

2.2: Types of Marketing Information

Illuminating the Marketing Picture

There are three primary types of marketing information marketers use to gain insights that will contribute to wise marketing choices: *internal data*, *competitive intelligence*, and *marketing research*.

Internal Data

Internal data consists of the information companies collect about their customers and prospective customers, typically as part of their internal operations. Marketing departments, for example, maintain information about the interest and leads they generate from prospective customers and how they are interacting with these contacts. They may capture information used for segmentation and targeting purposes, such as geographic location, gender, age, buying behaviors, and communication preferences. Information about Web site visitors, traffic, and other customer engagement activities can be another useful type of internal data. Additionally, sales teams capture and maintain information about who is buying the product, where buyers are located, buying patterns, and behaviors. Sales and marketing teams may also maintain information about customer references, success stories, and how prospective customers are progressing toward becoming new clients.

Other parts of the organization capture also capture and maintain data that may be useful as marketing information. Accounting and billing departments track information about customers such as how much they spend with the organization, when they buy, and other payment details. Product managers and customer support organizations maintain information about customers implementing or using products, problems or issues they run into, and satisfaction levels with the company and products.

Historically, it was standard for each department to maintain these data in their own systems rather than in a common system or database that all parts of the organization could access. This presented challenges for marketers, who had a difficult time gaining access to complete, up-to-date internal data, since the information would need to be pulled out of the various systems and put into usable formats before they could conduct any sort of analysis.

Increasingly, organizations capture and maintain internal data by using information systems and databases shared across multiple departments. A database is a set of structured data accessible via a computer, and the data can be organized so that it's available for a variety of different uses, such as marketing or financial analysis. Shared information systems may include large enterprise systems designed to support business processes and functions, customer support systems, and customer relationship management (CRM) systems, among others.

"Database marketing," also known as marketing analytics, takes internal data several steps further. Large databases collect massive amounts of data from a variety of sources: customer demographic and profile data linked to in-store and online purchasing history, Web site search terms, page views, social media posts, and other data. In a process called data mining, computer algorithms search for patterns in the data and generate recommendations and insights about how to increase sales.

With access to accurate, up-to-date internal data, marketers gain a better understanding of who the organization is serving and how it is performing relative to its goals for sales, customer satisfaction, and other priorities. Marketers rely on internal data to manage communications and interaction with customers and prospects, as they track the series of interactions that take place when a prospective customer is making a purchase decision. They may also use internal data to identify patterns that make someone more likely to become a customer, and behaviors that contribute to any given customer type having a higher or lower total lifetime value.

To illustrate the power of internal data, consider this example from Trident Marketing, a company that conducts marketing and sales activities for other businesses like home security firm ADT, satellite media company DirectTV, and Travel Resorts of America. It used marketing analytics to generate insights based on internal data from its customer-service call centers, order systems, CRM systems, search engine results, and external credit-bureau data about customers. The resulting recommendations were powerful and provided specific guidance about the following:

When to call a consumer, which product to pitch, and which salesperson is best suited to close the sale. Plus, sophisticated analytic models can also predict which consumers are likely to cancel services within twelve months—a metric that goes straight to the bottom line because the company must compensate its customers for consumer churn.^[1]

Using this information, the company was able to apply sales and marketing techniques to increase sales, profitability, and customer retention on behalf of its clients. In fact, revenue increased nearly 1000 percent over four years.^[2]

Competitive Intelligence

Competitive intelligence is marketing information that helps marketers and other members of an organization better understand their competitors and competitive market dynamics. Common types of competitive intelligence include the following:

- **Product information:** Who is making products that compete with your offerings? What features or capabilities make these products attractive to prospective customers? How do these features compare to yours? How are products packaged and offered to customers?
- **Market share and penetration:** Which companies in your competitive market sell the most products to your target market, and how much do they sell? Which organizations are considered the market leaders? How is market share evolving over time?
- **Pricing strategy:** What do competitors charge for their products? What pricing structure and strategies do they use? What special pricing or discounting do they offer? How does this affect your pricing and position relative to competitors?
- **Competitive positioning and messaging:** What are competitors saying about themselves? What are they saying to current and prospective clients or other stakeholders about your organization or products? How effective are their messages at generating interest in competitor products or diminishing interest in yours? What keywords are competitors dominating in search engines?
- **Win/loss analysis:** What proportion of new sales are you winning or losing? Why are people selecting your product over competitors'? Why are they selecting a competitor's offering instead of yours?

Companies tend to guard sensitive information closely, such as detailed information about product cost, pricing structure, and market share. In fact, there are market analysts who specialize in competitive intelligence because it can be so difficult to obtain. However, anyone in a marketing role should maintain a general level of awareness about competitors and what's happening in their market, and there are fairly easy ways to do this. Marketers can learn a lot directly from competitors, such as reading their Web sites, following them on social media, and monitoring press releases and other published content to understand what they are communicating to the market and to prospective customers. Information can also come from industry-focused newsletters, blogs, social media conversations, reports, conferences, and other forums that discuss new developments and key players in a product category or market.

