



MK 201 Principles of Marketing

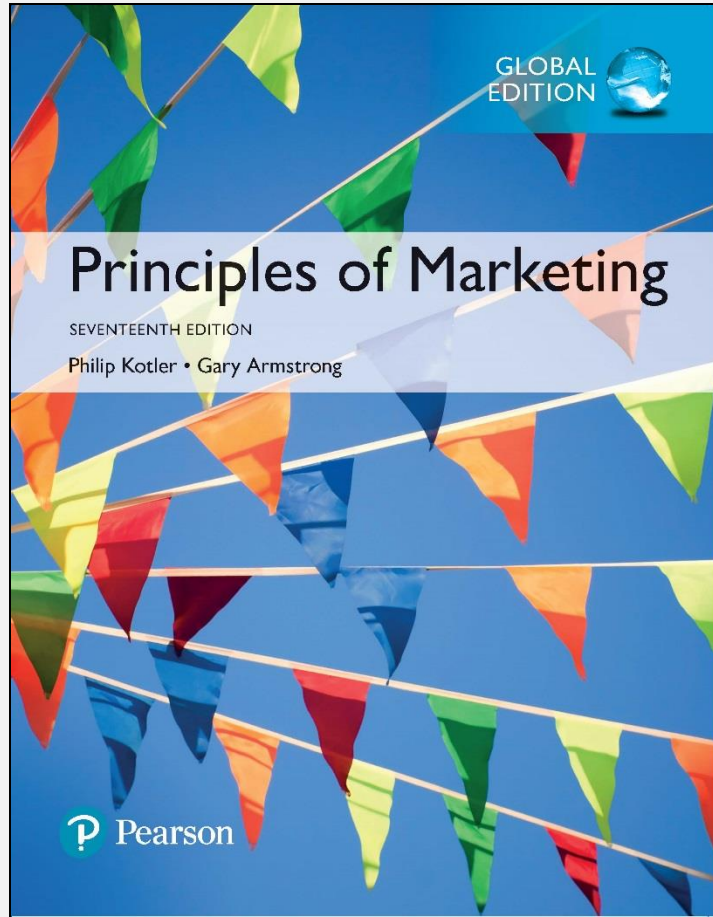
Consumer Insights

Session 3

By Ajarn Suwalya K.

Principles of Marketing

Seventeenth Edition



Chapter 4

Managing Marketing Information to Gain Customer Insights

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 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.

Learning Objective 1

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

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.



Marketing Information and Customer Insights

Customer insights

- **Fresh and deep insights** into customer needs and wants
- Important but difficult to obtain
 - Needs and **buying motives** not obvious
 - Customers usually can't tell you what and why
- Better information and more effective use of existing information

