

Syndicated data and standardized services and their differences marketing essay



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At work, I am involved in the selection process of research suppliers for the sake of annual staff surveys, benefits surveys and for mystery shopper program and analysis, I realize the services offered by the research industry has grown greatly in the past decade. So I am interested to find out the kind of services research agencies offer, and about the marketing research industry worldwide. This paper is therefore relatively informational, in which I have included a lot of named research suppliers who were listed and found from the various book references, library and internet sources in order to support the different categories of the services. There will be little emphasis on opinionated discussion, as the objective of this paper aims to explain the syndicated data and standardized services offered by research agencies, distinguish their differences, various applications and sources of data. Both services are common nowadays in Asia, especially the SMEs (Small to medium sized enterprise) that are using such research data for nurturing the success of their organizations, however the difficulties to operate a nation-wide approach in Asia is discussed. I have also included a sample of a standardized service in Hong Kong, WorkHK™ by Towers Watson, in the area of job satisfaction survey and its process is shared here.

Introduction – What is Syndicated data and Standardized services

Today, over \$20 billion a year is spent on marketing/advertising/public opinion research services around the world. Spending on marketing research is \$6.9 billion in the United States alone. During the past two decades, the research market has become highly concentrated, with about 54 percent of the market being held by the 50 largest worldwide organizations. The other

half of the market is shared by a thousand or more small research firms. The concentration is even more pronounced in the United States, where the 10 largest firms account for 64 percent of total U. S. spending for marketing research (Wiley's Marketing Research Industry and Research Ethics article, p. 26).

In the highly competitive retail market, understanding the customer is paramount. In order to fill in the gaps of consumer's buying motive and actual buying, companies have to understand the customers, and of course, marketing research is the tool for gaining knowledge about the customers.

Marketing research is a systematic gathering of information and such analysis of data gathered connects the consumers and the public to the marketer so as to identify the marketing problems and opportunities, assess marketing actions, manage the marketing performance, and improve the overall marketing process. Marketing research information is provided by research suppliers which can be either an internal supplier or an external supplier. Most manufacturers, retailers, and service businesses, such as McDonald's, Kraft Foods or American Airlines, have small internal marketing research departments, and Procter and Gamble (P&G) has a large internal research department. External suppliers are outside marketing research companies hired to supply marketing research data; and they can be classified as full service supplier firms and limited service supplier firms; full service suppliers are companies that offer full range of marketing research activities, they provide standardized information which involves two broad classes, namely the syndicated data services and standardized services

which this paper focuses to discuss. Figure 1. 0 indicates the overall services provided by an information supplier.

What it means by Syndicated Data and Standardized Services

According to Curry (1993) and Kolb (2008), syndicated data is a form of external and secondary data supplied in a standardized format and ready-to-use routine information made available to multiple subscribers known as a syndicate in a common database, which means the information is not tailor made to meet the needs of any particular company or designed to solve client-specific problems, the data format is designed to provide a standard, ongoing vehicle to facilitate the collection of data. Syndicated data is provided in a common data base for a service fee charged to subscribers and these research firms which provide the data are known as syndicated data service firms. These suppliers offer syndicated data on a subscription basis to all subscribing members of the syndicate, such detailed information can be of value to companies in a specific trade but may not be available in libraries. Syndicated data suppliers collect data on a continuing basis regarding the consumption of a specific product or products or the purchasing behavior of a specific target market segment. These data are then sold to companies, which specify how much data they want and the analysis they require; the more data and analysis that are required, the higher the price and what they do not do is conducting research specifically for any single client company. With syndicated data, both the process of collecting and analyzing the data and the data itself are standardized, firms supplying syndicated data follow standard research formats and uniform

reports that enable them to collect the same standardized data over time at periodic intervals. Common types of syndicated data measure retail sales, wholesale product shipments, consumer panels, advertising media audiences, advertising effectiveness, and consumer attitudes. ACNielsen TV Ratings and IRI are examples of two large syndicated data services firms, ACNielsen collects information on TV and media viewing and also on ad recognition on the internet, anyone, including the public, can buy the products they sell by visiting their website.

