

Principles of Marketing

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Session 5

Marketing Information System and Marketing Research

Text: Chapter 4



Outline

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- I. The Importance of information**
- II. The Marketing Information System**
- III. The Marketing Research Process**
- IV. Research Plan Designing and Execution**



I. The Importance of Information



I. The Importance of Information

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Why Is Information Needed?

- **Customer Needs**
- **Marketing Environment**
- **Competition**
- **Strategic Planning**



II. The Marketing Information System



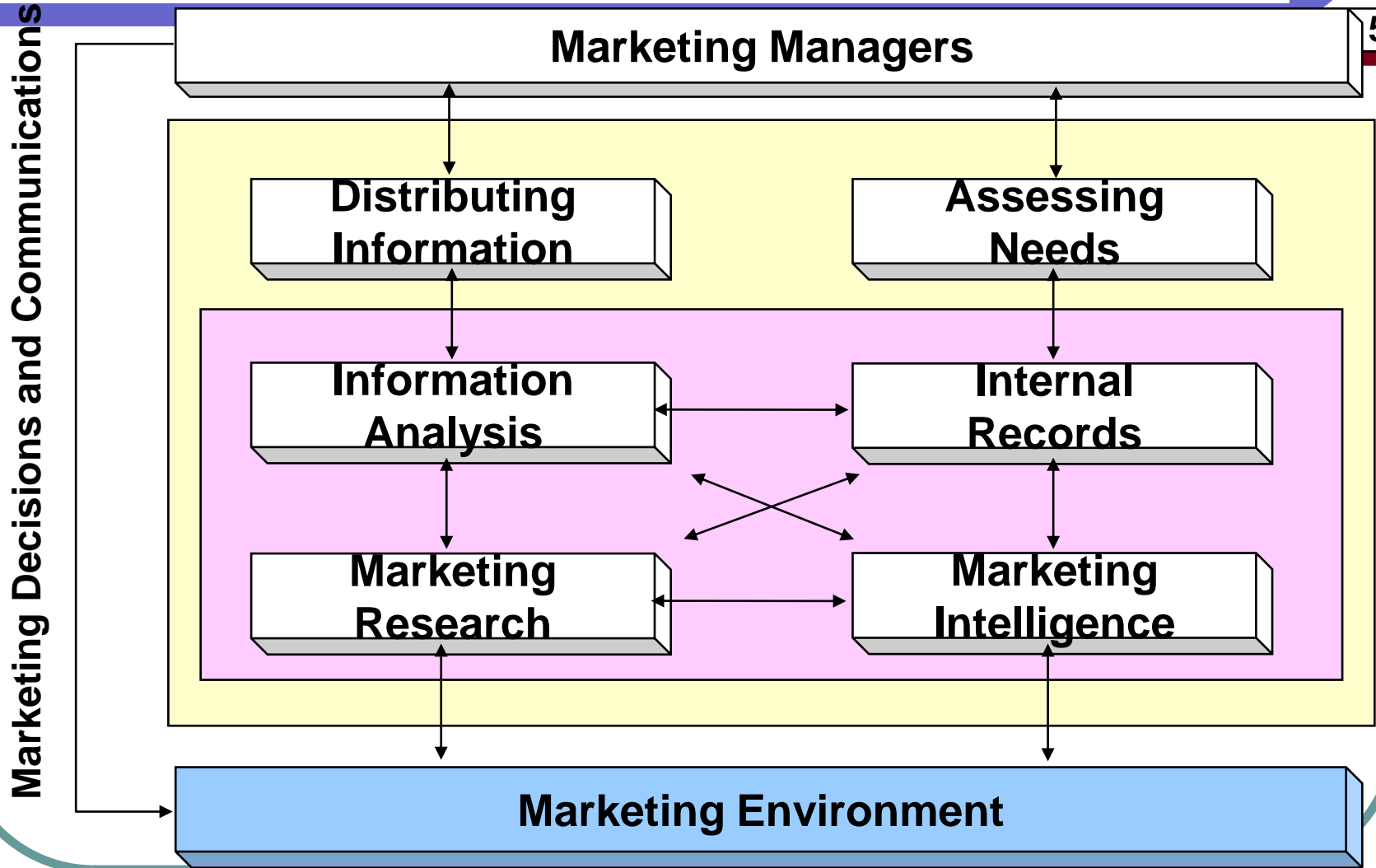
What is a Marketing Information System (MIS)?

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- A 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:**
 1. **Assess Information Needs,**
 2. **Develop Needed Information,**
 3. **Distribute Information.**



II. The Marketing Information System



MIS

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- ***Internal records system:*** info. available in everyday record of every department.
- ***Marketing intelligence system:*** info. about the competition obtained from the internal or external sources
- ***Marketing research system:*** seeking info. about the market, the customer through a formal study in order to find a solution to a specific problem.
- ***Information analysis system:*** to make the info. obtained more usable to managers through some statistic analysis



III. The Marketing Research Process



III. The Marketing Research Process

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IV. Research Plan Designing and Execution



IV. Research Plan Designing and Execution

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- **Research Approaches for Certain Objectives**
- **Research Proposal**
- **Secondary vs. Primary Information**
- **Collecting Information**
- **Measurement in Marketing Research**
- **Sampling Methods**
- **Questionnaire Development**



Research Approaches for Certain Objectives

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Exploratory Research

Observation
focus group



Gathers preliminary information that will help define the problem and suggest hypotheses.

Descriptive Research

survey



Describes things as market potential for a product or the demographics and consumers' attitudes.

