Chapter 4
Strategic Information Management: Secondary Data Sources

Value of Secondary Research Information

More companies are electing to use existing data as a major tool in their marketing research decisions because:
- it may be free of charge,
- it may be more readily available,
- many times it is highly valid,
- it is usually less expensive than company sponsored primary data collection.

Nature and Scope of Secondary Data

- Internal Secondary Data: Data Collected by the Individual Company for Accounting or Marketing Activity Purposes.
- External Secondary Data: Data Collected by Outside Agencies such as the Federal Government, Trade Associations.
- Computerized Secondary Data: Internal and External Data Combined With Online Computerized Information.
External Market Data
• Trend Analysis
  - Business Intelligence
  - Competitive Intelligence

External Customer Data
• Current Customers
  • New Users
  • Needs Analysis

Internal Support Data
• Primary Research Support
• Presentation Support
• Decision Making Support

Secondary Data Research Tasks

Use and Evaluation of Secondary Data Source
More Companies Will Rely on Secondary Data as Quick and Inexpensive Ways to Achieve Marketing Objectives.

Data Should Be Assessed on These Principles

Traditional Internal Sources of Secondary Data (Ex. 4.2, 4.3)
• Internal data usually centers on sales or cost information and includes:
  – Sales invoices - customer profiles, sales trends.
  – Accounts receivable reports - profit margins.
  – Quarterly sales reports - dollar and unit sales.
  – Sales activity reports - sales and competition.
  – Other forms - customer letters/ comment cards, mail-order forms, credit applications, etc.
Bush, Ortinau, and Hair, 1st Edition
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Using and Extracting External Sources of Secondary Data

- Published Data in Periodicals, Directories, or Indices
- Syndicated/Commercial Sources Obtained on a “As-Needed” Basis
- Technology-Driven Computer Sources Available On-Line

Planning for the External Secondary Data Search

The GO-CART Approach to Secondary Data Management

- Step 1. Goal
  - Focus search on relevant topics
- Step 2. Objectives
  - Seek as much information as possible, then narrow down
- Step 3. Characteristics
  - Define the information sought
- Step 4. Activities
  - Document what needs to be done
- Step 5. Reliability
  - Find several data sources on the same topic
- Step 6. Tabulation
  - Cross-reference data sources to verify data

Key Variables Sought in Secondary Data Search (Ex. 4.4)
Key Sources of External Secondary Data

Standard Industrial Classification Codes:
Numerical Industrial Listings Designed to Promote Uniformity in Data Reporting Procedures for the U.S. Government

United States Government Documents:
U.S. Census Data
U.S. Department of Commerce Data
Additional Government Reports

Secondary Sources of Business Information:
Classified by Directories Which Identify Statistical Information, Trade Associations, Market Characteristics, Environmental Trends.

Editors and Publishers Market Guide:
Information from Survey of Buying Power, Plus Unique City-by-City Variables Useful in Making Comparisons Such as Infrastructure, Industrial, Banking and Retail Information.

Source Book of Demographic and Buying Power for Every Zip Code in the USA:
Information on Population, Socioeconomic Characteristics, Buying Power, and Demographic Description for Zip Codes Across the U.S.

Statistical Sources of Information:
May Refer Researcher to Specific Statistical Publications or Can Provide Actual Reprints of Data.

Commercial Publications and Newspapers:
Newspapers Indexed to Major Metro Markets Commercial Publications Such as Time, Newsweek, Forbes, and Fortune.
### Commercial/ Syndicated Sources of Secondary Information

- Trend toward a greater dependency on commercial/ syndicated data because:
  - of the low cost, and
  - it represents actual purchase behavior.
- It is data and reports that have been compiled according to some standardized procedure and includes:
  - Consumer Panels,
  - Store Audits,
  - Optical-Scanner Technology.

### Consumer Panels

#### Benefits
- Lower Cost than Primary Data Collection Methods
- Rapid Availability and Timely Data
- More Accurate Reporting of Socially Sensitive Expenditures
- Data Pertains to Actual Product Purchased or Media Habits

#### Weaknesses
- Sampling Error
- Turnover
- Response Bias

#### Large Samples of Households that Provide Certain Data for an Extended Period of Time

### Store Audits

- Formal examination and verification of how much of a particular product/brand has been sold at the retail level.
- Store audits provide two unique benefits:
  - precision - audits measure product/brand movement directly at point of sale, and
  - time - data collected can be communicated on a moment by moment basis.
Data Gathering in the Store Audit

- Product/Brand Sales in Relation to Competition
- Direct Sales and Inventory Levels at Retail
- Effectiveness of Shelf Space and P-O-P Displays
- Sales at Various Price Points and Levels
- Effectiveness of In-Store Promotions and POS Coupons
- Evaluate Competitive Marketing Practices
- Direct Sales by Store Type, Product Location, etc.

Summary of Learning Objectives

- Understand how secondary data fits into the marketing research process.
- Illustrate how secondary data can be used in a problem solving capacity.
- Illustrate sources of traditional internal secondary data.
- Demonstrate how to obtain external sources of secondary data.

Summary of Learning Objectives

- Illustrate sources of external secondary data.
- Understand the availability and use of syndicated sources of secondary data.
- Understand the changing focus of secondary data.