Secondary market research refers to any data gathered for one purpose by one party and then put to a second use by or made to serve the purpose of a second party. Secondary market research is thus the broadest and most diffuse tool within the toolbox, because it includes virtually any information that can be reused within a market research context. Secondary research is also the closest thing to an all-purpose market research tool, because virtually every project makes some use of secondary data and almost any decision stage may incorporate some kind of secondary research. As a general rule, relatively speaking secondary research also is the cheapest and quickest form of market research. You ignore or skimp on it at your peril. Its range of application is limited only by your ingenuity.

It is helpful to distinguish between internal and external secondary research. Internal secondary data consist of information gathered elsewhere within your firm. The major categories include (1) sales reports, (2) customer databases, and (3) reports from past primary market research. Sales reports generally give data broken down by product category, region, and time period. More sophisticated systems also give breakdowns by distribution channel, level of price discount, customer type (large, medium, small), and similar categories. Customer databases might include a recording of brief descriptive data on all accounts (industry, contact person, phone number, purchase history); a log of tech support or response center calls; a record of specific products purchased; and the like. Records of past primary market research include results of surveys and focus groups conducted in prior years, accumulated customer visit trip reports, and so forth.
External secondary research includes (1) information gathered by government agencies such as the Census Bureau, (2) information compiled for sale by commercial vendors, and (3) various kinds of public and quasi-public information available from diverse sources. Government agencies collect an enormous amount of demographic (e.g., the Census Bureau) and economic trend data (e.g., federal and state departments of commerce). In recent years the United States government has also done more to help companies seeking to export by providing information on overseas markets. Entire volumes are devoted to simply listing and cross-referencing various government reports.

An important kind of secondary data available from commercial vendors is known as the syndicated report. For a syndicated report an analyst compiles a variety of data, using libraries, databases, phone calls, and even some primary market research such as interviews or surveys, in order to address a topic such as trends in the in-home computer networking market, 2005–2008. The goal is to sell the report to as many network equipment companies as can be persuaded to buy. Syndicated reports may be one-time efforts or may appear periodically. Because the appetite for data is so huge, especially in technology markets, a whole industry of syndicated report vendors has grown up to satisfy this appetite. These commercial vendors function as one part librarian, one part statistician, one part detective, and one part proxy market researcher. They employ analysts who are in the business of being industry experts, and a certain number of hours of these analysts' time can be purchased along with the vendor’s reports.

Public and quasi-public data sources include anything published in a magazine or newspaper. Most industries have a few trade magazines devoted to coverage of companies, events, and trends. A few industries, like the computer and telecommunications industries, are the focus of a slew of publications. Similarly, most industries of note are, on occasion, the subject of a feature article in the Wall Street Journal, New York Times, Los Angeles Times, or other respected newspaper. Trade associations, university survey research centers, nonprofit agencies, and others publish data from time to time. With the spread of computerized information retrieval services (everything from the traditional Dialog to the Web) it has become easier to bring together data from a wide range of sources and publications.
Procedure

Three types of procedure are relevant here: (1) steps to be taken at the firm level, to facilitate the collection and use of secondary research throughout the firm; (2) steps to be taken by individuals within a firm in connection with either a market research project or as part of ongoing market intelligence efforts. The logic of the first distinction is that an individual contributor or manager will find it difficult to do excellent secondary research unless an infrastructure has already been put in place at the firm level. The logic of the second distinction is based on the difference between a market research study and ongoing market intelligence gathering, as set out in Chapter 1, and the differing demands these place on secondary research. A discipline common to almost all uses of secondary data is search, and Appendix 3A addresses search strategies.

Steps to Be Taken by the Firm

1. Upgrade the corporate library. Although major corporations have had internal libraries for many years, of late the demands on and the potential benefits from these libraries have rapidly escalated. Today in the marketing area the primary holding is not books or even periodicals but the syndicated reports bought from various vendors. Because so many individuals have a use for particular reports on occasion, most corporations of any size centralize the purchase of market research reports, and have the collection maintained by either a division of the library or a department within the market research area.

