3 Source of marketing information

The wide range of marketing data based on their sources and ways of obtaining can be divided into two basic categories:

- **Secondary data**, i.e. data collected in the past by somebody else for a different purpose that is available from various published sources.

- **Primary data**, i.e. data obtained for a specific purpose or problem.

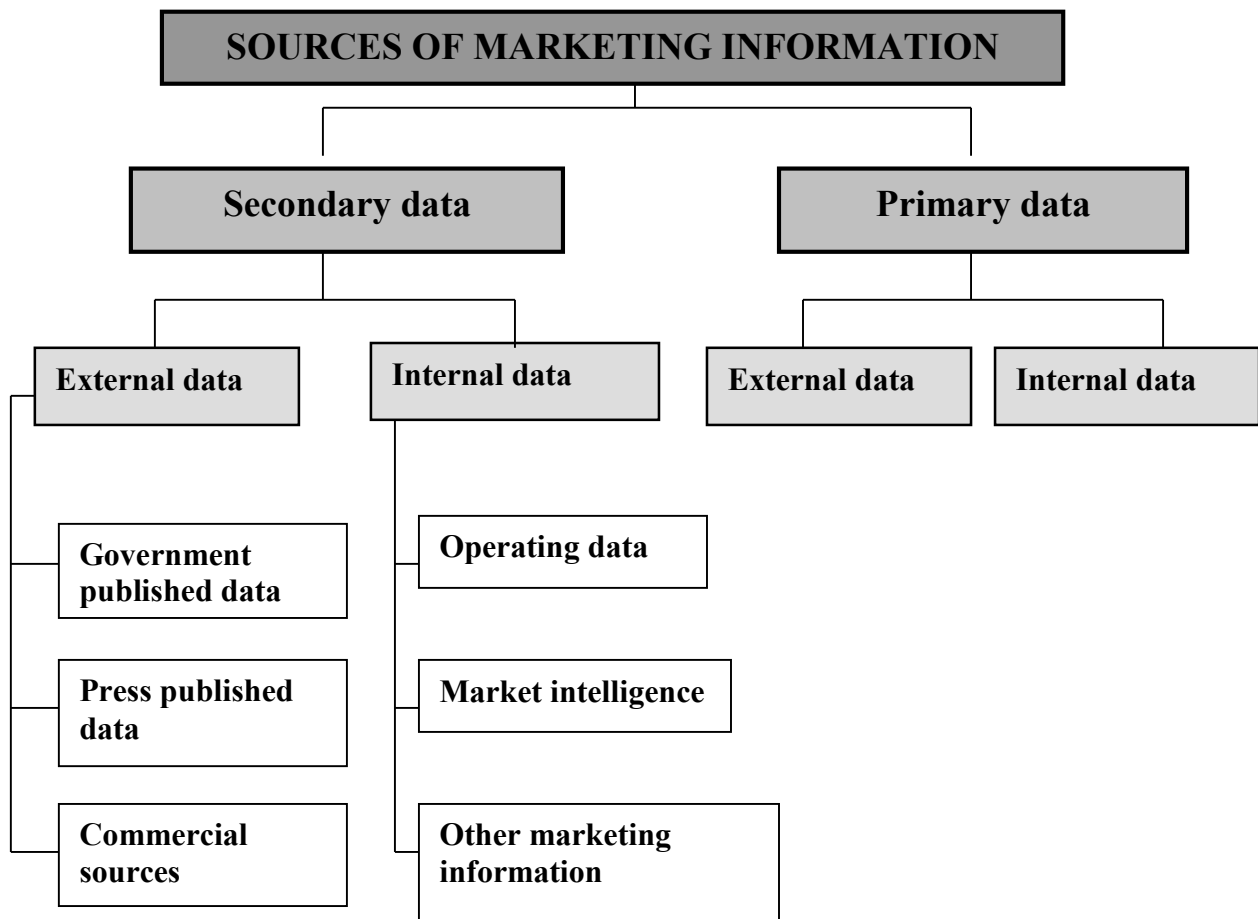The sources of secondary and primary data are shown in Figure 3.1.

Figure 3.1 Sources of marketing information

Source: own

3.1 Secondary data and its sources

Probably, many information that companies need for their business activities already exists. This information was obtained and processed by somebody else in the past and it is available from various published sources. The researcher is therefore a secondary user of already existing data and the data is called secondary data.

Secondary data is relatively quick and cheap to obtain. For this reason, it is good to start with the secondary (data) research since secondary data may provide an answer to a problem or can define the scope or direction of a field research and indicate the type and range of information which might be available. Using the secondary data, a company may save time and money that would have to be spent by conducting a piece of original field research.