When marketing activities are associated with a higher-priced sale and a complex decision process, sales and marketing organizations may conduct some type of win/loss analysis after a purchasing decision is made. A win/loss analysis captures information from individuals involved in a sale to understand the key factors influencing the final purchasing decision. It can help marketers better understand how to improve the marketing mix—product, price, promotion, placement—in order to improve sales performance in comparison with competitors.

All of these activities can provide useful insights about how customers view the choices available to them, as well as how competitors view and compete in the market. As with internal data, a better understanding of these factors helps marketers improve the marketing mix to compete more effectively and become a preferred choice for customers.

Marketing Research

Marketing research is a systematic process for identifying marketing opportunities and solving marketing problems, using customer insights derived from the collection and analysis of marketing information. Marketing research identifies the problem to be solved or the opportunity to be explored, as well as the information required to address research questions. It also involves processes for collecting the information, analyzing it, identifying insights, and reporting findings and recommendations to those who will take action based on the results.^[3]

Marketing research may cover a full spectrum of topics related to customers, products, and market dynamics, and it can use a variety of research methods (which will be discussed later in this module). In general, marketing research requires some additional information beyond what marketers have at their fingertips (like, say, internal data). Sometimes it is necessary to collect new primary data directly from target audiences, such as current or prospective customers. In other situations, marketing research uses secondary data captured previously by another organization. Marketing research may incorporate internal data and/or competitive intelligence in order to provide a more complete answer to a marketing problem or question.

Common subjects for marketing research include:

- **Environmental factors** and how they affect consumer behavior. These include factors such as the health of the economy, the legal environment, market trends and other social factors, technology and its influence, and cultural factors that make doing business different in one region or country compared to others.
- **Customer attitudes, behaviors, and perceptions.** Marketing research can be essential in understanding customer needs, how their needs are or aren't being met by the market, views about various products and companies, satisfaction levels, preferences

for product features and pricing, the consumer decision-making process, and factors that influence it.

- **Product research.** Product research explores where opportunities and gaps exist for improving existing products or introducing new ones, concept testing, sizing the market for a product, market penetration, prioritizing product features and preferences, testing product effectiveness and customer receptivity, user testing, pricing strategies, product naming and branding, and gauging how to position a product relative to competitors.
- **Marketing, advertising, and promotion research.** This area of research seeks to improve the effectiveness and reach of marketing activities such as market segmentation, messaging and communications, advertising and media testing, events and sponsorships, packaging and display testing.
- **Corporate research.** Corporate research investigates corporate reputation and opportunities for strengthening an organization's position in the market through brand building, research and development, mergers and acquisitions, strategic partnerships, corporate planning and profitability.

Marketing research is usually a wise investment when it's undertaken to inform decisions involving a significant shift in direction, whether that shift is associated with a product, brand, message, tone, corporate image or other area linked to a major change and related investment. Marketing research projects may be large or small in terms of time, scope, cost, and resources involved. With a simple project, it could take an in-house marketer just a few hours to formulate research questions and analyze a data set from internal or secondary data sources, with no external costs. Complex marketing research projects may take longer than a year to complete and cost hundreds of thousands of dollars paid to research firms that specialize in particular markets or types of research.

As organizations grow, they may employ a marketing research director to oversee and coordinate research activities to ensure that they are getting accurate data and useful results. Smaller organizations without this internal capacity may hire a marketing research company or consultant to conduct the project, lead data collection, provide analysis, and advise on the best methods for interpreting and acting on research findings.

✓ ✓ Target

American retail giant Target employed extensive marketing research to help it figure out how to rebuild its brand after a sales slump. The slump was triggered by an unsuccessful repositioning move as a “bargain brand” during the economic downturn of 2008 and a highly publicized data breach in 2013 that left many customers distrustful of the company. Company leadership used marketing research to identify opportunities to reinvigorate the Target brand and win new audiences.



Target Shopper. **Authored by:** Wm. Mag.. **Located at:** <https://www.flickr.com/photos/jojamelons/2041121410/>. **License:** CC BY-NC-ND: Attribution-NonCommercial-NoDerivatives

A strategy unveiled in 2015 targets young Hispanic moms as a new and growing demographic the company wants to win over, in addition to suburban “soccer moms” who have been the company’s mainstay segment. Targeted advertising (no pun intended), product development, and the in-store experience are all being tested and refined to appeal to this segment.^[4]

In 2019, Target created commercials targeting college students living in dorms, further expanding their targeted segments:

A link to an interactive elements can be found at the bottom of this page.

You can [view the transcript for “Make the most out of a small space” here \(opens in new window\)](#).

1. www.chiefmarketer.com/big-data-marketing-analytics-can-help-sales/ ←
2. www.fuzzyl.com/wp-content/uploads/49415_TridentMarketingIncreases_Case-Study_PR2_May18_12-2.pdf ←
3. www.ama.org/AboutAMA/Pages/Definition-of-Marketing.aspx ←

4. www.washingtonpost.com/news/business/wp/2015/03/04/targets-new-strategy-we-need-more-than-just-minivan-moms/ ↩

2.2: [Types of Marketing Information](#) is shared under a [not declared](#) license and was authored, remixed, and/or curated by LibreTexts.

- **6.23: Reading- Types of Marketing Information** by Lumen Learning is licensed [CC BY 4.0](#). Original source: <https://courses.lumenlearning.com/waymakerintromarketingxmasterfall2016>.