A carefully thought-out strategy of which reports to buy from which vendors is a must. It may be quite difficult for an individual project manager to get the funds or find the time to locate a valuable report that is not part of the collection—if he or she even learns of its existence at all. Hence, the best way to promote the use of secondary data is to arrange to have on hand most of the most useful reports.

A good library has an effective indexing and cataloguing strategy so that relevant data can be easily located. A good library will also be on
the lookout for specialized resources—services that compile statistics, bulletins that bring together articles from a variety of trade publications, and so forth. Finally, a good library keeps up with new technology for collecting and distributing information, such as electronic clipping services, wherein a semi-intelligent agent searches for articles meeting a profile set up by a user. Phrases like the Information Society and the Data Explosion are not hype when it comes to secondary data. It’s a full-time job keeping up with the proliferation of sources of secondary data, and successful firms hire librarians or outsource to consultants who can do this.

2. **Provide appropriate consultation services.** Whether located in the market research area or the corporate library, one or more persons have to serve as reference librarians who can proactively help a manager find relevant resources rather than simply responding to queries. Inasmuch as most market research vendors provide several hours of their analysts’ time when reports are purchased, the reference librarian is also the logical choice to serve as gatekeeper to these analysts. Without a gatekeeper, the few hours of analyst time may be frittered away. Lastly, whether in-house or out-sourced, the library should make available a professional database searcher—someone who can quickly devise and execute effective search strategies of electronic databases.

**BRING THE LIBRARY TO THE DESKTOP**

Because more and more information is available in electronic form, and because information in hardcopy form is in any case a problem for multinational and decentralized firms, in the future most if not all of the corporate library will have to be made accessible from the desktop computer of the individual user. Most major firms had already made substantial progress toward this goal by the mid-1990s.

An important part of desktop access is proactive posting of information by the library to the individual user. Generally, users sign up for certain e-mail aliases (i.e., they put themselves on the distribution list for certain kinds of e-mail) and the library regularly pumps out the appropriate information to the various aliases. This might include recent library acquisitions, types of bulletins now available, and so on.
EVALUATE SOURCES OF INFORMATION

Quality can vary dramatically across vendors, and also within vendors depending on particular areas of expertise. It behooves any substantial purchaser of these reports to periodically evaluate the strengths and weaknesses of each research vendor based on past experience, and to make these evaluations available for consultation by project, product, and program managers.

Steps to Be Taken for a Market Research Project

IDENTIFY RELEVANT LIBRARY HOLDINGS

Early in the environment scanning stage you should budget some time for reading and browsing in the library. For example, you may try to construct graphs of trends in sales or market share by assembling a series of syndicated reports. For a second example, reading a set of reports interpreting industry events will help to constellate key issues in your mind.

ASSEMBLE RELEVANT INTERNAL SECONDARY DATA

Using data from within your firm, you may be able to produce illuminating breakdowns of where sales performance has been strong or weak, profiles of typical customer applications, segmentation analyses of your customer base, tabulations of reported problems and complaints, and so forth. If you can assemble past primary market research reports that address, however tangentially, your area of concern, then you may gain perspective beyond what you obtained from reading outside analysts’ discussions.

DECIDE ON A SEARCH STRATEGY

If the scope of your project justifies it, you may want to mount a search of databases, or sign up for a consultation with some market research analyst. You would go this route, for instance, if you were a product manager charged with preparing a backgrounder or white paper on whether the firm should expand into a particular market or pursue product development in a specific direction. In such instances,
your responsibility is to pull together all the information available on this topic, and an effortful search strategy can be justified.

DETERMINE WHETHER TO SUPPLEMENT THE AVAILABLE SECONDARY DATA WITH PRIMARY MARKET RESEARCH

Sometimes you will learn everything you need to know from secondary data; or more exactly, you will learn enough from secondary data that it would not be cost-effective to conduct additional primary market research. If you do decide to collect primary data, as you probably will in many cases, your definition of the problem and your research objectives will be much improved by your secondary research.

