

Marketing Information System

Introduction

Today managers are aware that they need different kinds of information at regular intervals of time in order to deal with recurring and non recurring decisions. As a consequence, they have found it very helpful to use a variety of data sources besides several regularly scheduled research projects that support or complement one another in providing managers with the appropriate information needed.

Data Sources

Every business organization is found to have the twin objectives - perpetuity and profitability. Perpetuity refers to the long life of the organization. If a firm has to survive for a longer period of time, it has to make decisions in a consistent and progressive manner and maintain its strategic advantage.

They have to make two types of decisions- operative (recurring) and strategic (non-recurring) in an appropriate manner. Decisions can be made effectively only when right information is available at right time in an appropriate form. To get such information, managers have to first identify the sources and make use of them.

The information sources are divided into two types:

- (i) Primary data sources which managers collect for their use and
- (ii) Secondary data sources which someone has already collected and even analyzed for his or general use.

Managers own sources of data can be classified into three types:

1. Intelligence data- Data collected through reading news papers and magazines and participation in seminars and conferences.
2. Reporting data- The reports that manager gets in regular intervals and used for monitoring activities of subordinates or understanding the progress made.
3. Research data – Data obtained by conducting research on a small or large scale by a company team or an outside agency. It might have used secondary data or primary data sources or both.

Marketing Information System

When a company begins to regularly schedule the coordination of information and data, flowing in from diverse sources, the company has begun to develop a marketing information system (MIS). The growth of MIS from local to global level indicates the importance it has gained in recent years.

The well being of multinational corporations, indeed the health of any business organization planning to prosper in the 21st century depends on information about the world economy and global competition. Contemporary marketers find that much information can be made instantaneously available. This has changed the way business is conducted. In particular, an emerging concept is Global Information System (GIS); it is an organized collection of computer hardware, software, data, and personnel designed to capture, store, update, manipulate, analyze, and immediately display information about worldwide business activity.

Decision Support Systems

A decision support system is a computer-based system that helps decision-makers confront problems through direct interaction with databases and analytical models. The purpose of a decision support system is to store data and transform them into organized information that is easily accessible to marketing managers.

Database is a collection of information that is arranged in a logical manner and organized in a form that can be stored and processed by a computer. A mailing list of customer names is one type of database. Population characteristics recorded by state, county, and city may be contained in another database. Databases often exist in computer storage devices such as hard disk drives. But, other types of databases may exist in a vendor company's computers.

Analytical models are the statistical analysis methods like descriptive statistics like averages and deviations, relationship testing methods like correlation and regression and hypothesis testing measures like t-test, z test , chi-square test, F-test and so on. In addition it may include mathematical models like linear programming, waiting line models etc.

Data Warehouse-

The concept of a data warehouse is a term that managers of information technology use to discuss the multi-tiered, computer storage of current and historical data and the mechanics of selecting and using information, which is relevant to decision-making tasks. Data warehouse

management requires that the detailed data from operational systems be extracted and transformation so that layers of summarized data “tables” can be stored (warehoused) so the various data bases are consistent. Organizations with data warehouse may integrate databases from both inside and outside the company.

A decision support systems business intelligence software allows managers to combine and restructure databases, diagnose relationships, discover patterns, estimate variables, and otherwise analyze the various databases.

Inputs for a Decision Support System

The firm can generate data in different forms- all numeric, text, voice, and image data and get it from two formal sources:

Reports and records

Internal databases containing records, such as accounting reports of sales and inventory figures, provide considerable data that may become useful information for managers. An effective data collection system establishes orderly procedures to ensure that data about costs, shipments, inventory, sales, and other aspects of regular operations are routinely collected and entered into the computer.

Research

Proprietary business research, such as survey findings, emphasizes the company’s gathering of new data. Few proprietary business research procedures and methods are conducted regularly or continuously. Instead, research projects conducted to study specific company problems generate data; this is proprietary business research.

Outside vendors and external distributors market information as their products. Many organizations specialize in the collection and publication of high-quality information.

Statistical and financial databases may be sources of input. One outside vendor, the A. C. Nielsen Company, provides television program ratings, audience counts, and information about the demographic composition of television viewer groups. Because most companies compile and store many different databases, they often develop data warehousing systems.

MIS and Marketing Decisions

So far we have discussed how marketing information can be developed to help managers take marketing decisions. As the data are gathered from recurring studies, the managers have a complete picture of current market and competitive conditions from the most recent set of

studies, and they know the recent trends that exist in all of these data. All of these items of information provide the managers an excellent historical record on which to base the development of their new marketing plans.