Marketing Information and Customer Insights

Managing Marketing Information

- 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

Managing Marketing Information

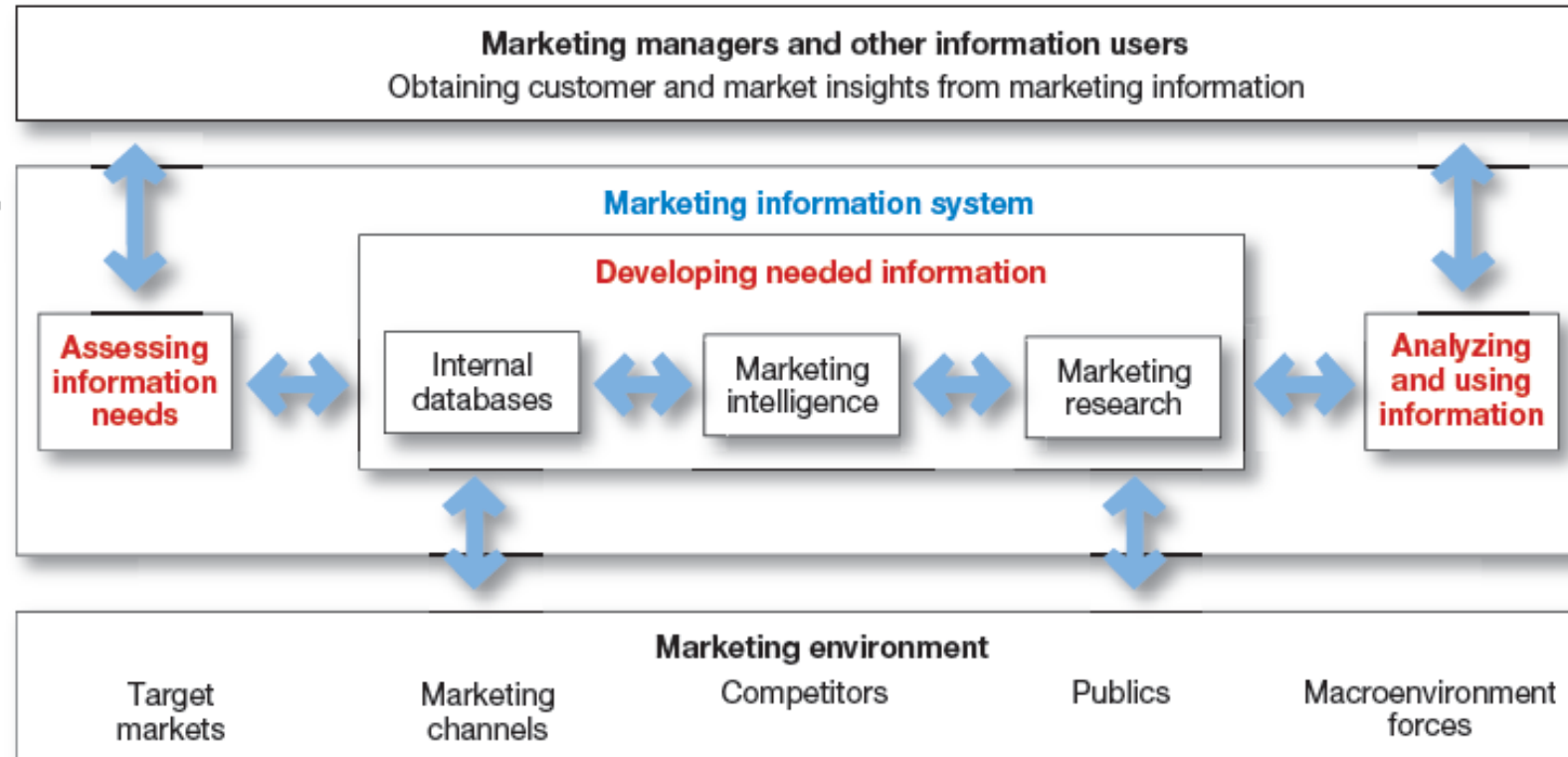
Marketing information system (MIS) refers to the people and procedures **dedicated to assessing** information needs, developing the needed information, and helping decision makers to use the information to generate and validate actionable customer and market insights.



Marketing Information and Customer Insights

FIGURE | 4.1
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.



Learning Objective 2

Define the marketing information system and discuss its parts.

Assessing Marketing Information Needs

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.