On the other hand, standardized services rarely provide clients with standardized data, rather, they provide the research process. Zikmund (2003, p. 74) explained that standardized services refer to a marketing research process that is standardized and used to generate information for a particular user and the application of that standardized process will result in different data for each client, even though the standardized process is the same in gathering the data. For example, a client will use a standardized service firm to measure customer satisfaction, instead of developing its own process. Several other marketing research services, such as test marketing, naming new brands, pricing a new product, or using mystery shoppers, can be provided or purchased from standardized service firms. Synovate's ProductQuest service assists in developing new products and improving existing products. Baltimore Research offers a 'Mock Trials' service to clients involved in litigation, to listen to different attorney presentations so that the litigant's attorneys can have better presentation ways to impact the jurors.

Advantages and Disadvantages of Syndicated Data and Standardized Services

Advantages of Syndicated Data

A key advantage of syndicated data is on the shared costs of the data among users as many clients may subscribe to the same information, thus making the cost of the service greatly reduced. Burns & Bush (2010, p. 205) made it clear that due to the quality of the data collected is typically very high and requiring a huge amount of cost, so the share of affordable cost with several users maintains the validity and reliability quality of the data. Another advantage is that the data are normally disseminated very quickly because of the routinized systems, standard procedures and methods used to collect and process the data over and over again on a periodic basis. Besides, the information is current, the more current the data, the greater is the use. Syndicated data services can at least aid in the formulation of the client's decision problem, suggest types of data for meeting the information needs, and service as a source of comparative data by which internal data from within the organization cannot achieve.

Advantages of Standardized Services

The advantage of using standardized service suppliers is mainly buying the experience of the research firm, especially when the buyer company does not have enough the experienced personnel to carry out a particular research process. Besides, using standardized services helps to reduce cost of the buyer when the trial and error process and potential errors can be minimized. Since the standardized service suppliers has been conducting the service for many clients regularly, their procedure is therefore efficient in

delivering the result as compared to having the research processed by the buying company themselves. Most importantly is the time saved for buying company in collecting similar data by themselves, because several weeks or months may be required to design, pretest a survey or questionnaire, train the interviewers, devise a sampling plan, collect and process the data. In addition, such cost of the project could be tremendous but it can be much reduced by employing the services from external standardized suppliers. Due to the always availability of standardized services, it is therefore important in the marketing research application.

Disadvantages of Syndicated Data

Since the format is standardized, buyers have little control over what information is collected and must be satisfied with the standardized information received. Buyers may feel helpless if the units of measurement or definition of classes, recency of data, publication currencies and the units of geographical data are not appropriate which are summarized as the ' data fit problem'. Burns & Bush (2010, pp. 205-6) gave a second disadvantage, that buyers must often commit to a long-term contract which only serves to secure the expenses required by the syndicated data supplier on the quality and vast scope of research. The last and most crucial disadvantage is that the same data is available to competitors, that is, what the client firm buy and see from the report, the competitors also see the same analysis and picture.

Disadvantages of Standardized Services

Naturally, the word ' standardized' automatically implies the service is not customized, standard service suppliers do not design a service specifically
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for the client's project. Besides, Zikmund (2003, p. 113) stated that the standardized service supplier may not know a particular industry well so it becomes the responsibility of the buying company to ensure the standardized service really fits their intention. This accuracy problem poses a limitation and can only be minimized if the buying company has a comprehensive knowledge of the research process so as to evaluate the accuracy of the data and assess the evidences regarding the quality of the data as well.

Applications of Standardized Information

Standardized information is a type of secondary data which can be either syndicated or standardized, in which the data collected and/or the process of collecting the data are standardized for all users. Standardized information can have many applications, in general, it includes measuring the consumer attitudes, clarifying market segments, conducting market tracking and monitoring the usage of media and effectiveness of promotional activities.

