Chapter Four

Exploratory Research Design: Secondary Data
### Focus of this Chapter
- Secondary Data

### Relationship to Previous Chapters
- The Internet as a Source of Marketing Research Information (Chapter 1)
- Tasks Involved in Problem Definition and Developing an Approach (Chapter 2)
- Exploratory Research Design (Chapter 3)
- Descriptive Research Design (Chapter 3)

### Relationship to Marketing Research Process
- Problem Definition
- Approach to Problem
- Research Design
- Field Work
- Data Preparation and Analysis
- Report Preparation and Presentation

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Figure 4.2 Secondary Data: An Overview
Opening Vignette

Primary versus Secondary Data (Tab 4.1)

Advantages and Uses of Secondary Data

Disadvantages of Secondary Data

Criteria for Evaluating Secondary Data (Tab 4.2)

Application to Contemporary Issues

International | Social Media | Ethics

What Would You Do?

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Opening Vignette

Classification of Secondary Data *(Fig 4.3)*

Internal Secondary Data

- Customer Databases
- Data Warehousing and Mining
- CRM and Database Marketing

External Secondary Data *(Fig 4.4-4.5)*

- Business/Nongovernment Sources
- Government Sources

Combining Internal and External Secondary Data

Application to Contemporary Issues *(Fig 4.6)*

- International *(Fig 4.7)*
- Social Media
- Ethics
Primary vs. Secondary Data

- **Primary data** are originated by a researcher for the specific purpose of addressing the problem at hand. The collection of primary data involves all six steps of the marketing research process (Chapter 1).

- **Secondary data** are data which have already been collected for purposes other than the problem at hand. These data can be located quickly and inexpensively.
Table 4.1A Comparison of Primary and Secondary Data

<table>
<thead>
<tr>
<th></th>
<th>Primary Data</th>
<th>Secondary Data</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Collection purpose</strong></td>
<td>For the problem at hand</td>
<td>For other problems</td>
</tr>
<tr>
<td><strong>Collection process</strong></td>
<td>Very involved</td>
<td>Rapid and easy</td>
</tr>
<tr>
<td><strong>Collection cost</strong></td>
<td>High</td>
<td>Relatively low</td>
</tr>
<tr>
<td><strong>Collection time</strong></td>
<td>Long</td>
<td>Short</td>
</tr>
</tbody>
</table>
Uses of Secondary Data

- Identify the problem
- Better define the problem
- Develop an approach to the problem
- Formulate an appropriate research design
  (for example, by identifying the key variables)
- Answer certain research questions and test some hypotheses
- Interpret primary data more insightfully
Criteria for Evaluating Secondary Data

- **Specifications**: Methodology Used to Collect the Data
- **Error**: Accuracy of the Data
- **Currency**: When the Data Were Collected
- **Objective(s)**: The Purpose for Which the Data Were Collected
- **Nature**: The Content of the Data
- **Dependability**: Overall, How Dependable Are the Data
<table>
<thead>
<tr>
<th>Criteria</th>
<th>Issues</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Specifications/Methodology</strong></td>
<td>Data collection method</td>
<td>Data should be reliable, valid, and generalizable to the problem at hand.</td>
</tr>
<tr>
<td></td>
<td>Response rate</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Quality of data</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sampling technique</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sample size</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Questionnaire design</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Field work</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Data analysis</td>
<td></td>
</tr>
<tr>
<td><strong>Error</strong></td>
<td>Examine errors in:</td>
<td>Assess accuracy by comparing data from different sources.</td>
</tr>
<tr>
<td></td>
<td>Approach, Research design</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sampling, Data collection</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Data analysis, Reporting</td>
<td></td>
</tr>
<tr>
<td><strong>Currency</strong></td>
<td>Time lag between collection and publication</td>
<td>Census data are periodically updated by syndicated firms.</td>
</tr>
<tr>
<td></td>
<td>Frequency of updates</td>
<td></td>
</tr>
</tbody>
</table>
### Table 4.2 Criteria for Evaluating Secondary Data (Cont.)

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Issues</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objective</strong></td>
<td>Why were the data collected?</td>
<td>The objective will determine the relevance of data.</td>
</tr>
<tr>
<td><strong>Nature</strong></td>
<td>Definition of key variables, Units of measurement, Categories used, Relationships examined</td>
<td>Reconfigure the data to increase their usefulness, if possible.</td>
</tr>
<tr>
<td><strong>Dependability</strong></td>
<td>Expertise, credibility, reputation, and trustworthiness of the Source.</td>
<td>Data should be obtained from an original rather than an acquired source.</td>
</tr>
</tbody>
</table>
Figure 4.3 A Classification of Secondary Data

Secondary Data

Internal
- Customer Databases
- Data Warehousing & Data Mining
- CRM & Database Marketing

External
- Social Media
- Syndicated Services
- Government
- Business/ Nongovernment
Internal Secondary Data

**Department Store Project**
Sales were analyzed to obtain:
- Sales by product line
- Sales by major department (e.g., men's wear, house wares)
- Sales by specific stores
- Sales by geographical region
- Sales by cash versus credit purchases
- Sales in specific time periods
- Sales by size of purchase
- Sales trends in many of these classifications were also examined
Type of Individual/Household Level Data Available from Syndicated Firms

I. Demographic Data
II. Psychographic Lifestyle Data
I. Demographic Data

- Identification (name, address, telephone)
- Sex
- Marital status
- Names of family members
- Age (including ages of family members)
- Income
- Occupation
- Number of children present
- Home ownership
- Length of residence
- Number and make of cars owned
II. Psychographic Lifestyle Data