Steps to Be Taken for Ongoing Market Intelligence Gathering

MAKE A COMMITMENT

Assume that you have a forward-looking corporate library as described above. The question becomes how to take best advantage of the ocean of available information that floods in on a weekly basis. You’re not a librarian and neither are you an analyst who has the luxury of studying an industry or topic full time. At most you can devote a few hours a week to library-based market intelligence gathering. And that’s really the first step: to commit a certain period of time—something you can reasonably hope to achieve in all but the busiest week—to finding and reading materials that will add to your stock of marketing intelligence.

SIGN UP FOR THE APPROPRIATE NEWSFEEDS, BULLETINS, AND E-MAIL ALIASES

Be familiar with the materials that can be sent to your desktop. Flag articles that look interesting and read them. It helps a lot if there are certain times in your week when this kind of reading is easy rather than hard to do. Setting up good habits is half the battle.

DEVELOP A PERSONAL CLIPPING SERVICE OR SEARCH PROFILE

This has gotten easier of late, but it remains an innovation and may or may not be possible at your firm. What you want is a set of key words,
or some more complicated search routine, that can be run against a database on a periodic basis (once a month or once a quarter). Here are some examples that would be relevant for a typical product manager: (1) mention of either of your two largest competitors or their important brands in any of several leading periodicals; (2) mention of the words “new” or “introduce” in conjunction with the name of your product category; (3) mention of any of the several major applications for your product (it will take practice to specify this search tightly enough); or (4) mention of the words “trend” with “market share,” “sales” or “profit,” in conjunction with your industry or product category. This kind of search tends to yield articles that you really want to read, and receiving such highly relevant articles in turn reinforces the habit of making regular forays for market intelligence.

BUILD MENTAL MODELS OF YOUR MARKETS

I would imagine that almost every product, project, and program manager already engages in a fair amount of reading. The point to remember is that you will read with greater understanding and enhanced recall if you read actively—meaning that you read with reference to mental models that you are trying to build, test, modify, or rebut. A manager once remarked to me that he thought the real shortcoming of American managers was that they did not put enough energy into constructing conceptual models of the driving forces and key factors within their industry. I have no way of proving or disproving this criticism. I do know that your reading will be more rewarding if it is done with reference to mental models you have built and modified over time.

In the market intelligence mode, it is best to keep these models simple and basic. I have in mind core statements that reflect what you think you know. Here are some examples in generic form.

1. Competitor X’s biggest advantage is . . . its biggest shortcoming is . . .
2. Customers of type Y place the greatest importance on . . .
3. There are Z major types of customers in this market. They are distinguished by . . .
4. Our major strengths in the marketplace are . . . Our significant weaknesses are . . .
5. Decision A was successful because . . . Decision B failed because . . .
Of course, the reality of professional life is that the activity of just reading is the kind of activity that inevitably drops toward the bottom of your to-do list. Searching for information that refines, deepens, or extends your model of what’s really going on may yield the motivation needed to persevere.

Examples

Because of the diversity of secondary research, some typical applications will be given in place of specific examples.

Sales and market share analysis. Analysts compile data and do detective work to estimate market shares of key competitors, including breakdowns by application, by product subcategory, by region, by customer industry, and so forth. As part of this analysis, sales trends, including growth rates, are discussed.

Trend analysis. Often the goal of a report is to go beyond collecting and reporting specific numbers to encompass interpretation and analysis of underlying dynamics, critical success factors, implications of recent events and decisions, and the like.

Customer segmentation. Reports may suggest a variety of schema for distinguishing and grouping various types of customers, and discuss the particular needs and requirements of each segment.

Competitor analysis. Reports may dissect and critique business and marketing strategies of key competitors. Analyses will indicate strengths and weaknesses of products, and describe markets where each competitor enjoys advantages or suffers disadvantages.

Strengths and Weaknesses

An important strength of secondary research is that it is generally quickly available for a modest cost. This is no small advantage in many business situations. Moreover, as discussed earlier, it is difficult to do any kind of primary market research for less than $10,000. If a few days in the library can remove most of the key uncertainties about market facts, albeit without giving exact answers to all one’s questions, this may save you tens of thousands of dollars. The key fact about secondary research, then, is that it already exists and is readily available. At a
minimum, it can improve the focus of any primary research you do choose to conduct.