Measuring consumer attitudes and opinion polls

Burns & Bush (2010, pp. 206-207) gives plenty of examples for this kind of suppliers: The Maritz Poll uses a standardized process to ensure that consumer attitudes and opinions are properly measured, and these polls are examples of a standardized service. ESRI's Tapestry™ Segmentation is a standardized service that uses a process to profile residential neighborhoods. This information is purchased by clients desiring to better understand who their customers are, where they are located and how to reach them.

The Yankelovich Monitor measures changing social values and their impact on consumers. It specializes in generating studies on mature populations, baby boomers and Generation X'ers. These data are syndicated which is available to anyone who wishes to buy, and the information can be used for a variety of marketing decisions.

Ipsos Public Affairs® produces Ipsos Global Advisor® to study the company's proprietary audiences so that company can better understand how consumers and key stakeholders view its reputation as a brand. Coca-Cola is its subscribers.

The Harris Poll measures consumer attitudes and opinions on government and economy, and other topics include politics, world affairs and legal issues. Harris poll is a source for identifying trend lines and is standardized information offering syndicated data.

The Gallup Poll (<http://poll.gallup.com/>) measures public opinion polling on a wide variety of topics, such as domestic issues, private issues or world affairs, military and defense, stem cell research, smoking population percentage over time, etc. Gallup poll is syndicated data, as the information is available to all who wish to buy. Client firms can track attitudes of consumers toward buying private brands or their attitudes.

Defining market segments

This research method requires placing customers to share certain attributes, such as age, income, into homogeneous groups or market segments. The

Stanford Research Institute, for example, conducts an annual survey of

consumers and classifies them into homogeneous groups for market
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segmentation purposes. Some standardized information sources focus on members of the industrial market, two sources being the North American Industry Classification System (NAICS) and Standard Industrial Classification (SIC) system allow marketers to define industry types more specifically.

Dun & Bradstreet (D&B) credit bureau collects vast amount of information on business firms, private and public. While SIC uses 4 digits codes and NAICS uses 6, D&B's 'Dun's Market Identifiers' (DMI) uses 8 digits classification system to identify firms into very specific types of businesses. Since D&B originated as a credit reporting firm and companies already supplied D&B with detailed information about their operations, allow D&B create databases containing a wide spectrum of business information. This is important if a marketer is trying to target specific business firms, however narrow their classification.

Other standardized information sources provide information on members of the consumer market. SRI Consulting Business Intelligence's (SRIC-BI's) VALS™ program (www.sric-bi.com/VALS/) segments consumers by psychological and demographic measures, placed them in each of eight personality segments. This knowledge of consumers' behaviors helps the client firm develop a deeper understanding of its target market consumer. Birn (2000, p. 74) brought in the term, geodemographics, which describes the classification of usually small geographical areas and related to the characteristics of the inhabitants. Research firms specializing in geodemographics combine census data with survey data. Boyd, Walker & Larréché (1998, pp. 171-179) further substantiated this service by referring it as PRIZM, (Potential Ratings Index for ZIP Markets) which defines every <https://assignbuster.com/syndicated-data-and-standardized-services-and-their-differences-marketing-essay/>

neighborhood in the US based upon 66 household market segments. ESRI's Tapestry™ also divides US residential ZIP codes into 65 segments based upon selected demographic and socioeconomic characteristics. Nielsen Claritas (<http://www.claritas.com>) and Acorn help sending promotion messages to targeted consumers and they have created desktop products that assist marketing managers to conduct regional and national segmentation studies. Knowing which market segments helps to make up a client firm's potential customers.

Conducting market tracking

Tracking studies are those that monitor, or track a variable such as market share or sales over time. Tracking studies can tell a firm how well the products are being sold in retail outlets globally and also the sales status on competitors' products. Nielsen SCANTRACK Services is based on syndicated retail scanning data, tracks thousands of products as they move through retail stores, allowing brand managers to monitor sales and market share and to evaluate marketing strategies. As for market tracking at the household level, it is gathered in homes using scanning devices or through the use of diaries and sending auditors to households. Nielsen Homescan® Panel, uses scanning device to scan all bar-coded products brought home from all outlets. IRI ScanKey Consumer Network Household Panel, an example given by Malhotra & Birks (2000), maintains a panel of consumer households that record purchases at outlets by using a handheld ScanKey wand. Today's technology is so advanced that a user of information can easily be overloaded with information, various companies have therefore created ' decision support systems', ' data mining systems', ' expert

systems' and the like by using analytical tools to attach meaning to data, allowing marketers to make decisions in response to the quickly changing market conditions.

