**Management Information System**
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**Week – 05**
**Module - 05**
**Lecture- 24**
**Information Systems for Marketing**

Hi, welcome to our course on "Management Information Systems"! Today we will be covering Module 5 of the 5th week and today's topic will be 'Information Systems for Marketing'.

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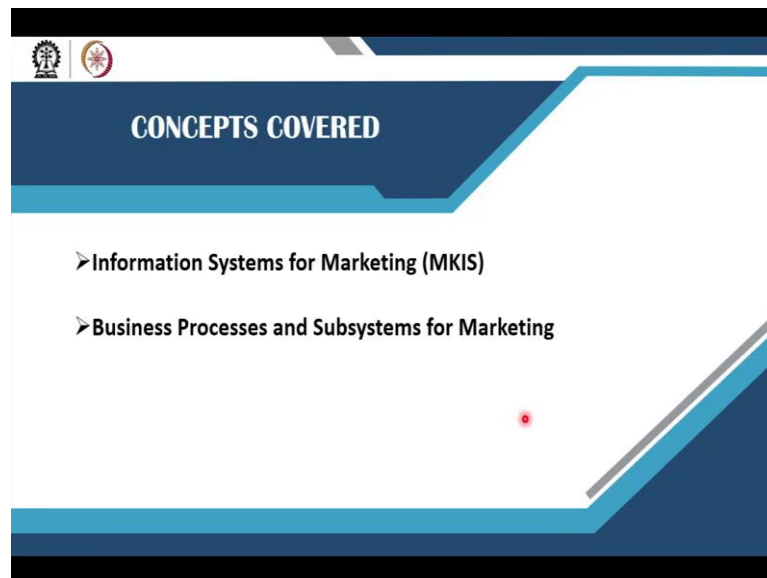


And, in here we will cover the basic features related to information systems for marketing which we abbreviate as MKIS, and the associated business processes and subsystems related to marketing.

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The role of any marketing information system is to help the marketing managers in identifying the key customers that is the primary role of any marketing information system which will help managers to identify key customers. It can also be used to generate various reports related to sales activities based on some time period, based on the sales achieved in a particular region and so on.
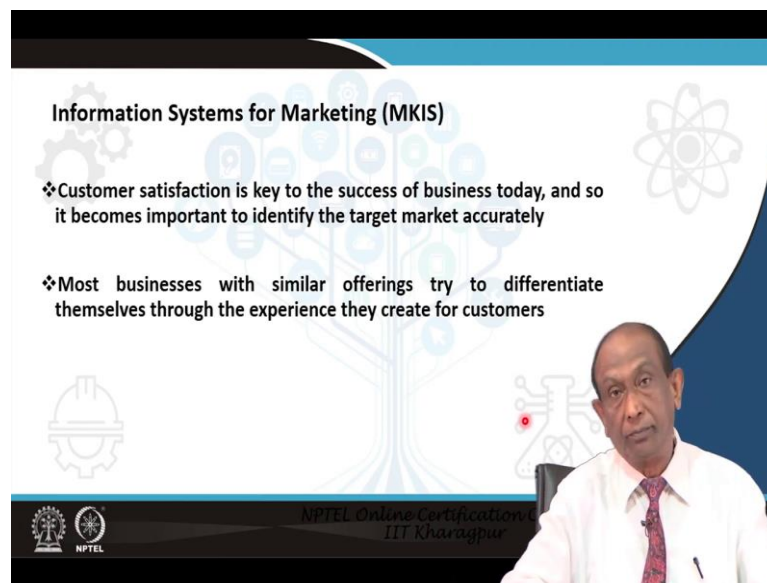
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In marketing, if a customer is identified as a potential source of revenue, then their loyalty can be appreciated in the form of; personalized after sales service, various kinds

of discounts are giving to those loyal customers, whenever a new product or service comes into the market those customers are approached first with different kinds of new offerings and whenever these loyal customers they place order on to the firms marketing people always try to ensure that those orders are given priority while fulfilling those orders. So, order fulfillment of this loyal customers they get a priority, and hence the organization is somewhat more responsive towards this type of customers.