A particular advantage of internal secondary data is that it uses categories and breakdowns that reflect a corporation’s preferred way of structuring the world. Outside analysts may use very different and not always comparable breakdowns. Internal databases often contain very specific and detailed information, and very fine-grained breakdowns. Finally, one can generally get a fairly good idea of the validity of the data because one can discuss how it was gathered with the people responsible.

A particular strength of external secondary data is the objectivity of the outside perspective it provides. These reports are written by analysts with broad industry experience not beholden to any specific product vendor. Whereas product managers have many responsibilities, and may be new to their position, analysts spend all of their time focusing on market trends or industry analysis.

A final advantage of specific instances of secondary data is that these may be the only available source of specific pieces of information. This is often true of government data, for instance. It would be impossible (and foolish) for any individual firm to attempt to match the efforts of the U.S. Census Bureau or Department of Commerce.

The most important weakness of secondary data stems from the fact that these data were gathered by other people for other purposes. Hence, often it does not exactly address your key question of concern. The answers, although not irrelevant, lack specificity, use breakdowns that are not comparable to other data, or don’t address key issues in enough depth or from the desired perspective. Sometimes this potential limitation is not a factor, as in cases where the information you want is exactly the kind that secondary research is best suited to answer (e.g., aggregate market data). In other cases, particularly when customer requirements are a focal concern, or when insight into the psychology and motivation of buying is crucial, secondary data may only scratch the surface.

Some external secondary data may be of suspect quality. One should never fall into the trap of assuming that a report, simply because it is well written and associated with a recognized consulting firm, offers some kind of window onto absolute truth. Quality varies—by analyst, by firm, by type of information, and by market category. Reports are prepared by people. These people may be very intelligent or less so, meticulous or sloppy, thorough or slapdash, well informed or beset by
unexamined assumptions. Most large buyers of secondary data develop a sense for which consulting firms are strong (or weak) in a particular area. This judgment may be explicit in documents prepared by corporate staff, or implicit and locked in the heads of employees who work with these vendors on a regular basis. It behooves you to tap into this collective wisdom before spending large amounts of money or basing crucial decisions on a consulting firm’s data. In general, when reviewing a report you have to carefully examine the appendix describing study methodology, and come to your own judgment about study quality. If there is no methodology section to examine, or if the sampling procedure is never explained, then beware!

A weakness characteristic of internal secondary data such as sales reports and customer databases is that they describe only your existing customers. Do not assume that these data can be extrapolated to describe the market as a whole. Rather, there is every reason to believe that your customers do not exactly reproduce the characteristics of the total market.

Be careful of data that may be dated or too old. Technology markets often change rapidly. Lastly, be aware that secondary data are less likely to exist outside the United States. Particularly in Asia and in developing countries, the secondary data that you’d like to have and could reasonably expect to find in the United States or Europe may simply not exist.

Do’s and Don’ts

Do ask your colleagues’ opinions of specific vendors’ performance.

Don’t take numbers in syndicated reports at face value. Read the appendix and consider the methodology used. Pay particular attention to how samples were gathered and always maintain a healthy skepticism.

Do triangulate across vendors. Compare numbers gathered from different sources by different methods. Often the truth lies somewhere in between.

Don’t try to absorb a mass of secondary data all at once. Develop habits of regular reading; keep a notebook devoted to insights, reminders, and mental notes about possible models.
Suggested Readings


Both of these books provide a comprehensive guide to choosing and using secondary research. Stewart has more extensive examples of the strategic use of this information, whereas Patzer adds an international focus.


The most comprehensive guide to market research suppliers and service providers, updated annually.