Disadvantage of secondary data is that data is rather of general character, does not have to fully reflect the needs for information or it can be out of date. The structure of secondary data and the depth of its detail does not have to meet the requirements for the data (Foret, Stávková 2003; Chisnall, 1992, Přibová, 1996; Zbořil 1998).

There are a number of possible source for published secondary data. The sources of secondary data ca be:

- **Internal** (data sources found in a company)
- **External** (data sources available out of a company).

3.1.1 Internal secondary data

Internal secondary data is information that is produced in a company. There is an advantage that the data is related to the company and its activities, and the costs of getting data is very low. In fact, the data is produced by a company for the need of book-keeping, accounting, tax declaration and/or record-keeping and monitoring. This existing data is further processed and analysed by internal information system for needs of marketing department.

Internal information system deals with the following types of internal secondary data:

- **Operating data – the data is produced as a result of the operation of the company. It includes:**

- ***Data obtained from the record-keeping activities of the company*** such as:
  - ➢ Sales statistics (information about product/product group indicating the importance of each product and item in the product range and their effect on overall company performance),
  - ➢ Market (indicating importance and trends in the company´s major markets),
  - ➢ Outlets as a places of sales,
  - ➢ Size of orders, geographic areas and time period.
- ***Data obtained from book-keeping and financial indicators of the company performance*** – expenditure (cost) statistics and turnover used to increase efficiency by leading optimization of various areas of expenditure against incomes, e.g. expenditures on promotion, sales, packaging, shipment or invoicing can be analysed against sales turnover.
- ***Other records on business activities of the company – operation statistics*** used to indicate more profitable, more efficient or more effective ways of operating. For example, stock control statistics (records indicate stocks being run down or build up, stock inefficiencies and their impact on profitability), transport statistics on mileage, routes covered, records on warranty claims, complains and so on (Chisnall, 1992).

- **Market intelligence – data obtained by personal contacts**

  It is information obtained by individuals – employees working for a company as a result of their personal contacts, feedback from trade and from the sales force, informal store checks and monitoring of competitors products and activities, from conferences, exhibitions, customers´ complains and comments, from dealers, retailers or media. The way of getting data is less formal, systematic and representative.

- **Other accumulated (marketing) data** includes various research reports that bring important information from the past useful for the company business activities. The data forms the basis for setting up an internal information library (Foret, Stávková 2003; Chisnall, 1992).

3.1.2 External secondary data

The external sources of secondary data are all information published publicly that are sold or freely available. It is data gather by various organisations for various purpose. There is a wide

range of external sources of secondary data. **The external sources of secondary data can be categorised into the following groups:**

- *Government published data* including statistics reviews, databases, studies, predictions and prospects.

- *Press published data* such as journals, books, scientific papers and research reports.

- *Trade published data* –of production and sales statistics (reviews) of an industry, company´s annual reports, research reports, data published by trade associations, chambers of commerce, databases, prospects, special offers on exhibitions, trade fairs and business meetings.

- *Other sources* – such as legal regulations, technical norms, telephone directories. These sources have a complementary character since they usually do not fully cover the area of the research interests (Babka, 1994; Foret, Stávková 2003; Chisnall, 1992; Pavlica, 2000; Smetáček 1993).

3.2 Primary data and its sources

- Even though the sources of secondary data are vast, there are situations when secondary data are too general, out-of-date or simply does not exist or are in inappropriate for providing satisfactory answers to the specific research needs. In such situation, it is necessary to collect the original data by a field research. This type of research is referred to as primary research. Primary data is data obtained by marketing research for a certain purpose usually associated with searching of a certain problem solution. The research process is tailored in a way to meet the precise information needs required by a specific problem solution. This process of data collecting is generally more demanding in terms of time and cost. For this reason, it is better to start with the secondary research and then continue with primary research. Primary data can be obtained by various methods and techniques of data collection (Pribová, 1996).

Summary

Many information used by managers already exist either in a company or outside of the company. Base on their sources, the data can be internal (found inside a company) or external (found outside of the company). Data that already exists is called secondary data since managers are secondary users of the data. This data can be obtained relatively easy, fast and with low or no costs. However, secondary data usually does not bring answers to all questions associated with a problem solution. The basic source of internal secondary data is internal information system that includes data obtained by a company activity (operating data), data acquired through personal contacts (market intelligence) or from information library. The main sources of external secondary data is internet that may include government, trade and press published data. When secondary sources do not provide required data, the data must by collect by primary research.

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