Monitoring media usage and promotion effectiveness

In order to measure the promotional effectiveness in media, readership, listenership effectiveness, some syndicated data service companies conduct studies on several forms of media. To track television, Nielsen Television Index (NTI) records television ratings data which are reported by DMAs (designed market areas). Naturally higher viewership of certain programs allow the television company to charge higher fee for advertisements. NTI also provides subscribers with audience characteristic information that allows potential advertisers to select audiences that most closely match their target market's characteristics.

To track radio, Arbitron Panel provides syndicated data on radio station listening through selected samples who record their radio listening in diaries and Arbitron's Portable People Meter (PPMSM), a hand-held electronic device in the size of a mobile phone, automatically records the stations listened to. The procedures for measuring advertising effectiveness are standardized for comparing the results across studies. To track print, MRI's Starch Readership Survey is widely used for measuring the actual exposure of magazine ads to readers; Gallup and Robinson Magazine Impact Studies are another well-known syndicated service firms, aim to help marketers make decisions about what comprises a good ad.

To track downloaded music, videos and recorded books, Nielsen's SoundScan, VideoScan and BookScan separately provides information on the downloaded music, sales of VHS and DVD and sales of books.

To track Multimedia, Simmons National Consumer Study gathers information on media usage linked to product usage, this information allows companies to determine the viewing/listening media habits of users. Nowadays, on-line consumer word of mouth or on-line consumer business have been shared through the internet world, via websites, blogs, facebook, discussion forums, companies can keep track of what is being said about them and their products by subscribing to BussMetrics from the Nielsen Company (Hester, 1996, pp. 169-170 and Burns & Bush, 2010, pp. 219-222).

Monitoring health related facilities and pharmaceutical products

IMS Health Incorporated, as mentioned by Burn & Bush (2010, p. 76), is the world's second largest research firm, providing services in over 100 countries. IMS services include pharmacy and hospital audits plus the measurement of disease and treatment patterns. Westat, America's third largest research firm, conducts research and long-term follow-up surveys for agencies of the US government and businesses foundations. Major areas include health, education, social programs, environment and transportation.

Sources and Suppliers of Data – Primary and external syndicated Secondary Data

Primary and secondary data are two main sources of data. Primary research starts from raw scratch, collected specifically for the research needs to solve

the problem at hand. Secondary data already exists and are already published as they were collected for purposes other than the specific research needs at hand and usually used by someone else. Secondary data are therefore more economical than primary research which is a quick source of background information, but the format seldom meets the needs of the researcher. In a marketing problem definition process, analysis of available secondary data is an essential step and primary data should not be collected until the available secondary data have been fully analyzed. Scott (2009) alerted marketers with international marketing research that few problems may arise because customers may vary due to different cultures, traditions, beliefs and expectations. If this happens, separate country should collect individual country's secondary information and then compare the data difference, which means international marketing research better counts more on original primary data instead of secondary information.

Primary data sources

Primary data is original and normally organizations commission external researcher to establish the techniques, measurement and analysis for them. The technical aspects of conducting various types of primary marketing research relies on qualitative research methods, which means working with focus groups, conducting surveys, questionnaires, interviews and experiments. Wilson (2006, pp. 37) said this is a skilled task that requires careful thought and planning whereby a poorly designed questionnaire can jeopardize the response rates and provide incomplete or inaccurate data. Besides, determining the sample involves clearly specifying the types of respondent to be included, the number of respondents required and the

method by which individual respondents will be selected. To conduct focus groups and interviewing, the researchers need to be well trained to ensure unbiased judgment and uphold the ethics to respect the rights of the respondents. Most companies will outsource the data collection process and rarely have it conducted by the company's internal personnel.