Finally, all market research textbooks have a discussion of secondary research (e.g., the Churchill and Malhotra volumes listed at the end of Chapter 2), and the most recent edition can be consulted for up-to-date lists of data sources.
Appendix 3A: Search Techniques for Gathering Marketing Intelligence

Today no person can claim to be skilled in the conduct of secondary research if he or she is lacking in search skills. The proliferation of electronic databases of all kinds, the explosion of data on the Web, and the availability of search engines such as Google make it imperative that you acquire good search skills. Searching is a skill, and this section discusses just a few of the basics in the context of doing market research. At the time this book was revised (2004), the marketplace for search engines and services was very dynamic. Hence, the focus is not on specific resources (which may become obsolete) but on fundamental strategies that should stand the test of time.

Principle 1: Not all data are electronic.

Corollary 1a: Electronic data available at your desktop are not always the most tractable source of the information you need.

I suppose there may come a time when all secondary data of any note will exist in sharable electronic form, but that time is not yet. The older the information, the less likely it is to be found in electronic form (and compiling trend data often requires older information). Even in 2004, some reasonable proportion of the typesetting and printing technologies used to publish commercial market research data continue to make use of proprietary data formats that cannot be made to produce sharable electronic data without additional time or effort. Under these circumstances, the more voluminous the data, and the more specialized, the less likely it is to exist outside its native paper format. Hence, it will often be timely and cost-effective to search a library catalogue for physical resources early in your search.

The corollary is that even when all the information you seek is available in electronic form, and accessible at your desktop, this may still not be the best way to access the data. Most electronic retrieval systems use the monitor screen (the amount of info that fits on a screen) as the unit of presentation, so that they only show 10 links at a time, or one page of data, etc. Accessing the next page of links or the next page of data involves a delay that can be substantial. (Yes, broadband Internet access can be fast, but how often does your broadband connection live...
up to its maximum potential of near-instantaneous screen replacement?)
The fact is, flipping paper pages can be much faster than refreshing page
access on a computer screen. The advantage of perusing a paper vol-
ume, assuming it has a table of contents, an index, and makes good use
of headings and titles, instead of searching an electronic version on
screen, can be substantial. The advantage of paper is greatest when
undertaking a fuzzy search (i.e., when you can recognize useful data
when you see it, but can’t necessarily formulate the object of your
search in any precise way).

The first principle of search, then, is that paper can be searched too,
and that searches of paper sources can sometimes be more effective
than searches of electronic data. Don’t fall prey to the silliness (a linger-
ing remnant of the dot.com boom time) that treats information-on-
paper as some kind of medieval entrapment to be avoided at all cost.

Principle 2: Not all electronic data are freely accessible via the Web.

Corollary 2a: Search specialized sites, not just Google.

Although more and more data are stored in electronic form, the
owner of the data does not always make it publicly available. A typical
example is the archives of past issues that print publishers maintain.
Here the data are stored in electronic form, and are searchable, but these
data are not searchable from Google or any other search engine. These
data can only be searched from within the publisher’s site. The cover
page or entry point to the private database may be located through a
search engine, but the actual contents cannot be searched by means
of the search engine—the spider or other program used by the search
engine was never allowed to index the contents of the database. There
are all kinds of reasons why private databases will continue to exist
walled off from Web search engines. The owner may wish to charge a
fee for access (as in the case of the print publication’s archives), security
considerations may make it undesirable to allow indexing of the data-
base, data format issues may make this difficult, and so forth.

The practical implication is that when you are searching for a par-
ticular kind of specialized information, Google (or any other Web search
engine) may not be your best bet. Instead, you need to locate the approp-
iate specialized database that can then be searched. Sometimes Google
can tip you off to the existence of a specialized database; sometimes you
can ask a librarian; and sometimes, this knowledge is something you acquire by experience.

An example may be useful. Suppose you want to find the consumer magazines with the highest circulation among males. Put another way, you are looking for the most cost-effective way to reach millions of male magazine readers and want a list of likely magazines for further investigation into costs, etc. If you had followed principle 1, then your librarian might have directed you to one of the paper volumes published by *Adweek* or SRDS, which would contain such a list. If you were new to media planning and unaware that such compilations of circulation data have been published in print for many years, then you might attempt a Google search. Let’s see how that might play out.