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Customer satisfaction is the key to the success of any business in today's environment, and it becomes imperative for any marketing manager to identify the target market in an accurate manner, because the effort that should be directed towards satisfying the customers must be in a focused manner.

Most businesses today with similar offerings try to differentiate themselves through the experience they create for customers, because offerings are more or less similar. So, why should customers they would preferred to buy from a particular firm?

The marketing managers they create a different kind of experience for their loyal customers and thereby try to retain them. The customer satisfaction is achieved through the very good experiences that this customers enjoys.

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Marketing information system thereby helps mangers in segmenting the whole market. So, market segmentation, identification of key customers, these are the primary activities of marketing. And, marketing information system helps marketing managers in achieving these goals.

And, market segmentation I have already said is necessary because the appropriate marketing activities can then be targeted at the relevant segment. Very few firms today they produce products for the mass market.

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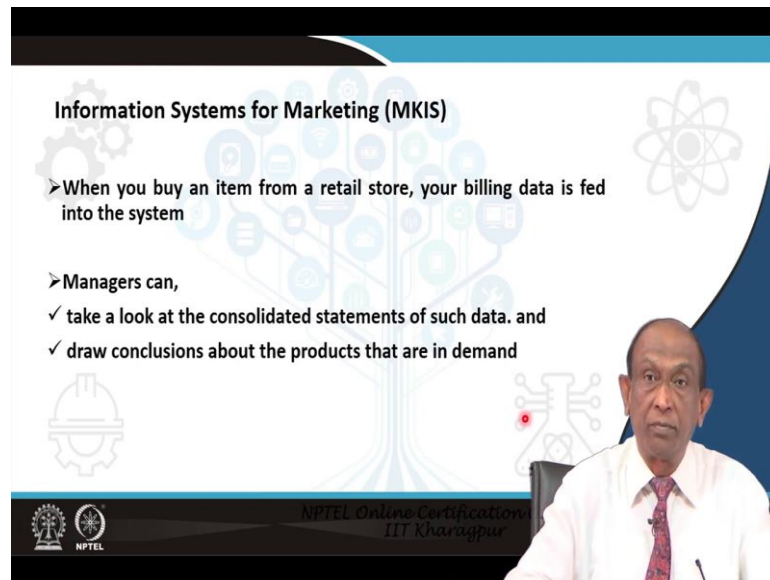
Marketing information system processes data related to sales figures, past trends of sales, and government policies to get the useful information that can be utilized by these marketing managers for taking the right kind of decisions.

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When a customer buys an item from a retail store, his or her billing data is fed into this marketing information system. Marketing managers can then take a look at the consolidated statements of such data and thereby draw conclusions about the products that are in demand. So, that analysis is being facilitated by marketing information system.

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If a discount scheme was offered, managers can understand the impact that the scheme had on sales. The sales data which is being captured in the marketing information system will reveal the impact of discount. Similarly, the performance of the sales team in the store can also be evaluated based on, the data which is obtained from the marketing information system.

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Marketing function is concerned with identification of the customer group for an organizations products or services. Because, the effort that the marketing managers want

to put in they want put in a focused effort, and for that particular customer group which has been identified they would like to know; what are the requirements of that particular customer group.

So, determination of what these customer group need is another important activities associated with the marketing function and marketing information systems. They capture all these data and help the managers in carrying out planning and they enable development of the dissatisfied of the identified products and services to meet those needs. Marketing information system also help them in advertising and promoting their products and services.

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So, a "marketing information system" is defined as a "system in which marketing data is formally gathered, stored, analyzed and then distributed to marketing managers in accordance with their information needs on a regular basis". This is the formal definition given by Jobber in 2007.