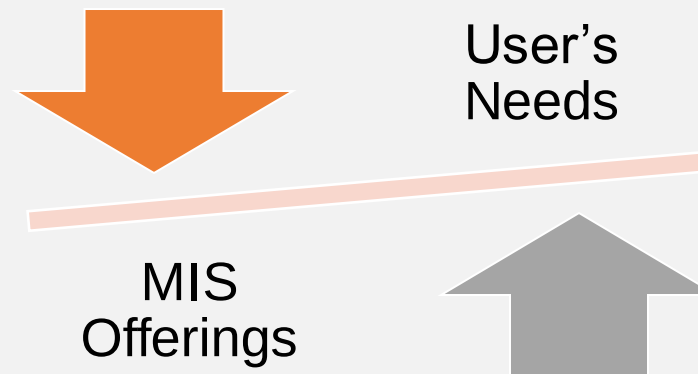
Marketing Information Systems



Assessing Marketing Information Needs

Characteristics of a Good MIS

Balancing 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

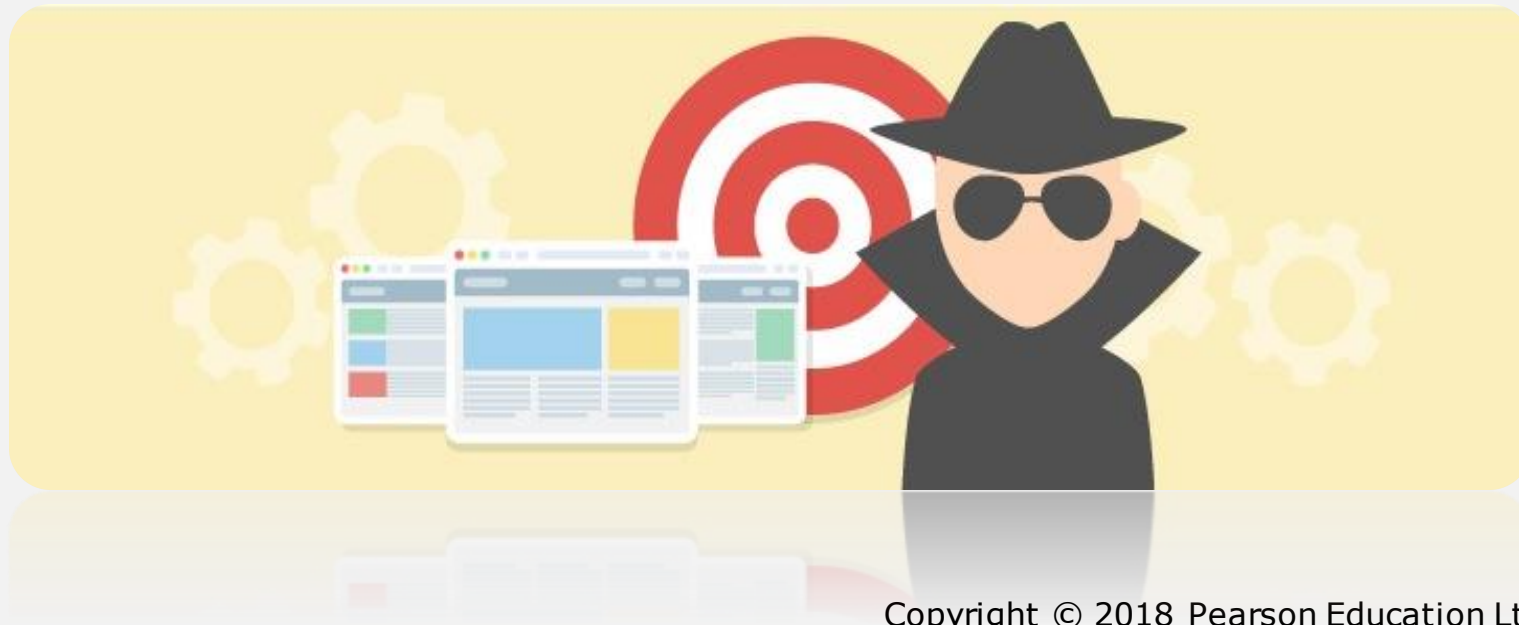
Internal databases are **collections of consumer and market information** obtained from data sources within the company network.



Developing Marketing Information

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.



Learning Objective 3

Outline the steps in the marketing research process.

Marketing Research

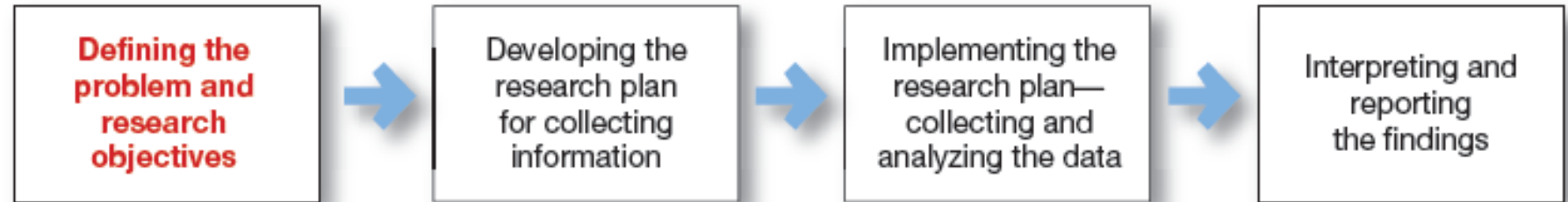
Marketing research is the **systematic design, collection, analysis, and reporting** of data relevant to a specific marketing situation facing an organization.

Marketing Research

This first step is probably the most difficult but also the most important one. It guides the entire research process. It's frustrating and costly to reach the end of an expensive research project only to learn that you've addressed the wrong problem!

