How does Denny Clements, General Manager, Lexus US describe his market?

- **Someone is turning 50 every 8 seconds**
- **Know your market**

Businesses Require Information for Decision Making

- Current, Accurate Information about
  - Market
  - Macroenvironment
    - competitors
    - publics
    - intermediaries
    - suppliers
  - Internal Operations of the organization, and
  - The Organization’s interface with the Environment
The TASK: To Manage the Future
Therefore, We must Manage Information

- This involves Three related tasks:
  - Anticipate Change
  - Forecast the direction and intensity of Change
  - Adjust strategic marketing planning to adapt to change

Three Parts to the Information System

- Marketing Information System
  - the internal records system
    - Ex. sales are down in for the third quarter in G. B.
- Marketing Intelligence System
  - external information
    - Jaguar has moved aggressively in the London area
      With discounts on leases for all models
- Marketing Research
  - situation specific research
    - What is the expected effect of our new Ad campaign emphasizing Total lease value on sales?

Part A: Marketing Information System (within the organization), the internal records system

- Is the people and procedures who
  - gather, sort, analyze and distribute
  - needed, timely, accurate Information to decision makers.
- They gather Data, and
- They develop information and distribute Information
Review:

- Data: are facts
  - recorded measures of phenomena
- Information: is facts / suitable format for:
  - decision making
    - Information is what managers need to make
      - accurate
      - timely
      - decisions

Part B: Marketing Intelligence System (external information)

- Provides information about developments in the external environments of the business.
- It concerns itself with monitoring on a continual basis.
- This is the function that is designed to bring intelligence from various external sources to the necessary locations within the organization to improve decision making

Information Systems: Data

- Key requirements
  - pertinent (relevant)
  - timely
  - accurate (unbiased)
  - reliable
  - valid
- Types
  - Primary: gathered and assembled for project at hand.
  - Secondary: previously collected and assembled
Part C: Marketing Research (situation specific research)

- The purpose of Marketing Research:
  - To improve the efficiency and effectiveness of decisions made by the organization.
  - It is problem oriented.
  - If the organization has only one option, there is no need for research - beyond identification of that course of action.

Information Systems: Marketing Research - Stages

1. Defining the problem
2. Plan research design
3. Sample selection
4. Data collection
5. Data analysis
6. Conclusions & reporting
7. Following up

The Marketing Research Process

#1 Defining the problem and research objectives → #2 Developing the research plan → #3+4 Implement the Plan, Collect the information → #5 Analyze the information, Data Analysis → #6+7 Reporting, Present the findings, and Follow up
#1: In Marketing Research

- Asking the right question is more than half of the Answer.
- Don’t confuse problems with symptoms.
- Remember: managers have problems, researchers study them.
- There must be agreement between manager and researcher on both the
  - Definition of the problem, and
  - Parameters of the situation

#2: Research Objectives Determine the Research Plan

- **Exploratory Research**
  - Sheds light on problem - suggest solutions or new ideas.
  - Ex.: should we implement tracks in the undergraduate degree

- **Descriptive Research**
  - Ascertain magnitudes.
  - Ex.: What percent of potential Students are interested in International vs. Sales tracks?

- **Causal Research**
  - Test cause-and-effect relationships.
  - Tests hypotheses about cause-and-effect relationships.
  - Ex.: Will the response be positive to e-mail Requests to sign up

#3: Sample Selection

- Sample vs. census
- Who should be sampled?
- Sample size?
- Sample selection
  - Probability or non-probability sampling method
#4: Approaches to Data Collection
- Observational
- Focus-group
- Survey
- Experimental

In Survey Research you must:
- Ask the question right
- Do you think the UWF MBA is up to date and relevant?
- UWF is near the center of business education.
- Women get a great start in business at UWF.
- Avoid double questions
- Make clear statements
- Make questions unambiguous, avoid leading Q’s.

Marketing Research Process
Interpreting and Reporting Findings

- #5: Interpret the Findings
- #6: Draw Conclusions and Report to Management
- #7: Follow Up on Project
Marketing Research is a Global Activity

- Consumers vary within a country.
- Differences compound globally.
- Secondary data are often unavailable.
- Terms acquire new meanings
  - even in the same language!
- Exercise caution in collection and interpretation

Good Marketing Research:

- Is scientific
- Is creative
- Uses multiple methods
- Realizes the interdependence of models & data
- Acknowledges the cost & value of information
- Maintains "healthy" skepticism
- Is ethical

Sales Forecasting: Estimating Demand in Markets

- Total demand in a market is the volume that would be purchased under a set of defined conditions
  - Geographic location
  - Time period
  - Macroeconomic conditions
  - Marketing environment
  - Own and competitors' marketing efforts
- (This is also called primary demand or market potential)
Forecasting can be done at different levels of aggregation

- Market Potential: An estimate of the total sales volume of all brands of a product.
- Sales Potential: An estimate of an individual company's maximum share of the market with unlimited resources committed to the product.
- Sales Forecast: The expected sales of an organization under specific assumptions about the quantity of resources to be committed to the product.

Sales Forecasts can be either Dis-Aggregative or Aggregative

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Sales Forecasting Methods are of many types

- Executive Opinion
- Customer Survey
- Analysis of market factors
- Sales Force Composite
- Trend Projection