Syndicated sources and Suppliers of Secondary Data

Secondary data can be classified as coming from internal sources or external sources. Boyd et. al. (1998, p. 80) specified clearly that internal sources can be available within the organization when every organization has at its disposal valuable internal secondary data, such as sales invoices, estimates of total annual usage of a product, advertising and promotion activities recorded, research and development and manufacturing reports or service by location, etc. that can be an important starting point for any marketing research project. External data can be available from various sources, such as government statistical publications, trade association data, books, bulletins, annual reports and business periodicals which can be free from library resources. Otherwise, external data sources not available in libraries are usually standardized data which are comparatively expensive. These secondary data are supplied by syndicated services suppliers to many client firms, anyone willing to pay the price can buy the data.

One method of obtaining secondary data is frequently through surveys, which could be periodic surveys on the same set of variables conducted at regular intervals; or panel surveys to measure the same panel respondents over time but not necessarily on the same variable; or shared surveys are developed and executed for multiple clients when each of them share the <https://assignbuster.com/syndicated-data-and-standardized-services-and-their-differences-marketing-essay/>

cost. A number of firms maintain panels of respondents who are matched to the general population in terms of age, income and who agree in advance to participate in surveys, typically by mail or phone and response rates within the panels tend to be high and the demographic and lifestyle information are already available. Curry (1993) classified syndicated data sources as a) consumer data, b) retail data, c) wholesale data, d) industrial data, e) advertising evaluation data, and f) media and audience data.

Consumer data normally relates to purchases and the circumstances surrounding the purchases. Kinnear & Taylor (1991, pp. 151-155, 164) provided examples of these suppliers: The National Purchase Diary (NPD, <http://www.npd.com/>) maintains over 30,000 households who keep diaries of purchases. The Marketing Research Corporation of America (MRCA) maintains a diary panel that records details on purchase of groceries and personal care items. Mediamark Inc. has annual survey that includes overall breakdown of usage by demographic category. The Roper Reports monitor public opinion and consumer behavior and interests on a broad range of social and political topics and on opinions of various consumer products and services. Yankelovich Clancy Shulman's 'Monitor Service' conducts annual survey of households on social trends. Regarding consumer's attitudes and buying behavior, Burgoyne Consumer Surveys provides in-store consumer on-the-spot reactions to marketing and product innovations, DDB Needham and Gallup Omnibus conducts long term tracking of attitudes and opinions. PRIZM serves to explain, predict target consumer behavior while the Survey Research Center at University of Michigan monitors consumer consumption patterns, attitudes and intentions on financial issues.

Retail Data collected focus on the products or services sold through the outlets and/or the characteristics of the outlets themselves. Hair, Bush & Ortinau (2006, pp. 12-13) mentioned ACNielsen's Retail Index and Audits & Survey's National Total-Market Audit provide data on total sales by product class, sales by brand and of competing brands in supermarkets, drugstores. IRI (<http://www.infores.com/>) and ACNielsen (<http://www.acnielsen.com/>) basically dominate the retail scanner business. Scanner data are collected in two separate forms (household level and store level) and for two distinct sets of clients (manufacturers and retailers). In addition, three other sets of data are also maintained, they are (a) prices, features and displays at the retail level; (b) coupons and other promotions (c) advertising on TV, print, radio. Audits & Survey also provides National Restaurant Market index on the commercial restaurant market annually. Ehrhart-Babic Group provides syndicated in-store distribution data and new-product-introduction performance data through their National Retail Tracking Index. BehaviorScan and InfoScan by IRI assist in multiple market testing and tracking services while D&B's National Scan Track provides projection to monitor displays in supermarkets.

