

MARKETING MANAGEMENT

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Topic – Marketing Information System

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Marketing Information System (MIS)

Meaning & Definitions

Information is like a life-blood of business. Information system is an organised way of sending, receiving and recording messages. It includes both formal flow of information as well as informal flow of information.

In modern era, Marketing is a dynamic and manager has to undergo to necessary changes to cope with the pace of changing marketing environment. Information is a basic input to know what is happening and what is going to happen. Marketing information comprises facts, figures and report about product, prices, customer's needs and desires, market competition, market condition, consumer behaviour regarding products, selling methods, advertising developments and also regarding other elements of marketing mix. Thus, marketing information consists all facts, estimates opinions and other information regarding services. In short, marketing information system is that arrangement which provides the information regularly for making marketing decision.

The term marketing information system has gained prominence in the new era of technological advancement, consumer consciousness and computerised information system. It may be defined as structured, interacting, complex of persons, machines and procedures desired to generate an orderly flow of pertinent information collected from both intra and extra firm sources for use as the basis for decision making in specified responsibility areas of marketing management.

According to Philip Kotler, "A marketing information system is a continuing and interacting system of people, equipment and procedures together sort analyse, evaluate and distribute the pertinent, timely and accurate information for use by marketing decision makers to improve their marketing, planning, implementation and control."

In the words of K. Cox and R. Good, the marketing information system is defined as a set of procedures and methods for the regular & planned collection and presentation of information in making marketing decisions.

According to Adler Lee, “a marketing information system may be defined as an interacting, continuing, future oriented structure of people, equipment and procedure designed to generate process and information flow which can aid business executives in the management of their marketing programmes.”

On the basis of above meaning and definitions, we may define the MIS refers to the systematic, collection analysis, interpretation and presentation of market information for decision making. In other words, MIS consists a set of procedures and methods for the continuous analysis, and presentation of information for marketing decisions. It provides information from both the internal and external sources to the marketers on a regular and continuous basis.

Features and Role of MIS

1. It provides information support to the marketers for decision making.
2. It provides an existing corporate data and data flows.
3. It provides information from both internal and external sources.
4. It is a future oriented. It generally aids in decision making using past and present information.
5. It collects all types of marketing information like consumer competition, marketing environment, government policies etc.
6. It converts the data or information into useful and purposeful information.
7. It consists a set of procedure and methods for the continuous analysis and presentation of information.
8. It supplies the fast and accurate information to the managers for taking quicker and better decisions.
9. It improves the decision-making quality and aids to the bottom line of the company.
10. It provides managers with better connectivity with the rest of organisation.
11. It helps managers to conduct their task with greater ease and with better efficiency.
12. It helps an organisation update itself with the current and future competition.

Sub-systems or Components of MIS

According to Philip Kotler, a marketing information system consists of four components. These are –

1. **Internal Record System:** This is an internal marketing information system and secured through accounting system. It concerns with collecting, analysing, interpreting and distributing needed information from records from various departments of the organisation. It includes various information on sales and purchase, inventory costs, cash flows, accounts, receivables and payables, sales force, reporting systems, marketing staff, the past research works and other reports available within organisation. Many companies maintain their computerised records. Internal records help marketing managers to gain faster access to reliable information. It keeps regular circulation of the information throughout the organisation without much expense and efforts.
2. **Marketing Intelligence System:** The second component of MIS is marketing intelligence. It collects information from external environment or sources. It provides valuable sources of market intelligence collected from census data, market news, newspapers, trade papers, magazines, trade journals etc. The information that is collected from the external sources cannot be used directly. It must be first evaluated and arranged in a proper order. It can be then used by marketing manager for decision making and making policies for marketing intelligence services from outside professional marketing research agencies. Thus, marketing intelligence system is an important component of MIS.
3. **Marketing Research System:** Marketing research is method of getting facts to be used by the executive in formulating policies and plans. Marketing research is an independent branch of the MIS. Marketing research is the systematic gathering, recording and analysing of data about problems related to the product, price, promotion and distribution.

According to Philip Kotler, “Marketing research is a systematic design for collection, analysis and reporting of data and findings relevant to specific marketing situation facing the company.” Marketing research not only involves methods of observation and carefully editing of the data collected but also extends to tabulation, classification, computation, comparison and correlation. Thus, it provides valuable information to the marketing manager for solving the problem.

4. Marketing Decision Support System: This system is a decision support system for marketing activities. It consists of information technology, marketing data, system tools and modelling capabilities used for data collection, data analysis, interpreting results and supporting managerial decision making. It provides predicted outcomes from different scenarios and marketing strategies. Marketing decision support system can improve efficiency and utility of the whole marketing information system. It helps the marketing managers in decision making in such areas as new product development, marketing mix planning, media selection, queuing problems in retail institutions, location of warehouses, inventory control and so on. Thus, marketing decision support system helps managers make better decision. It consists of two sub systems –

- i. The Statistical Bank
- ii. The Model Bank