Welcome

Marketing Research &
Marketing Information System

Marketing Research &
MIS

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Slide 1
WHY WE NEED MARKETING RESEARCH?
INFORMATION IS POWER

No Information – Weakness/Vulnerability
Lack of objectives & Direction
Faulty Plans and Strategies
Poor Defense & Low Entry Barriers
INFORMATION IS POWER

Information merely provides the environment for reducing/eliminating weaknesses BUT does not automatically provide a competitive edge, HENCE,
…”STRATEGIC USE OF INFORMATION IS REAL POWER

• Use the right information
  □ Concise rather than voluminous information
  □ Reliable/verified information rather than information from unknown/questionable sources
  □ Objective information than opinions and hearsay
  □ Relevant rather than impressive information
  □ Actionable rather than interesting information
ROLES OF MARKETING RESEARCH
The Role of Marketing Research in Marketing Decision Making

Uncontrollable Environmental Factors
- Economy
- Technology
- Competition
- Laws and Regulation
- Social and Cultural Factors
- Political Factors

Customer Groups
- Consumers
- Employees
- Channel Members
- Suppliers

Controllable Marketing Variables
- Product
- Pricing
- Promotion
- Distribution

Marketing Research

Assessing Information Needs

Marketing Decision Making

Marketing Managers
- Market Segmentation
- Target Market Selection
- Marketing Programs
- Performance and Control

Providing Information
ROLES OF MARKETING RESEARCH

“The role of a marketing research must include consulting skills, technical proficiency, and sound management. The focus of the role is to provide information to identify marketing problem and solutions in such a way that action can be taken.”

Ron Tatham, Chairman, Burke, Inc.
The Role of Marketing Research

Marketing Research

A Formal Communication Link with the Environment

Provide Accurate and Useful Information

a) Specifying
b) Collecting
c) Analyzing
d) Interpreting

For

a) Planning
b) Problem-solving
c) Control

Better Decision Making
Kinds of Questions Marketing Research Can Help Answer

I Planning

A. What kinds of people buy our product?
   Where do they live?
   How much do they earn?
   How many of them are there?

B. Is the market for our product increasing or decreasing?
   Are there promising markets that we have not yet reached?

C. Are there markets for our product in other countries?
Kinds of Questions Marketing Research Can Help Answer

II Problem Solving

A. Product
• Which, of various product designs, is likely to be the successful?

B. Price

C. Channels of Distribution
• What kind of packaging should we use our product?
Kinds of Questions Marketing Research Can Help Answer

II Problem Solving
A. Product
B. Price
C. Channels of Distribution
D. Communication

• What price should we charge for our new product?
• As product costs decline, should we lower our prices or try to develop a higher quality product?
Kinds of Questions Marketing Research Can Help Answer

II Problem Solving
A. Product
B. Price
C. Channels of Distribution
D. Communication

- Where, and by whom should our product be sold?
- What kinds of incentives should we offer to induce dealers to push our product?
Kinds of Questions Marketing Research Can Help Answer

II Problem Solving
A. Product
B. Price
C. Channels of Distribution
D. Communication

• How effective is our advertising? Are the right people seeing it? How does it compare with the competition’s advertising?
• What kinds of sales promotional devices—coupons, contests, rebates, and so forth—should we employ?
• What combination of media—newspaper, radio, television, magazines—should we use?
Kinds of Questions Marketing Research Can Help Answer

III Control

A. What is our overall market share? In each geographic area? By each customer type?

B. Are customers satisfied with our product? How is our record for service? Are there many returns?

C. How does the public perceive our company? What is our reputation with dealers?
A Classification of Marketing Research

Marketing Research

Problem Identification Research
- Market Potential Research
- Market Share Research
- Image Research
- Market Characteristics Research
- Forecasting Research
- Business Trends Research

Problem Solving Research
- Segmentation Research
- Product Research
- Pricing Research
- Promotion Research
- Distribution Research
PROBLEM IDENTIFICATION VS PROBLEM SOLVING RESEARCH

• Problem identification
  - Research that is undertaken to help identify problems that are not necessarily apparent on the surface and yet exist or are likely to arise in the future.

