Chapter Questions

• What are the components of a modern marketing information system?
• How can marketers improve marketing decisions through intelligence systems and marketing research?

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• How can demand be more accurately measured and forecasted?
• What are some key macroenvironmental developments that marketers must understand?

Marketing Information System

A marketing information system (MIS) consists of people, equipment, and processes to gather, sort, analyze, evaluate, and distribute needed, timely, and accurate information to marketing decision makers.

MIS Resources

• Internal company records
• Marketing intelligence
• Marketing research

Internal Records

• Order-to-payment cycle
• Sales information system
• Databases and warehouses
• Data mining
Improving the Quality of Marketing Intelligence

- Train sales force to scan for new development
- Motivate channel members to share intelligence
- Network internally
- Establish a customer advisory panel
- Utilize government data resources
- Purchase information
- Collect customer feedback online

Marketing Research Defined

Systematic design, collection, analysis, and reporting of data and findings relevant to a specific marketing situation facing a company

The Marketing Research Process

- Define the problem
- Develop research plan
- Collect information
- Analyze information
- Present findings
- Make decision

Step 1

- Define the problem
- Specify decision alternatives
- State research objectives

Step 2

- Identify data sources
- Design research approach
- Develop research instruments
- Design sampling plan
- Select contact methods

Data Sources

- Secondary data
- Primary data
Research Approaches

- Observation
- Focus group
- Survey research
- Behavioral data
- Experimentation

Research Instruments

- Questionnaires
- Qualitative research techniques
- Mechanical devices

Sampling Plan

- Sampling unit: Who is to be surveyed?
- Sample size: How many people should be surveyed?
- Sampling procedure: How should the respondents be chosen?

Contact Methods

- Mail questionnaire
- Telephone interview
- Personal interview
- Online interview

Forecasting and Demand Measurement

- Which market to measure?
  - Potential market
  - Available market
  - Target market
  - Penetrated market

Company Demand and Sales Forecast

- Company demand is the company’s estimated share of market demand at alternative levels of company marketing effort in a given time
- Company sales forecast is the expected level of company sales based on a chosen marketing plan and an assumed marketing environment
Estimating Current Demand

- **Total market potential** is the maximum number of sales that might be available to all of the firms in an industry during a given period, under a given level of industry marketing effort and environmental conditions.
- **Area market potential** is the market potential of a specific location:
  - Market buildup method
  - Multiple-factor index method

Estimating Future Demand

- Survey of buyers’ intentions
- Composite of sales force opinions
- Expert opinion
- Past-sales analysis
- Market-test method

Environmental Forces

- Demographic
- Economic
- Political-legal
- Natural
- Social-cultural
- Technological

Population and Demographics

- Worldwide population growth
- Population age mix
- Ethnic markets
- Educational groups
- Household patterns
- Geographic shifts in population

Population Age Groups

- Preschool
- School-age
- Teens
- 25-40
- 40-65
- 65 +

Economic Environment

- Income distribution
- Savings, debt, and credit availability
- Outsourcing and free trade
Types of Industrial Structures
• Industrial economies
• Industrializing economies
• Raw-material exporting economies
• Subsistence economies

Social-Cultural Environment
• Views of themselves
• Views of others
• Views of organizations
• Views of society
• Views of nature
• Views of the universe

Natural Environment
• Shortage of raw materials
• Increased energy costs
• Anti-pollution pressures
• Governmental protections

Technological Environment
• Pace of change
• Opportunities for innovation
• Varying R&D budgets
• Increased regulation of change

Political-Legal Environment
• Increase in business legislation
• Growth of special interest groups