

- organizations
- society
- nature
- universe.

Chapter 5 managing marketing information to gain customer insights

Customer Insights

- understanding of customers and the marketplace
- Basis for creating customer value and relationships

- * Develop competitive advantage → something that a competitive brand doesn't have
- * Insights stem from novelty sources
ex: red bull → gives energy
pepsi + coke → don't

Marketing Information System (MIS) = consists of people and procedures which

- access information needs
- develop needed information
- Analyze and use information

Marketing managers and other information users: obtaining customer and market insights from marketing information

↳ Assessing information

↓
Developing needed info: internal databases → marketing intelligence
↓ → marketing research

↳ Analyzing and using info

Marketing environment

- ↳ Target markets
- ↳ Marketing channels
- ↳ Competitors
- ↳ etc.

Assessing marketing information needs

- A good MIS balances information wants, needs, and feasibility.

→ An MIS has limitations → determine possibility

→ An MIS is costly → must consider ROI (Return on Investment)

Internal databases

- Information from sources within the company
- Accessed more efficiently
- Prone to gaps in knowledge

Marketing intelligence

- Environmental analysis
- Publically available information
- Ethical issues raised

Marketing research

- Used when new problem arises
- Systematic collection, analysis, and reporting of data

Marketing research process:

- Defining the problem and research objectives
 - Developing the research plan for collection information
 - Implementing the research plan - collecting and analyzing the data
 - Interpreting and reporting the findings
- Various objectives
- Exploratory: gathers information to help define the problem
 - Descriptive: Describe marketing situations or markets
 - Causal: test hypothesis of cause-and-effect relationships

- Online marketing research
 - > Well suited to quantitative research
 - > Qualitative internet approach: online focus group
- Online behavioural and social tracking and targeting

Sampling plan

- Sample: segment of the population representing the whole
- Requirements: Who to survey
How many to survey
Who to choose

Type of sampling

Probability Sample

- > Simple random sample: everyone has an equal chance of selection.
- > Stratified random sample: the population is divided into mutually exclusive groups (age groups), and random samples are drawn from each group
- > Cluster (area) sample: The population is divided into mutually exclusive groups and researcher draw a sample of the groups to interview.

Nonprobability Sample

- > Convenience samples: The researcher selects the easiest population members from whom to obtain info.
- > Judgment sampling: The researcher uses his or her judgment to select population members who are good prospects for accurate information.
- > Quota sample.

Research instruments

• Questionnaire:

- Questions to ask
- Style of questions: open-ended and/or closed-ended
- Wording and ordering of questions

• Mechanical instruments.

- Monitor consumer behaviour
- Includes people monitors, check out scanners

Implementation

Collect → Process → Analyze

→ Interpreting the findings.

- Draw conclusions
- Report to management: represent findings and conclusions that will be most helpful in decision making.

Chapter 6

Consumer Market

Consumer Behaviour: individuals and households buying goods and services

Goal: create marketing programs which trigger desired behaviour

Characteristics affecting consumer behaviour:

- Cultural - culture, subculture, social class
- Social - family, roles and status, reference groups
- Personal - occupation
- Psychological

Buyer

Cultural factors

- Basic trigger of wants and behaviour
- deeply entrenched but when changed

Subculture

- groups of people with shared value systems based on common life experiences
- Regional subculture / language, nations / ethnic subcultures
- Mature consumers.

Social factors

- Membership, reference, and aspirational groups: vary in how they influence
- word-of-mouth influences / opinion leaders
- Household "power-brokers" influence buying behaviour (parents, etc)
- Role = expected activities
- Status = esteem given to role by society.

Personal Factors

- Needs for different products change
- Job affects the products bought
- personal finances affects buying choice
- People buy the lifestyle products represent
- self-concept theory suggests possessions contribute to buying theories

Personality

- The unique psychological characteristics that distinguish
- Generally defined in terms of traits
- Self-concept theory suggest that people's possessions contribute to and reflect their identities

Major influences on business buyer behavior

- Environmental

- economic developments
- supply conditions
- Technological Change
- Political and regulatory developments
- competitive developments
- culture and customs

- Organizational

- objectives
- policies
- procedures
- organizational structure
- systems

- Interpersonal

- Authority
- Status
- empathy
- persuasiveness

- Individual

- Age
- Income
- education
- job position
- personality
- risk attitudes

- Buyers

E-procurement and online purchasing

• online purchasing (e-procurement) can be implemented in many ways:

-> Reverse auctions

-> trading exchanges

• Companies work collectively to facilitate the trading process

Behavioral Segmentation

- Occasion based purchaser
 - help firms build up product usage ex: halloween
- Benefits Sought
 - Different segments desire different benefits from products.
- User Status
 - Non-users, ex-users, potential users, first-time users, regular users
- Usage rate
 - light, medium, heavy
- Loyalty status
 - Divide into groups by degree of loyalty

Multiple Segmentation

- It identifies better-defined target groups.

Segmenting business markets

- Businesses use additional bases of segmentation:
 - operating characteristics
 - Purchasing approaches
 - Situational factors
 - Personal characteristics

Segmenting international markets

- Geographic location
- Economic factors
- Political and legal factors
- Cultural factors
- Intermarket Segmentation: segmenting consumers who have similar needs and buying behaviour even though they are located in different countries.

Requirements for effective segmentation

- To be effective, market segments must be:

- Capital items: installation and accessory equipment:
ex: factories, generators, lift trucks, computers

- Supplies and services: operating supplies, repair and maintenance items, advisory services ex: news, law, insurance

New product development Strategy

- > Development of original products, improvements, modifications, new brands, or acquisition.

- > New product innovation is expensive and risky.

- > Most NPDs fail or underperform

- > Diffusion of innovations theory

- New idea must be communicated differently to each group

Idea Generation

- Internal sources -> company employees at all levels (ide market)

- Crowdsourcing

- External sources:

- > customers

- > competitors

- > distributors and suppliers

- > Others (trade magazines and shows, advertising marketing research firms, laboratories and inventors).

2. Idea Screening

- Keep good ideas and drop poor ones

- Describe product, target market, and competition

- Estimate market size, price, development time and costs, manufacturing costs, rate of return.

Services

Intangibility

Service cannot be seen, tasted, felt, etc before purchase

Variability: quality of services depends on who provides them and when, where, how

Inseparability: services cannot be separated from their providers

Perishability: services cannot be stored for later sale or use.

Service-profit chain: the chain that links service firm profits with employee and customer satisfaction

Internal marketing: orienting and motivating

3 major marketing tasks to manage:

→ service differentiation

→ service quality:

→ service productivity