• Problem solving research
  - Research undertaken to help solve specific marketing problems.
Marketing Research Industry: Supplier and Services

- Research Suppliers
  - Internal
  - Full Service
    - Syndicated Services
    - Customized Services
  - External
    - Limited Service
    - Internet Services
    - Field Services
    - Other Services
Marketing Research Suppliers & Services

- Internal suppliers
- External suppliers
  - Full-service suppliers
    - Syndicated services
    - Standardized services
    - Customized services
    - Internet services
  - Limited-service suppliers
    - Field services
    - Coding and data entry services
    - Analytical services
    - Data analysis services
    - Branded marketing research products
Selected Marketing Research Career Descriptions

**Vice President of Marketing Research**
- Part of company’s top management team
- Directs company’s entire market research operation
- Sets the goals & objectives of the marketing research department

**Research Director**
- Also part of senior management
- Heads the development and execution of all research projects

**Assistant Director of Research**
- Administrative assistant to director
- Supervises research staff members

**Senior Project Manager**
- Responsible for design, implementation, & research projects
Selected Marketing Research Career Descriptions

**Senior Analyst**
- Participates in the development of projects
- Carries out execution of assigned projects
- Coordinates the efforts of analyst, junior analyst, & other personnel in the development of research design and data collection
- Prepares final report

**Analyst**
- Handles details in execution of project
- Designs & pretests questionnaires
- Conducts preliminary analysis of data

**Junior Analyst**
- Secondary data analysis
- Edits and codes questionnaires
- Conducts preliminary analysis of data

**Statistician/Data Processing**
- Serves as expert on theory and application on statistical techniques
- Oversees experimental design, data processing, and analysis

**Fieldwork Director**
- Handles selection, training, supervision, and evaluation of interviewers and field workers
Criteria for Selecting a Research Supplier

- What is the reputation of the supplier?
- Do they complete projects on schedule?
- Are they known for maintaining ethical standards?
- Are they flexible?
- Are their research projects of high quality?
- What kind and how much experience does the supplier have? Has the firm had experience with projects similar to this one?
- Do the supplier's personnel have both technical and non-technical expertise?
- Can they communicate well with the client?
  - Competitive bids should be obtained and compared on the basis of quality as well as price.
THE MARKETING INFORMATION SYSTEM

• 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:
  - Assess information needs
  - Develop needed information
  - Distribute information
The Marketing Information System (Fig. 5-1)
Functions of an MIS: Assessing Information Needs

Information Managers Would Like to Have

What They Really Need & What is Feasible to Offer

Benefit

Cost
Marketing Information System

• Internal records system
  - Marketing managers rely on internal reports on orders, sales, prices, cost, inventory levels, receivables, payables, and so on. By analyzing this information, they can spot important opportunities and problems.
Marketing Information System

• Marketing intelligence system
  - is a set of procedures and sources used by managers to obtain everyday information about development in the marketing environment.
  - Marketing managers collect marketing intelligence by reading books, newspapers, and trade publications; talking to customers, suppliers, and distributors; and meeting with other company managers.
Marketing Information System

• Marketing decision support system
  - Is defined as collected data that may be assessed and analyzed using tools and techniques that assists manager in decision making.
  - Once companies collect large amount of information, they store this information in huge databases that, when assessed with decision-making tools and techniques (such as break-even analysis, regressions models, and linear programming), allow companies to ask “what-if” questions. Answers to these questions are then immediately available for decision making.
Marketing Information System

• Marketing Research system
  - Marketing managers often commission marketing studies of specific problems and opportunities. They may request a market survey, a product-preference test, a sales forecast by region, or an advertising evaluation. It is the job of the marketing researcher to produce customer insight into the problem.
  - We define marketing research as the systematic design, collection, analysis, and reporting of data and findings relevant to a specific marketing situation facing the company.
The Development of MIS and DSS

Internal Billing, Production, and Other Records + External Market Information = Marketing Information Systems

Marketing Information Systems → Decision Support Systems

Decision Support Systems → Expert Systems
Marketing Information Systems (MIS) vs. Decision Support Systems (DSS)

**MIS**
- Structured problems
- Use of reports
- Information displaying restricted
- Can improve decision making by clarifying new data

**DSS**
- Unstructured problems
- Use of models
- Adaptability
- Can improve decision making by using “what if” analysis
Stakeholders in Marketing Research:
An Ethical Perspective

Client

Marketing Researcher

Respondents

Public