MOHAMED KHIDER UNIVERSITY OF BISKRA
FACULTY OF ECONOMICS, COMMERCE AND MANAGERIAL SCIENCES
CLASS: 2ND YEAR COMMERCIAL SCIENCES

COURSE OF MARKETING

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Course four:

MARKETING INFORMATION SYSTEM MIS

LECTURER: KAMILIA IZZRECH

COURSE OBJECTIVES

At The End Of This Lecture You Will Learn The Following:

1. Concept Of MIS

2. MIS Components

3. Marketing Research

Introduction

The importance of marketing information is particularly apparent as the economy continues to emphasize services as a primary source of value. Marketers/Managers need an information system to take the good and right decisions to attain their objectives in a rapid changing environment.

Services are heavily information dependent. Information is rapidly becoming a service in its own right.

To survive in highly competitive markets, companies need to be able to develop the marketing function and scale it up on "Internet time" with best decision support solutions for customer relationship management, sales force automation, market research, marketing communications, logistics, and product development.

The purpose of this lecture is to provide an overview of the Marketing Information System (MIS) especially in an evolving era characterized by an Internet-based system.

What is the good decision a marketer/manager could take?

1-A- DEFINITION OF MARKETING INFORMATION SYSTEM (MIS)

A marketing information system (MIS) is a set of procedures to collect, analyze and distribute accurate, prompt and appropriate information to different levels of marketing decision makers

MIS is "A system that consists of people, equipment and procedures to gather, sort, analyze, evaluate and distribute needed, timely and accurate information to marketing decision makers" (Philip Kotler)

1-B- CHARACTERISTICS OF MIS

- It is planned system developed to facilitate smooth and continuous flow of information

- It provides pertinent information (both internal and external) for making marketing decisions

- It provides right information at right time to the right person

MIS AND IT?

With the advent of computer technology, MIS provides direct access to the database for the managers

This is called as MARKETING DECISION SUPPORT SYSTEM (MDSS)

The system called Marketing Decision Support System (MDSS) links a decision maker to relevant database

Companies perform Data Warehousing to organize and store huge information

The process of searching through information in data warehouse to identify meaningful patterns that guide decision making is called Data Mining

WHY IS MIS IMPORTANT?

- Carry out marketing analysis, planning, implementation and control more effectively

- Effectively utilize the marketing opportunities and overcome potential threats

- Provides marketing intelligence to the firms and helps in early spotting of changing trends

- Helps the firms to adapt its product and service to the needs and tastes of the customers

- Helps in improving the quality of decision making by managers

TYPES OF MARKETING INFORMATION

MIS provides three types of information:

1- Recurrent Information

2- Monitoring Information

3- Customized Information

TYPES OF MARKETING INFORMATION

Recurrent Information	Monitoring Information	Problem related Information/Customized Information
• This is the periodic data supplied by MIS on weekly, monthly, quarterly or annual intervals • This includes data pertaining to sales, market share, sales call reports, inventory levels, payables, receivables, customer awareness of company's brands, ad campaigns, data relates to competitors etc	• This pertains to data obtained from regular scanning of certain sources such as trade journals and other publications • The data relates to the changing trends, competitors activities etc • Some of these data is purchased by companies from Market Research agencies, govt sources etc	• This information is developed in response to some specific requirements related to a marketing problem or any particular data requested by a manager • This consists of both primary data as well as secondary data • Such data is collected by conducting market research study with adequate sample size

○ 2- MIS components

The figure represents the following components of MIS
1. **Internal Record System**   2. **Marketing Intelligence System**
3. **Analytical Marketing System**   4. **Marketing Research System**
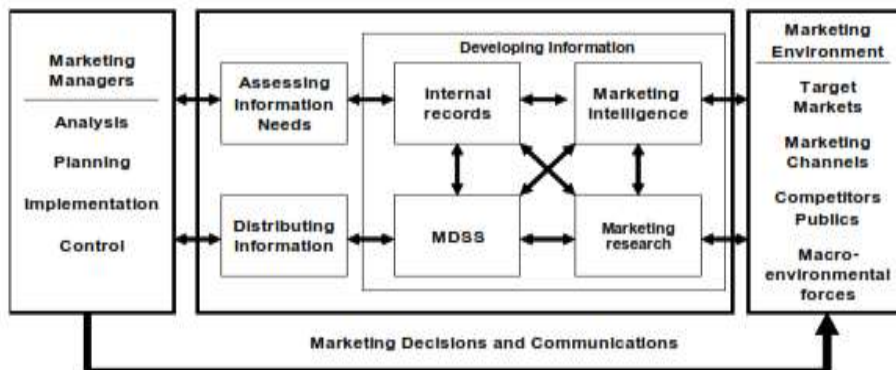

Figure 1 The marketing information system. From *Marketing Management: Analysis, Planning, Implementation, and Control*, 9th edition by Kotler, Philip © 1997. Reprinted by permission of Pearson Education, Inc, Upper Saddler River, NJ.