Once again, I repeat a marketing information system is defined as a system in which marketing data; that means, data related to sales and marketing is formally gathered that is c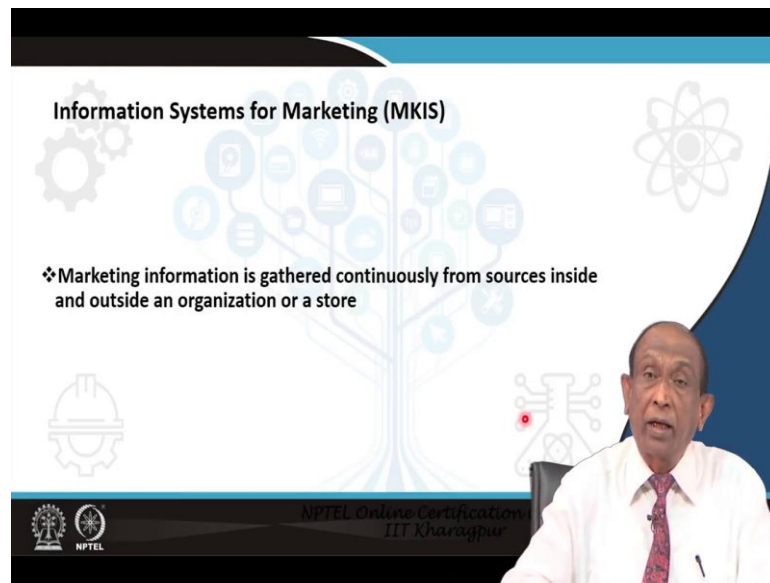ollected, stored, analyzed and then distributed to marketing managers in accordance with their information needs on a regular basis.

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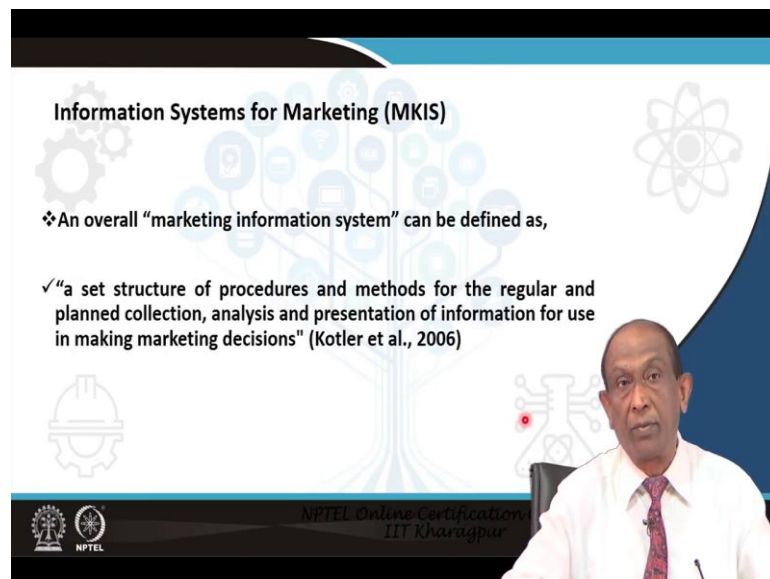


And, the marketing information which is being collected and distributed after say structuring and arranging and then analyzing, this marketing information is gathered or collected on a continuous basis, not only from sources inside the organization, but also from all outside sources.

So, outside an organization or a store is another dimension, from where the data or information related to marketing is being captured in the system, is not only the internal sources, but also the outside sources, the data is captured from both the sources.

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So, an overall "marketing information system" have been defined by Kotler, Philips Kotler you know is a very famous author and the marketing consultant he basically defines marketing information system as "a set structure of procedures and methods for the regular and planned collection, analysis and presentation of information for use in making marketing decisions", this is the formal definition of a marketing information systems.

So, here in from this definition you see that, there must be a set structure of procedures and methods to collect the marketing related data or sales related data on a regular basis is not only collection, but also we have to analyze those data, the system has to analyze those data and present that data as well as information in a comprehensible manner to the marketing managers. So, that they can use it for taking decisions related to marketing.

