

5.4: Secondary Data

LEARNING OBJECTIVES

After studying this section, students should be able to do the following:

1. *Identify* several pertinent secondary data sources.
2. *List and discuss* the advantages and disadvantages of secondary data.

Government Sources

A lot of secondary data is available from the government, often for free, because it has already been paid for by tax dollars. Government sources of data include the Census Bureau, the Bureau of Labor Statistics, and the National Center for Health Statistics.

For example, through the Census Bureau, the Bureau of Labor Statistics (<http://www.bls.gov>) regularly surveys consumers to get information on their buying habits. These surveys are conducted quarterly, through an interview survey and a diary survey, and they provide data on consumers' expenditures, their income, and their consumer unit (families and single consumers) characteristics. For instance, of the total money spent on food per household in 2005 (\$5,931), the average family spent \$445 on cereals and bakery products that were eaten at home. Looking at the details of this expenditure by race, Whites spent \$455 on at-home cereals and bakery products, while Asians spent \$492 and African Americans spent \$393. Detailed tables of the Consumer Expenditures Reports include the age of the reference person, how long they have lived in their place of residence, and which geographic region (see MSAs in Chapter 6) they live in. See <http://www.bls.gov/cex> for more information on the Consumer Expenditure Surveys.

Syndicated Sources

A **syndicated survey** is a large-scale instrument that collects information about a wide variety of consumers' attitudes and actual purchases. Companies pay to access the parts of this large dataset they find relevant. For example, the Simmons Market Research Bureau conducts a National Consumer Survey by randomly selecting families throughout the country that agree to report in great detail what they eat, read, watch, drive, and so on. They also provide data about their media preferences. So, if a client that makes bowling balls, for example, wants to know more about what bowlers do and what TV shows and magazines they prefer, an agency could buy data relevant to this group rather than going out and polling bowlers on its own.

Companies like Yankelovich Inc. conduct regular large-scale surveys that track American attitudes and trends. Yankelovich goes deeper than the demographic data the government provides to enable clients to identify consumer beliefs and aspirations as well. For example, the Yankelovich Monitor, which is based on two-hour interviews with four hundred people, looks at changes in American values.

Recent Yankelovich Monitor insights include a multinational *Preventative Health and Wellness Report* that looks at consumer attitudes and behaviors related to physical, mental, emotional, and spiritual dimensions of health and wellness across seventeen countries. The survey was conducted via forty-minute online questionnaires and answered by twenty-two thousand adults over age eighteen. Another report, called *Food for Life*, followed up with five thousand consumers who had completed an earlier survey and interviewed them in depth to delve into their attitudes about food with respect to preventive healthcare. For example, most consumers agreed with the statement "If it takes a lot of extra work to prepare it, I won't eat it, no matter how healthful and nutritious it is." The implication of this finding to advertisers is that healthful foods need to be convenient. Another finding, "I like to show off how healthfully I eat," suggests that advertisers should emphasize the "badge value" of their health-related products by making it obvious to others what the person is eating.

Other sources of secondary data include reports by Frost & Sullivan, which publishes research across a wide range of markets, including the automotive and transportation and energy industries, or Guideline (formerly FIND/SVP), which provides customized business research and analysis (www.guideline.com). Gallup, which has a rich tradition as the world's leading public opinion pollster, also provides in-depth industry reports based on its proprietary probability-based techniques (called the Gallup Panel), in which respondents are recruited through a random digit dial method so that results are more reliably generalizable. The Gallup organization operates one of the largest telephone research data-collection systems in the world, conducting more than twenty million interviews over the last five years and averaging ten thousand completed interviews per day across two hundred individual survey research questionnaires.

Internal Secondary Sources

So far, we have discussed examples of secondary data from external sources—sources that are external to the advertiser. But secondary data can also come from internal sources, such as a database containing reports from the company's salespeople or customers, or from previous company research. This is often an overlooked resource—it's amazing how much useful information collects dust on a company's shelves! Other product lines may have conducted research of their own or bought secondary research that could be useful to the task at hand. This prior research would still be considered secondary even if it were performed internally, because it was conducted for a different purpose.

Advantages and Disadvantages of Secondary Data

Like primary data, secondary data offers pros and cons. The following are its advantages:

- *Inexpensive*. The costs are shared or already paid.
- *Rapidly accessible*. The data has already been collected and analyzed.
- *Large sample size*. The pooled resources of the government agency or trade organization allow it to survey thousands or millions of people.
- *Reliable*. The external research organization may have years of experience in gathering and analyzing a particular type of data.

The following are secondary data's disadvantages:

- *Dated*. The secondary research may have been done months or years before.
- *Widely disseminated*. A company's competitors have access to the same information when they devise their strategies.
- *Generic or off-target*. The goals of the external research organization may be different from those of the company.

Key Takaway

Secondary data is information that already exists in some form; we just have to know how to mine it to get answers we need. The government is a good source for secondary data about consumers and businesses. In addition, many syndicated surveys that private companies conduct provide detailed descriptive information about what people think and what they buy. The client itself is often an overlooked source of data; prior experiences in similar situations or with similar campaigns can help an agency avoid making the same mistakes twice.

EXERCISES

1. Identify and discuss the significant sources of secondary data.
2. List and discuss the advantages and disadvantages of secondary data.

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