● FIGURE | 4.2
The Marketing
Research Process

Marketing managers and researchers must work together closely to define the problem and agree on research objectives. The manager best understands the decision for which information is needed, whereas the researcher best understands marketing research and how to obtain the information. Defining the problem and research objectives is often the hardest step in the research process. The manager may know that something is wrong without knowing the specific causes.



Marketing Research

Defining the Problem and Research Objectives

Exploratory research

Descriptive research

Causal research

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

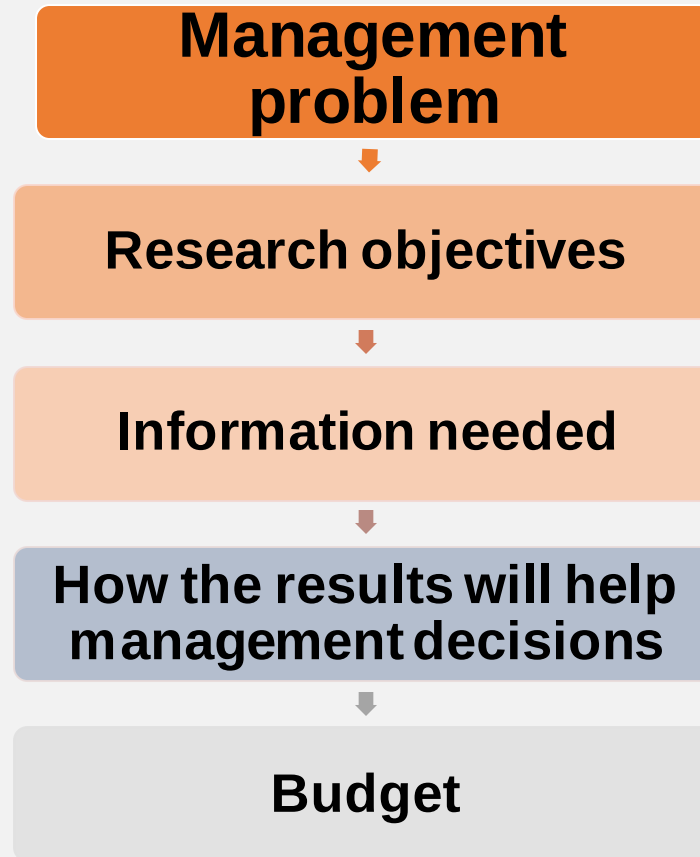


● A decision by Chipotle Mexican Grill to add drive-thru service would call for marketing research that provides lots of specific information.

Chipotle Mexican Grill, Inc.