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Marketing information system also helps marketing managers to monitor the degree of the marketing success, whether a particular marketing effort has resulted in some success or not can also be monitored through this marketing information system. This system helps the managers to ensure that the objectives of the operations function is also achieved.

Because see, all these are related marketing without operations function or operations function without marketing is just meaningless, is all an integrated approach. So, marketing functions also helps the operations managers the marketing information

system is tightly integrated with the operations information system to see that the organization can met its objectives.

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Now, let us look into the relevance of marketing information system. When the companies they try to diversify into new markets, both these companies and the customers point of view are needed to be handled by the marketing managers. Your marketing managers are not only bothered about the companies view point, but the customer's perspective is also very important for them.

And, all these relevant information is captured in the marketing information system and the managers can access those data or information. Therefore, there would be greater need for marketing information, when companies undertake effort to diversify into new markets.

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Marketing managers should be aware of the drivers behind the customer's preference for a particular brand and the associated matrix are computed and captured in the marketing information system.

Marketing managers should know why and how a particular brand is different from that of the rivals, what are those factors that differentiate a particular brand from other brands that is a very important question, and that is being answered through the marketing information system because that system has got all the relevant data.

So, write at that point in time, when a marketing information system is designed and developed marketing managers must specify these requirements properly; that means, in order to know why the brand of that particular company is different from the brand of the competitors, marketing managers should tell that I want these data elements to be captured in the system and these data elements will be collected through this relevant processes. So, those process details and the required input must be clearly specified by the marketing managers at the time of designing marketing information system.

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Marketing managers should also be aware of the response of the customers or consumers towards different strategic implementation, the long term plans which a company is trying to implement or has implemented how the customer perceives those plans or those implementations marketing manager should know about it. They should also be aware of the technological developments which are adopted or deployed by the competitors with respect to non-price grounds of competition.

Mark the term non-price grounds of competition, because the price may be more or less same. And, what are those other things, what are the other strategies, what are that new technological developments that the competitors have put in place to win the market, that must be known by the marketing managers and captured in the system. So, that in future planning future market planning this input will become very handy.

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So, an effective marketing information system is designed to gather, integrate, process, and distribute such information in a comprehensive manner from all sources, including that from market research.

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Now, let us come to the different subsystems that are there within a marketing information system. Each of these subsystems they perform a specific task and supplies specific information to the marketing managers.

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Some of the subsystems, they use advanced analytical models to provide information about the present environment, as well as the likely future scenarios, this has given rise to development of decision support systems for marketing. And, we will talk about decision support systems, their characteristics, their design features, their critical success factors when we will come to the 10th week we will described in details about this.

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So, if we look at the various subsystems of marketing information system, then we will find that primarily marketing intelligence subsystem, market research subsystem, promotion and advertising subsystem they are very important.

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So, let us first look into marketing intelligence subsystem, what is this marketing intelligence subsystem? It is the main source used by marketing managers, for obtaining information on a daily basis, information about external environment. So, marketing managers they obtain daily information of the external environment from the marketing intelligence subsystem. Thereby, this subsystem assists marketing managers to react to the changing scenario in a rapid manner.

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Marketing intelligence subsystem filters data and stores critical information related to competitor's transaction data and market-related intelligence data. Mark this two important information type of information; competitor's transaction data and market-related intelligence data.

This subsystem works as a key information provider for the other subsystems, which are there in a marketing information system. So, it is at the heart, there are various subsystems with in a marketing information system and marketing intelligence subsystem is at the code or at the heart. It also feeds information to other subsystems.

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And, the different sources of marketing intelligence we have already mentioned is not only the marketing managers and the sales forces.

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But also various middlemen, they provide lot of intelligence data in between middlemen, the specialist. And in every organization, there is a department which is specially meant for collecting information related to markets and that department or section is known as marketing information section. And most of the marketing intelligence data is being fed into the system by this marketing information section. In the next module, we will talk about the other subsystems related to this marketing information system.

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Thank you! These are the references that I have used in preparing this particular module.

Thanks a lot!