The first question is, What search string should you use? Some possibilities might include the following:

1. “Which magazines have the most male readers?”
2. “Magazine circulation male female 2004”
3. “Magazine circulation data”
4. “Magazine circulation”

The first string might be characterized as a natural language query—you phrase the search string just as you would ask the question of an expert if one were available. However, when attempted in summer 2004 on Google, this string failed to produce any useful links on the first page. Although search technology is moving toward being able to handle natural language queries, in this case Google throws up sites that have one word (“magazine”) or another (“male”), but there don’t appear to be many sites that have all these words, and none of the top links was relevant.

Now consider the second search string. You might have said to yourself, what I’m really looking for is a table of some kind—let’s search on the sort of headings that such a table would have. Unfortunately, what this string turns up is circulation data for individual magazines; the top links do not yield a site comparing multiple magazines.

When you don’t succeed with your first one or two attempts, it is generally a good idea to rephrase your query a couple of times, using different rules. As an example of a rule, if you started with a long search string, simplify it; if you started with a simple string, add some more
keywords. Since we started with longer strings, the next attempt might be the third example: “magazine circulation data.” Unfortunately, this string also tends to throw up the Web sites of individual magazines reporting their own data.

Finally, the simplest possible relevant string would appear to be the fourth example: “magazine circulation.” In July 2004, that proved to be the optimal search string—the topmost link leads to the web site of Advertising Age, one of the leading publishers of data on magazines and other media. A quick navigation through the Ad Age site takes one to the data center, where one of the tables lists the top consumer magazines with male and female readership data broken out.

Principle 3: Small changes in search string vocabulary can have a huge impact on which sites rise to the top of a search engine’s rankings.

Principle 4: The optimal search string—specific or general, long or short, natural language or keywords—is seldom a priori obvious. Be prepared to systematically vary the structure of your search string.

In the example we looked only at the first page of links. Sometimes I look at a second and third page if I am enamored of my search string. Generally speaking, though, I would vary the search string a couple of times before delving too deeply into the second, third, or fourth page of links. If several search strings haven’t produced the desired result, then I might repeat the most promising and look at a second, third, or fourth page of links (it rarely pays to go much further).

It didn’t happen on this search, but sometimes a Google search will take you right to the desired site on the first try, whereupon you will discover that that site has the desired information—but you have to pay for it. (This would have happened if Google had pulled up the Adweek site, another advertising trade magazine with a great deal of data, much of which is not free.) In that event, might there be another site that has most of what you want, for free? Sometimes there is, and sometimes there isn’t. It is naive to expect that valuable information will always be free simply because you located it on the Web.

Finally, sometimes the search process succeeds, but is much more laborious than in the example. Thus, you try several search strings without much luck; go back to a string and review the second and third page of links; explore several of these links, each of which turns out to be a
dead end; try another string, which does produce an interesting site, which doesn't have what you want, but gives you an idea for a different search string or a different source to consult; which finally yields the information you seek.

**Summary: Search Strategy for Secondary Research**

1. Ask a librarian (or review your own experience) to see if an appropriate print reference exists. (The quickest way to solve the example question would have been to open *Adweek’s Guide to Media*, consult the table of contents, and open the book to the desired table. If you routinely worked with media data, some such book would have been on your shelf.)

2. If no printed reference work exists, inquire as to whether there are relevant trade magazines that might be expected to publish these data. If so, search first on their Web sites. (Again, information stored in a database may not be accessible from the public Web—you only detect it if you get to the Web site and use that Web site’s own search function.)

3. If steps 1 and 2 fail, attempt a search of the Web using Google or a similar engine. Here, type the first reasonable query that pops into your head. (It is surprising how often this is successful.) If at first you don’t succeed, try the following strategies, in roughly this order: (a) vary the search string; (b) look at second, third, and fourth pages of links; (c) take the best links and see where they lead; (d) try a metasearch engine or a directory like Yahoo; and last, (e) sleep on it. A different and better search string is most likely to occur to you if you step away from the problem for a while.