Marketing Research

Developing the Research Plan



Marketing Research

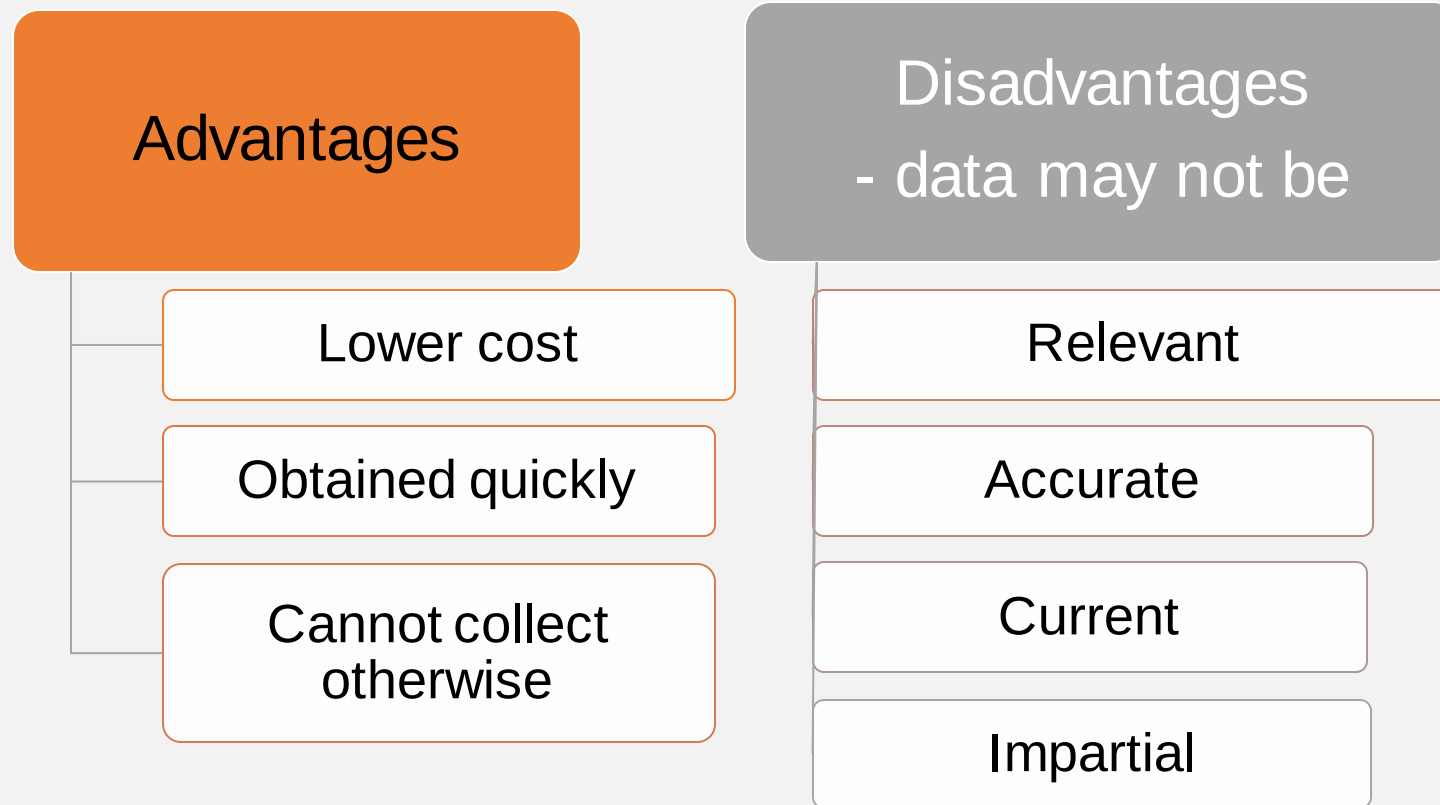
Developing the Research Plan

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.

Marketing Research

Gathering Secondary Data



Marketing Research

Primary Data Collection

Research Approaches

Contact Methods

Sampling Plan

Research Instruments

Marketing Research

● **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

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.”



Marketing Research

Fly on the Wall

This is a method we use in public and semi-public spaces to observe how people interact with a product or system, as well as with others in the environment. Fly on the wall is “pure” observation, since people generally are not aware they are being observed.

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Marketing Research

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.

Marketing Research

Focus Group—Personal Contact Method

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



● 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

Online Contact Methods

Advantages

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

Marketing Research

Primary Data Collection

Sampling Plan

A **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?



Marketing Research

● **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.

Marketing Research

Primary Data Collection

Research Instruments--Questionnaires

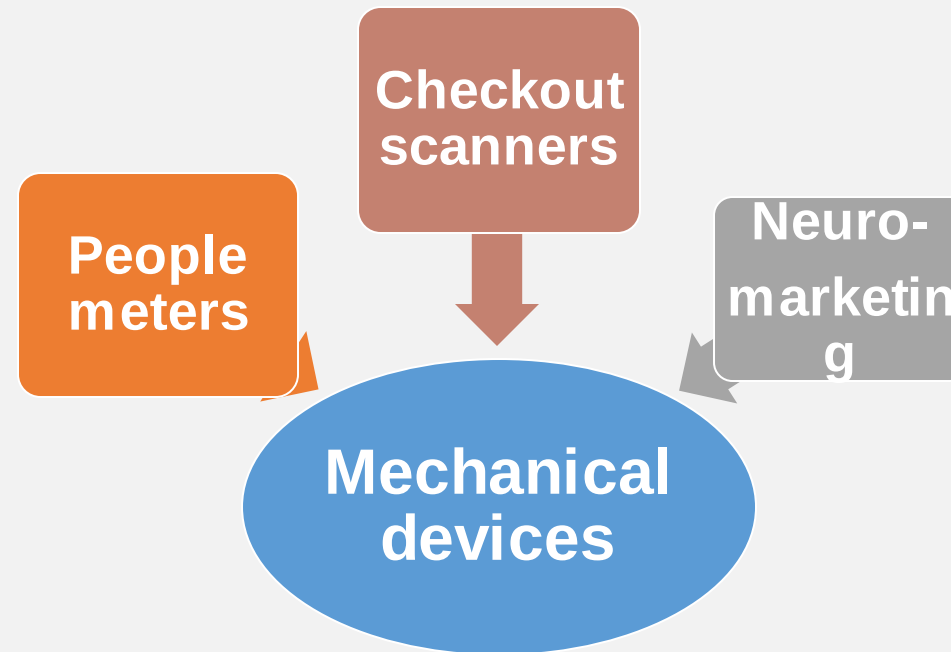
- Most common
- In person, by phone, or online
- Flexible
- Researchers must be careful with wording and ordering of questions
 - Closed-ended
 - Open-ended
- Useful in exploratory research



