

7.3: Sources of Marketing Information

Learning Objectives

By the end of this section, you will be able to

- Identify sources of marketing information.
- Describe the different categories of marketing information.

Identify Sources of Marketing Information

Data, as mentioned in the first section of this chapter, comes from a variety of sources. In this section, we'll investigate the sources of important marketing information and how these resources can be accessed to meet the institution's needs. Online resources such as company websites, journal databases, and e-commerce locations could provide valuable resources to someone opening a new business. For instance, if a new product is to be sold, some companies will review competitors' websites to glean information about comparable pricing before setting their prices. The sources identified are closely aligned with the category of information and are described below.

Describe the Different Categories of Marketing Information

Marketing information can be derived from many sources. We will review three types in this section—internal data, external data, and competitive intelligence—and further explain other data types in the next section. External and internal data have unique qualities that make them essential for businesses. Additionally, competitive intelligence refers to specific types of data that must be examined to further the company or organization's continued success and effectiveness.

External Data and Databases

External data is data that originates from outside the organization. External data include information gleaned from customers through a customer service survey or reviews of a competitor's website. Previously, we learned about big data and the volume of daily information available. These data pieces would also be considered external data. Competitive and market intelligence is often gathered through these external sources of material. Data sources can include any interested parties of the business or a competitor's business, social media mentions, news articles, journal publications, and others. The only limitation of collecting external data is financial. Not all sources of information are free, and the time spent to collect these insights is also a valuable commodity, as "time is money." Once external information is collected and made available to those within the institution, it can be considered internal data.

Internal Data and Databases

Critical marketing intelligence can be data already in the company's databases. This data is called internal data and gives the company a historical view of what has worked previously. It also identifies times when the company did not meet its goals. Internal data includes sales, promotional effectiveness, pricing, product launch information, research and development, and logistics information. Examples of internal data include the percentage of coupons redeemed, the sales volume at specific prices, the highest-grossing motion picture for a production company, and even the most missed question on the last unit's marketing exam.

Businesses, organizations, nonprofits, colleges, and universities use these data sources to make more comprehensive day-to-day decisions. A database is a collection of related data. For instance, there are multiple databases at the school you attend—one for current students, one for alumni, and still another for faculty. Within each of these databases, there is information about that specific population. The current student database will list all students enrolled in courses this term, with additional information such as what courses they are enrolled in, any past enrollments, grades earned, major, hometown, and academic advisor's name.

Competitive Intelligence

Marketing research can be conducted on every aspect of business and marketing. Understanding the competition and its strengths and weaknesses through analyzing the industry and competing forces gives a company a competitive edge. Competitive intelligence is the collection of that information from the marketplace. A company's position must be examined to determine if it matches the customers' needs.

This competitive intelligence may be related to marketing mix elements: product, price, distribution, or promotion. Checking prices of competitors' products to make sure a company's pricing is competitive, conducting a promotional audit to verify the reach of the

messages, or examining the competitive industry's distribution channels may allow the company to identify a new location and all help to make the company more educated on future decisions. Why do customers choose the competitor over the company's products in a competitive space? Marketing research can come in many forms and helps managers to make data-driven decisions. Once this data is collected, it becomes part of the business or organization's internal data cache.

Knowledge Check

It's time to check your knowledge on the concepts presented in this section. Refer to the Answer Key at the end of the book for feedback.

1.

Which of the following is a source for external information?

- a. Sales receipts of your company's most popular product
- b. Employee salaries
- c. Comments received from a customer service survey
- d. Company's website content

2.

Xin wants to determine the best price for a new product. What source of data would be the most appropriate to use?

- a. Price of a competitor's products
- b. Inventory expenses
- c. Journal articles
- d. Online news site

3.

Which of the following is not a source of marketing information?

- a. Journal articles
- b. Social media posts
- c. Experiments
- d. Marketing information systems

4.

Which of the following would be a good source of competitive intelligence?

- a. Experiments
- b. Product sales of a company's products
- c. Consumer responses to a poll on a company's new products
- d. Competitor's website

5.

Critical data that already exists within a company's databases is called _____.

- a. big data
- b. internal data
- c. external data
- d. competitive data

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