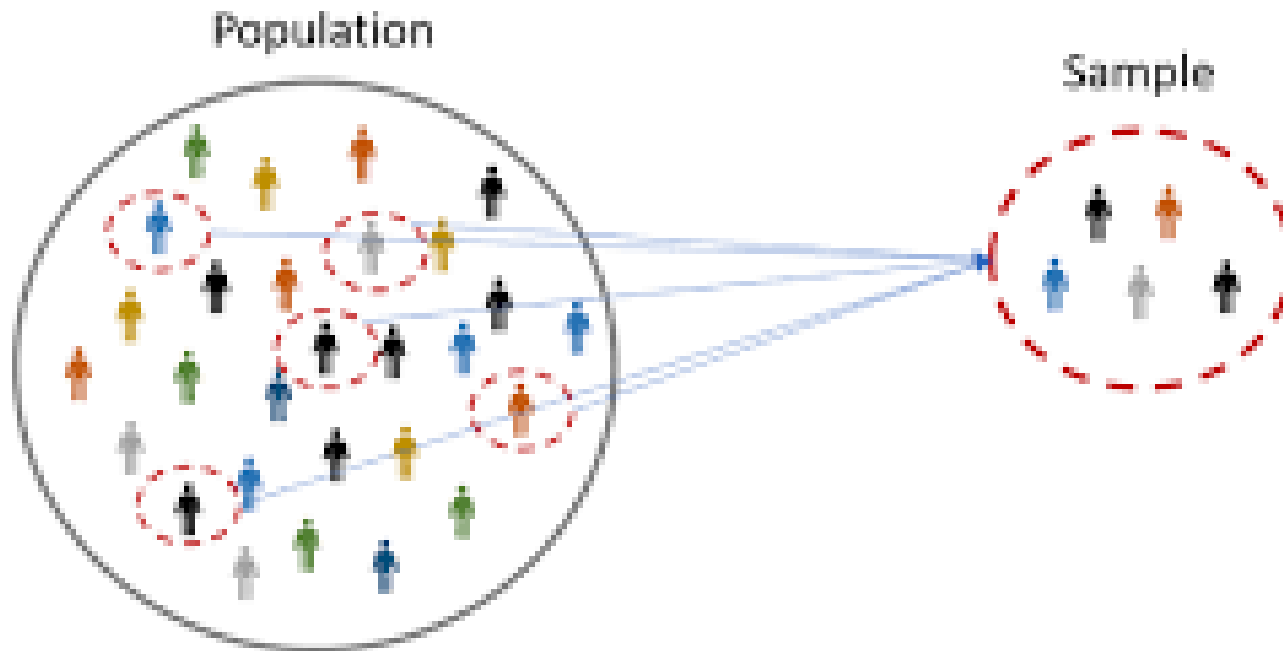
Related to the past

Primarily collected to address previously existed research problems and can be used to address the current research problem as well

Referring to secondary data is quick and easy

Data collection tools include journal articles, websites, books, government publications, records, etc.

Sampling



Sampling

- Marketing research usually draw conclusions about large groups of consumer by studying small sample of the total consumer population.
- **A sample** = a segment of the population selected for marketing research to represent the population as a whole.
- Ideally the sample should be representative so that the researcher can make accurate estimates of the thoughts and behaviors of the large population.

- **Questionnaires:** It is the most common instrument whether administered in person, by phone, by email, or online.
- **Mechanical instruments:**
 - Television meter sets, cable boxes, satellite systems.
 - Check out scanners to report shoppers' purchases
 - Shelves' sensors to analyze facial structures and other characteristics that identify a shoppers age and sex and determine if and when the shopper selects a product off the shelf.
 - Physical responses to marketing offerings
 - Neuromarketing.

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Some insights from neuromarketing

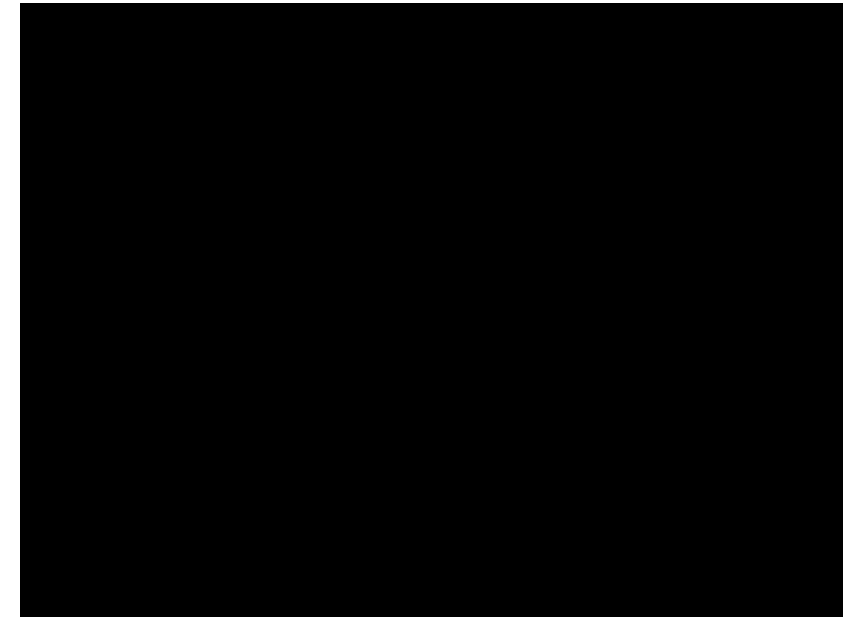
The Importance of Eye Gaze



Using Effective Packaging



Revealing Hidden Responses



The marketing research process



The marketing research process

3. Implementing the Research Plan:

- The research put the marketing research plan into action
- This involves collecting, processing, and analyzing the information.
- Data collection can be carried out by the companies' marketing research department or by outside firms.

4. Interpreting and reporting the findings :

- The market researcher must now interpret the findings draw conclusions and report them to management.
- The researchers should present important findings and insights that are useful in the major decision faced by managers.

THANK YOU

FOR LISTENING