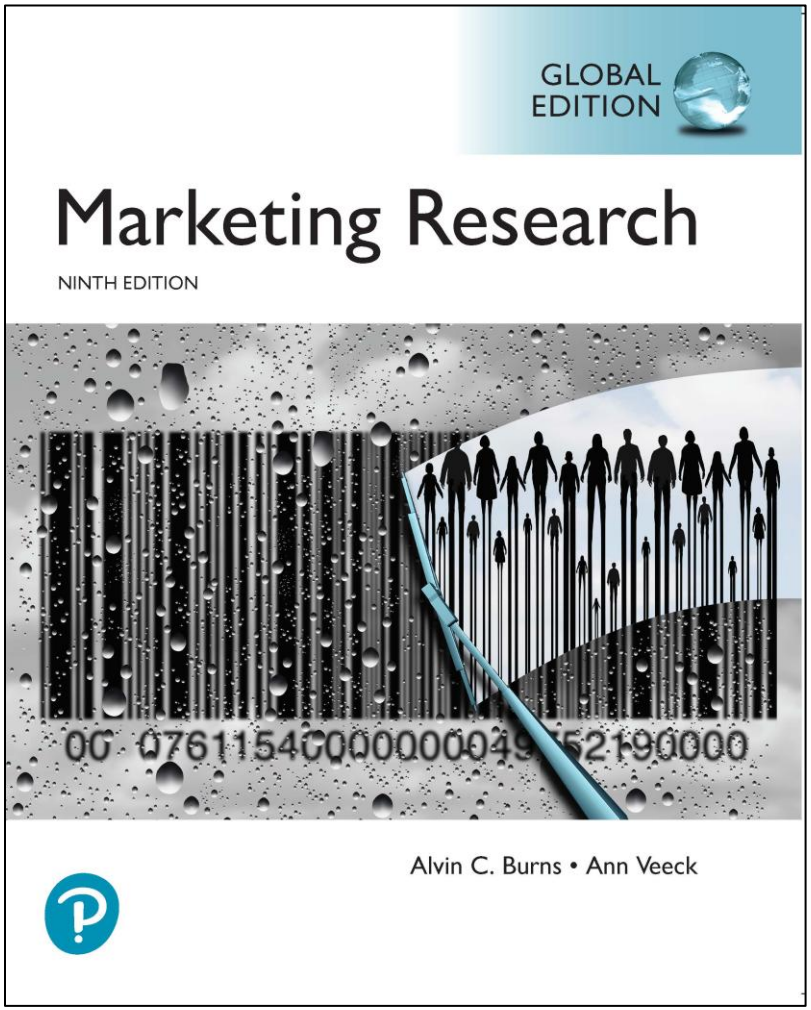
# Marketing Research

Ninth Edition, Global Edition




## Chapter 4

Secondary Data and Packaged Information

# Learning Objectives (1 of 2)

**In this chapter you will learn**

1 The opportunities and challenges of big data

2 The differences between primary and secondary data

3 The different classifications of secondary data, including internal and external databases

4 The advantages and disadvantages of secondary data

5 How to evaluate secondary data

6 What packaged information is and the differences between syndicated data and packaged services

# What is “Big Data”?

- **Big data** can be defined simply as large amounts of data from multiple sources.
- The term has been popularized in recent years in response to the numerous types and huge amounts of data to which companies now have access in real time.

# Marketing Analytics

- **Marketing analytics** is the management and analysis of data to improve marketing decisions.

# Primary Versus Secondary Data

- **Primary data**: information that is developed or gathered by the researcher specifically for the research project at hand.
- **Secondary data**: information that has previously been gathered by someone other than the researcher and/or for some other purpose than the research project at hand.

# Uses of Secondary Data

- Secondary data has many uses in marketing research and sometimes the entire research project may depend on the use of secondary data.
- Applications include determining lifestyle and purchasing habits, economic-trend forecasting, corporate intelligence, international data and public opinion.