Wholesale data are warehouse shipment data used to estimate sales at retail. Birn (1999) told us that SAMI (Selling Areas-Marketing, Inc.) is the best known syndicated service of this type, especially for retail food stores. SAMI's data allow the client to analyze trends in sales or package size and the impact of promotions and competitive actions. These data also serve as an intermediary audit purpose in the distribution chain, wholesalers and formal examination of product movement by analyzing inventory. Pipeline

Research Inc. provides audit service on warehouse inventories of drug products monthly. Then P-O-S Research audits the national warehouse movement and trend line of products sold through food store distribution, including grocery, frozen, dairy, household, health and beauty aids.

Industrial data are more syndicated data services available to consumer goods manufacturers rather than to industrial goods suppliers. Birn (1999) shared that D&B's Market Identifiers provides data on companies rated by D&B, which can be used to construct sales prospect lists, identify sales territories, sales potentials, and so forth. McGraw-Hill's Dodge Reports collects data from building material manufacturers and distributors so the data can be used in marketing building products while Polk Company's Motor Statistics provides vehicles registration data.

Advertising Evaluation data help advertisers in measuring the effectiveness of their ad expenditures in broadcast and print media. AdTel, ARS (Advertising Research Service), CATS (Comprehensive Advertising Tracking System) offer comprehensive and continuous tracking of weight and quality of commercial ads in terms of GRPs (Gross Rating Points). Starch Message Reports, Gallup and Robinson Magazine Impact Studies are most widely used syndicated services on readership. Burns & Bush (2010, p. 150) cited Audit Bureau of Circulation (ABC) is a standardized, independent third party audit bureau, aims to confirm methodology, verification of lists and credibility of the content of magazines which are very helpful to the magazine industry providing advertisers with richer data on magazine readership.

Media and audience data - Media companies include advertising agencies, sales promotion companies, public relations agencies, and direct marketing firms which are all concerned with getting the right message to the right target market, the advertising effects of competitors, how much they are spending and the media mix, hence marketing research information is often required to accomplish this goal. For example, companies that advertise on network television want to select shows that reach their target customers most efficiently so they need information on the size, demographic and psychographics composition of the audiences for various TV programs. Firms like NMR and American Research Bureau provide standardized TV audience ratings to a syndicate group of clients. The Simmons Market Research Bureau compares audience characteristics. Kolb (2008, p. 64) mentioned it would be greatly inefficient for company to collect these data by themselves, only ad agencies have internal research department as they need to find the correct marketing message and the best image to represent a client company and also the best media to use.

Marketing Evaluations, Inc., for example, offers several Q Scores® services, one of its services measures the familiarity and appeal of performers, such as actors/ actresses, authors, athletes, sportscasters, and so forth. Such information helps companies to choose the most appropriate spokesperson or help a movie producer select a performer for an upcoming movie. Scott (2009) gave an interesting fact that Tom Hanks and Bill Cosby, for example, are performers who have high Q scores. Nielsen Media Research's Nielsen Television Index (NTI), is another example of a syndicated data provider, supplying subscribers with data on TV viewing, available to anyone wishing

to buy it. Arbitron and ACB (Advertising Checking Bureau) offer syndicated data on the number and types of listeners to the various radio stations. This standardized information helps advertising firms reach their target markets; and also helps radio stations define audience size and characteristics.

One must not undermine the service by the research giant, VNU Inc. (VNU), founded in 1964, is a major international media and information company and the largest company owned by VNU is ACNielsen. Hair et. al. (2006) gave a thorough introduction of ACNielsen, that it is broken down into several companies: a) Nielsen Media Research (NMR) provides television audience measurement information; b) NetRatings Inc. (NR) reports on internet and digital media syndicated research; c) Entertainment Information Division (NE) serves the entertainment industry, including movies, music and home entertainment; d) Media Solutions Division includes PERQ/HCI providing healthcare audience measurement, Scarborough Research (SR) measures local and regional shopping patterns of American consumers, Standard Rate & Data Services (SRDS) offers the world's largest database on media rates, Interactive Market Systems (IMS) offers audience profiling.

Single Source Data

Single source data means continuously monitor a panel of respondents on media exposure, promotional material exposure, and buying behavior to measure their exposure to promotional material