- Interest in golf
- Interest in snow skiing
- Interest in book reading
- Interest in running
- Interest in bicycling
- Interest in pets
- Interest in fishing
- Interest in electronics
- Interest in cable television

There are also firms such as D & B and American Business Information which collect demographic data on businesses.
Figure 4.4  A Classification of Business/Nongovernment Sources

- Guides
- Directories
- Indices
- Statistical Data
Published External Secondary Data

Guides

- An excellent source of standard or recurring information
- Helpful in identifying other important sources of directories, trade associations, and trade publications
- One of the first sources a researcher should consult
- Examples: Encyclopedia of Business Information Sources (www.gale.cengage.com), @BRINT (www.brint.com)
Directories

- Helpful for identifying individuals or organizations that collect specific data

Indices

- Helpful in locating information on a particular topic in several different publications
- Examples: Business Index, Business Periodical Index
Classification of Computerized Databases

- **Bibliographic databases** are composed of citations to articles.
- **Numeric databases** contain numerical and statistical information.
- **Full-text databases** contain the complete text of the source documents comprising the database.
- **Directory databases** provide information on individuals, organizations, and services.
- **Special-purpose databases** provide specialized information.
Figure 4.6 A Concept Map for Secondary Data

Step 1: Problem Definition

Step 2: Approach to the Problem

Step 3: Research Design

Secondary Data

Primary Data

Internal

External

Customer Databases

Data Warehousing and Data Mining

CRM and Database Marketing

Social Media

Business/Non-government

Government

Syndicated Services
Figure 4.7 Sources of Secondary Data for International Marketing Research

- International Secondary Data
  - Domestic Organizations in the United States
  - International Organizations in the United States
  - Organizations in Foreign Countries
    - Governments
    - Trade Associations
    - International Organizations

- Government Sources
- Non-government Sources
International Marketing Research

U.S. Govt Sources for International Secondary Data:

- Department of Commerce
  (http://www.commerce.gov)
- Agency for International Development
  (http://www.usaid.gov)
- Small Business Administration
  (http://www.sba.gov)
- Export–Import Bank of the United States
  (http://www.exim.gov)
International Marketing Research (Cont.)

U.S. Govt Sources for International Secondary Data: (Cont.)

- Department of Agriculture  
  (http://www.usda.gov)
- Department of State  
  (http://www.state.gov)
- Department of Labor  
  (http://www.dol.gov)
- Port Authority of New York and New Jersey  
  (http://www.panynj.gov)
International Marketing Research (Cont.)

Non-Govt Sources for International Secondary Data:

- United Nations
  (http://www.un.org)
- Organization for Economic Cooperation and Development
  (http://www.oecd.org)
- International Monetary Fund
  (http://www.imf.org)
- World Bank
  (http://www.worldbank.org)
International Marketing Research (Cont.)

Non-Govt Sources for International Secondary Data: (Cont.)

- International Chambers of Commerce
  (http://www.iccwbo.org)
- Commission of the European Union to the United States
  (http://www.eurunion.org)
- Japanese External Trade Organization
  (http://www.jetro.org)
International Marketing Research (Cont.)

Foreign Sources for International Secondary Data:

- **Australia** (http://www.nla.gov.au)
- **France** (http://www.insee.fr)
- **Japan** (www.e-stat.go.jp)
- **Norway** (http://www.ssb.no)
- **South Africa** (http://www.statsa.gov.za)
- **U.K.** (http://www.statistics.gov.uk)
International Marketing Research (Cont.)

- The problems with data compatibility are even more pronounced when dealing with secondary data from international sources.
- Differences in units of measurement for such common economic statistics as personal disposable income make comparisons between two countries difficult.
- The accuracy of secondary data might also vary with the level of industrialization in a country.
- The taxation structure and the extent of tax evasion affect reported business and income statistics.
- The measurement frequency of population census data varies considerably.
Social media can be a rich source of both internal as well as external secondary data (Figure 4.3).

A company’s blog, Facebook page or Twitter account can generate rich internal secondary data.

External social media tools and sites provide a valuable database that researchers can sieve through in a bid to analyze relevant consumer information.
Marketing Research & Social Media (Cont.)

- The archival information and posts from social media such as blogs or Facebook “fan” pages give an informative account of consumer perception and preference with regard to the problem at hand.
- Social media are relevant to marketing research in that audience all over the world can be reached, in a real-time, controlled, multi-media setting.
Ethics in Marketing Research

- The research firm has the ethical responsibility to use only secondary data that are relevant and appropriate to the problem.
- In addition to evaluating their quality and completeness, researchers should also evaluate secondary data in terms of moral appropriateness.
- Data collection might be unethical if the data are generated without the respondents’ knowledge or consent and if their use raises ethical questions.
When generating secondary data, researchers and syndicate firms should not engage in any questionable or unethical practices, such as abuse of respondents’ privacy.

After a detailed analysis of secondary data has been conducted, the researcher should reexamine the collection of primary data stipulated in the proposal to see if it is still appropriate.
Acronym: Second

The criteria used for evaluating secondary data can be described by the acronym SECOND:

S pecifications: methodology used to collect the data
E rror: accuracy of the data
C urrency: when the data were collected
O bjective: purpose for which data were collected
N ature: content of the data
D ependability: overall, how dependable are the data