Causal Research

experiment



Test hypotheses about cause-and-effect relationships.

Research Proposal

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1. Title
2. Statement of the problem
hypothesis to be tested (if there is any)
3. Objectives of the study
4. Contributions of the study
5. Data collection
 - 5.1. Targeted sample;
 - 5.2. Sample size
 - 5.3. Sampling method
 - 5.4. Data collection method
 - 5.5. Research instrument (questionnaire attached)
6. Data analysis (statistical technique to be used)
7. Limitation of the study



Information Sources

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Secondary

Information That
Already Exists
Somewhere.

+ Obtained More
Quickly, Lower Cost.

- Might Not be
Usable Data.

Both
Must Be:

Relevant

Accurate

Current

Impartial

Primary

Information
Collected for the
Specific Purpose
at Hand.

Secondary Information

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Key Considerations for Using Secondary Information

- **Accurate**
- **Current**
- **Impartial**
- **Relevant**



Primary Information

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Key Decision Areas for Developing Primary Information

- **Research Instruments**
- **Research Approach**
- **Contact Methods**
- **Sampling Plan**



Data Collection Methods

- **Personal Interviewing**
- **Mail Questionnaire**
- **Telephone Interviewing**

Qualitative VS. Quantitative Research

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➤ **Qualitative research:** collecting, analyzing, and interpreting data observing what people do and say, can be quantified after a translation process. Data from qualitative research can give a researcher some insight ideas of a person's opinions.

➤ **Techniques:** observation, focus group interview and others.

➤ **Quantitative research** (survey research) use structured questions and a large number of respondents.

➤ **Often a combination of qualitative and quantitative research methods.** It is common to begin with an exploratory research and then the quantitative research. The qualitative is used to help the research understand the findings.



Figure 5-2: Focus group research

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Data Collection Methods

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Contact Methods

	Mail	Telephone	Personal	Online
Flexibility	Poor	Good	Excellent	Good
Quantity of Data Collected	Good	Fair	Excellent	Good
Control of Interviewer	Excellent	Fair	Poor	Fair
Control of Sample	Fair	Excellent	Fair	Poor
Speed of Data Collection	Poor	Excellent	Good	Excellent
Response Rate	Fair	Good	Good	Good
Cost	Good	Fair	Poor	Excellent



Four levels of measurement

- **nominal scales**: football team shirt number
- **ordinal scales**: rank of students' examination results
- **interval scales**: order and distance
- **ration scales**: order, distance and unique origin, e.g. height

Scales-1: Semantic Differential Scale

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Respondents show the position of their attitude on a seven point itemized scale, thus revealing both the strength and direction of the attitude. Pairs of polarized adjectives are used.

Example:

Indicate your impression of *Carrefour* by checking the line corresponding to your opinion for each descriptor.

Fast service	--- --- --- --- --- --- --- ---	Slow service
Dirty place	--- --- --- --- --- --- --- ---	Clean place
Friendly service	--- --- --- --- --- --- --- ---	Unfriendly service
Many goods	--- --- --- --- --- --- --- ---	Few goods
Convenient parking	--- --- --- --- --- --- --- ---	Inconvenient parking

Scales-2: Likert Scale

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Respondents indicate their degree of agreement or disagreement with a number of statements concerning the attitude being measured, the scale captures the intensity of feeling. The scales are equal interval psychologically. The life-style inventory often uses the Likert Scale to measure people's activities, interest, and opinions toward their work, leisure time and purchases.

e.g. I prefer buying foreign brands.

-2	-1	0	+1	+2
strongly disagree	somewhat disagree	neutral	somewhat agree	strongly agree



Sampling Methods

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Probability sampling:

- simple random sampling
- stratified random sampling

Non-probability sampling:

- convenience sampling
- Judgment sampling
- Quota sampling



Size of Sample

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The size of a sample depends upon the required degree of accuracy that the research objectives demand. This will depend upon:

- The degree of variability in the population
- The presence of population sub-groups.

Sample size estimation depends upon:

- Judgment
- What can be afforded
- required size per cell, 30 units is minimum.
- Statistical methods

Questionnaire:

an ordered set of questions which may be employed in a variety of research situations.

The format of the questions may be

- ◆ **dichotomous (yes/no)**
- ◆ **multiple-choice**
- ◆ **open-ended**

Decision on the questions(Webb,1992):

- Is the question necessary?
- Will the respondent comprehend the question?
- Is the question sufficient to elicit the required data?
- Does the respondent have the necessary data to answer the question?
- Is the respondent willing/able to answer the question?

Questionnaire Development Process

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1. Determine survey objectives
2. Decide data collection method
3. Question development
4. Question evaluation
5. Gain approval from client
6. Pretest
7. Revise as needed
8. Finalize questions
9. Precode the questionnaire



Blind Taste Test

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	sample preferred		brand preferred		sample preferred is	
	A	B	Coca-Cola	Pepsi	Coca-Cola	Pepsi
1	#		#		#	
2		#		#	#	
3	#		#		#	
4	#		#		#	
5		#	#		#	
6		#	#		#	
7		#		#		#
8		#		#	#	
9		#		#		#
10	#		#		#	



Questions

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1. If we wish to find out whether the electric bicycle has a potential demand in Beijing, Shanghai and Guangzhou, what secondary and primary data do we need? And how to get it?
2. If you are commissioned by 上汽 Group to survey awareness of and preference to its “荣威” brand in China, how would you define the (sample) population? In what way would you draw the sample?