# Classification of Secondary Data

- **Internal secondary data** are data that have been collected within the firm, such as sales records, purchase requisitions, and invoices.
- Internal secondary data is used for database marketing.
- A **database** refers to a collection of data and information describing items of interest.
- **Database marketing** is the process of building, maintaining customer (internal) databases and other (internal) databases for the purpose of contacting, transacting, and building relationships. Example: data mining.

# Internal Databases (1 of 2)

- **Internal databases** consist of information gathered by a company, typically during the normal course of business transactions.
- Companies use their internal databases for purposes of direct marketing and to strengthen relationships with customers, which is referred to as **customer relationship management** (CRM).

# Internal Databases (2 of 2)

- **Data mining** is the name for software that helps managers make sense out of seemingly senseless masses of information contained in databases.
- **Micromarketing** refers to using a differentiated marketing mix for specific customer segments, sometimes fine-tuned for the individual shopper.

# Ways Companies Use Databases

- To identify prospects
- To decide which customers should receive a particular offer
- To deepen customer loyalty
- To reactivate customer purchases
- To avoid serious customer mistakes

# External Secondary Data

- **External databases** are databases supplied by organizations outside the firm:
  - Published sources
  - Official data
  - Data aggregators

# External Secondary Data

- **Published sources**: sources of information that are prepared for public distribution by trade associations, professional organizations, companies, and other entities and can be found in libraries and online.

# Official Statistics

- **Official statistics** are information published by public organizations, including government institutions and international organizations

# External Secondary Data

- **External databases**: databases supplied by organizations outside the firm such as online information databases.

| Type | Examples | Used For |
|---|---|---|
| **Academic/Research** | JSTOR, ScienceDirect, ProQuest, Google Scholar | Scholarly articles, journals |
| **Business/Finance** | Bloomberg, Statista, MarketLine, Mergent Online | Market research, financial data |
| **Government/Public** | Data.gov, UNdata, World Bank Open Data | Statistics, census data, global trends |
| **News/Media Archives** | LexisNexis, Factiva | Historical news, journalism research |
| **Library Databases** | EBSCOhost, Gale, IEEE Xplore | Books, magazines, technical papers |
| **Medical/Scientific** | PubMed, Medline, Cochrane Library | Health and medical research |

# Advantages of Secondary Data

- Are obtained quickly
- Are inexpensive
- Are readily available
- Enhance existing primary data
- May achieve research objective

# Problems Associated with Secondary Data

- Reporting units may be incompatible
- Measurement units do not match
- Differing definitions to classify data
- Timeliness -- may be outdated
- May not be credible

# Evaluating Secondary Data

- What was the purpose of the study?
- Who collected the information?
- What information was collected?
- How was the information attained?
- How consistent is the information with other information?

# Digital Tracking Data

- Point of sale (POS) data are automatically collected when consumers buy products.
- A cookie is a piece of data that is sent from a website to a user's computer by a web browser and is used to store the user's browsing
- A device ID is a unique identifier that can be traced back to a single mobile device, such as a smartphone or a tablet.
- Geolocation data is information that identifies the physical location of an electronic device

# Social Media Data

- **Social media data**, also termed **user-generated content (UGC)**, is any information that is created by users of online systems and intended to be shared with others
- Examples:
  - Reviews
  - Tips
  - New uses
  - Competitors

# Monitoring Social Media

- **Social media monitoring**, or social media listening, involves actively gathering, organizing, and analyzing social media data to gain consumer insights
- **Sentiment** is the ratio of positive to negative comments posted about products and brands on the web

# Advantages of Social Media

- Relatively inexpensive
- Unprompted and unfiltered voice of the consumer
- Good means to trace trends and themes

# Disadvantages of Social Media

- Audience may not be representative
- Consumers not identifiable
- Review websites subject to manipulation
- Shallow content

# The Internet of Things

- **The Internet of Things** (IoT) is defined as the network of physical objects that are embedded with software or sensors that allow them to gather and distribute data.
- **Passive data** are information that is collected without overt consumer activity.
- **Wearables**, or wearable technology, are clothing or accessories that are equipped with computer technology or sensors that allow the collection and sharing of data.