Marketing Research

Primary Data Collection

Mechanical Research Instruments



Marketing Research

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

Customer Relationship Management (CRM)

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



Analyzing and Using Marketing Information

Customer Relationship Management

CRM Touchpoints



TOUCH POINTS



- Super-fast service
- Personalized customer service



- Soothing, relaxing vibe



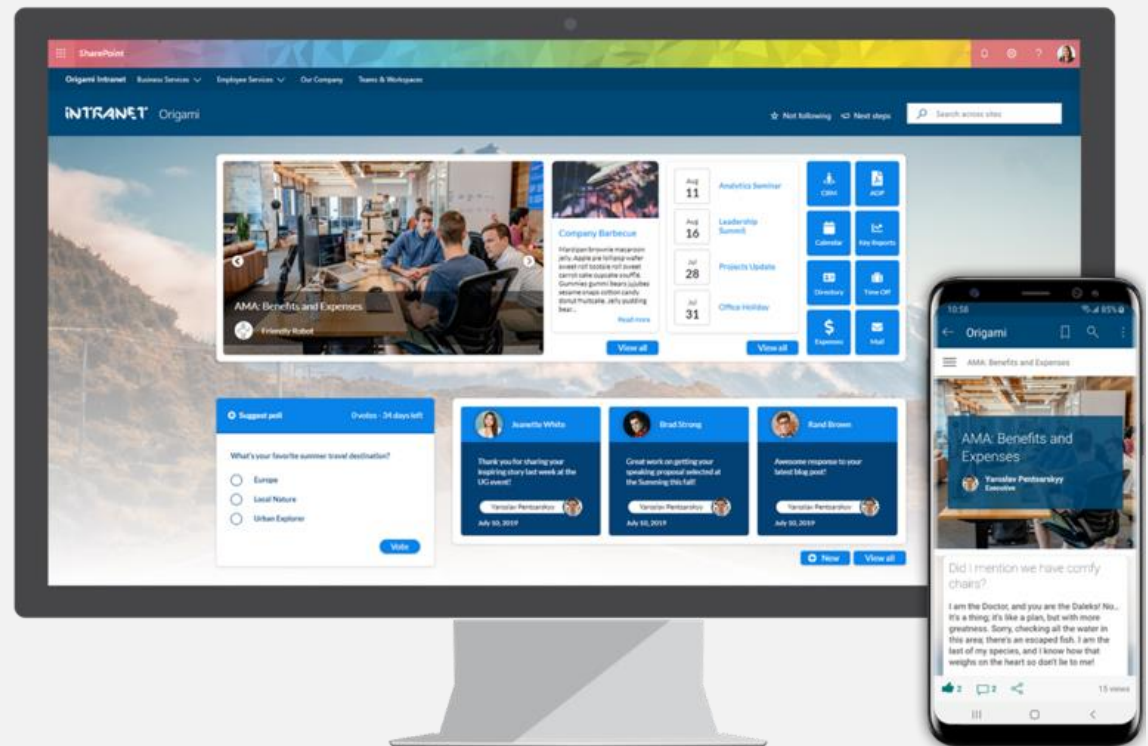
- Unique Packaging

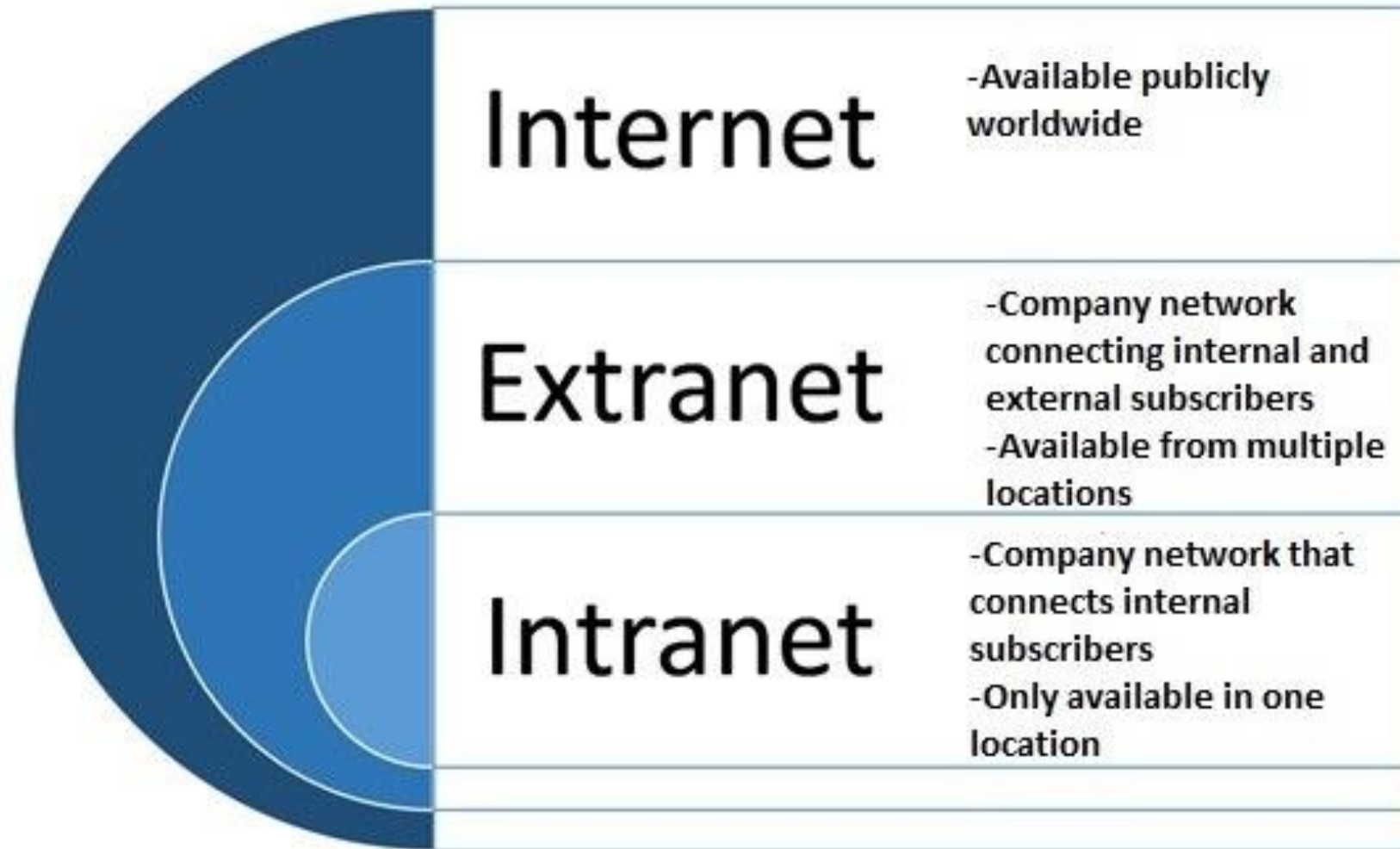
Analyzing and Using Marketing Information

Distributing and Using Marketing Information

Information distribution involves making information available in a timely, user-friendly way.

- Intranet
- Extranet







Learning Objective 5

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

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

Public Policy and Ethics in Marketing Research

● *Intrusions on Consumer Privacy.*

- Many consumers feel positive about marketing research and believe that it serves a useful purpose.
- Some consumers fear that researchers might use sophisticated techniques to probe our deepest feelings, peek over our shoulders as we shop, or track us as we browse and interact on the Internet and then use this knowledge to manipulate our buying.
- The best approach is for researchers to ask only for the information they need, use it responsibly to provide customer value, and avoid sharing information without the customer's permission.