1) INTERNAL RECORDS

- **This comprises of the internal records related to (i) Order to Payment Cycle and (ii) Sales Information System**

- **1. ORDER TO PAYMENT CYCLE**
    - **This provides the following:**
        - **Timing and size of orders placed by consumers**
        - **The payment cycle followed by consumers**
        - **The shortest time taken to fulfill the orders**

    - **This helps the managers to plan the following activities**
        - **Decide production and dispatch schedule**
        - **Inventory and accounts receivable schedule**
        - **Logistics and distribution management schedule**

- **2. SALES INFORMATION SYSTEM**
    - **This record all the activities in the sales department**
    - **This comprises of the following:**
        - **Sales call reports to prospects**
        - **Sales territory information**
        - **Quota information**
        - **Information related to sales forecasting**

2) MARKETING INTELLIGENCE SYSTEM

This is a set of procedures and sources used by managers to obtain everyday information about developments in the marketing environment.

This supplies data related to 'happenings' whereas internal record system supplies 'results' data.

Marketing managers use the following methods to collect the data:

The most important sources are:

1- Published sources such as books, magazines, journals etc.

2- Directly from customers, intermediaries and sales personnel.

3- Appointed specialists to conduct mystery shopping to collect data regarding competitors.

4- Competitors information is collected by buying their products, attending their press conference, trade shows and reading their annual reports.

5- Information is also collected from marketing research agencies.

3) ANALYTICAL MARKETING SYSTEMS / MDSS

- This is a composite system that comprises of collection of data, systems, tools, techniques etc with supporting software and hardware by which an organization gathers and interprets relevant information from business and environment and turns it into a basis of marketing action.

- All the data generated through the other three systems are stored in a database which is retrieved by managers whenever they need it.

For instance, the most important databases used:
- Brandaid
- Callplan
- Mediac
- Adcad
- Promoter
…

4) MARKETING RESEARCH SYSTEM

This provides information to marketing managers to resolve the marketing problems,

This involves conducting marketing research survey by collecting primary data,

This may be either conducted by the marketing department of a company or it may be conducted by a marketing research organization

MARKET RESEARCH IS:
" The systematic design, collection, analysis and reporting of data findings relevant to a specific marketing situation facing the company" (PHILIP KOTLER)

FEATURES OF MARKETING RESEARCH
It is a systematic process carried out in a stepwise process,

It should be objective and the research should not be carried out to establish an opinion.
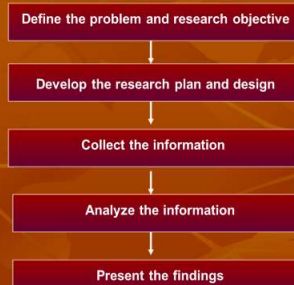
It is multi-disciplinary in the sense that it is related to Statistics, Economics, Psychology and Sociology

4) MARKETING RESEARCH SYSTEM

OBJECTIVES OF MARKET RESEARCH :

-To understand why consumers buy a product
-To forecast future sales and market share
-To assess competitive strengths and strategies
-To evaluate the effectiveness of marketing actions already undertaken
-To assess customer satisfaction

MR PROCESS

Define the problem and research objective

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Develop the research plan and design

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Collect the information

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Analyze the information

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Present the findings

4-1) MARKETING RESEARCH PROCESS

STEP 1- DEFINE THE PROBLEM AND RESEARCH PROBLEM:

* Proper definition of the marketing problem will lead to useful and relevant results which can solve the marketing problem
* Usually research is conducted with one or more objectives and this forms the broad frame within which the research has to be conducted

STEP 2- DEVELOP THE RESEARCH PLAN AND DESIGN:

* A research plan is a framework within which collection and analysis of data is undertaken
* This involves decisions on the following:
a-Data sources (primary , secondary)
B- Research Approaches
c.Research Instruments
d. Sampling Plan
e. Contact Methods

4-1) MARKETING RESEARCH PROCESS

STEP 2- DEVELOP THE RESEARCH PLAN AND DESIGN:

- **a.**Data Sources

  - The researcher has to decided which source of data to use – Primary data or secondary data

  - Primary data are freshly gathered for a specific purpose or a specific research project

  - Secondary data are data which collected for some other purpose or for commercial purpose of selling

  - Secondary data is cheaper and easy to collect but it should be checked for its reliability

STEP 2- DEVELOP THE RESEARCH PLAN AND DESIGN:

- b. Research Approaches

  - Research approach helps the marketer to collect primary data . There are five different approaches for collecting primary data:

  1) Observational Research
  - Fresh data is collected by observing people and situation

  2) Focus Group Research
  - This is a group discussion method in which eight to twelve people are involved in the presence of a skilled moderator to discuss a product, service, a firm or any marketing related activity
  - The proceedings are observed and recorded in videotape to analyze consumer attitudes, beliefs and behavior

4-1) MARKETING RESEARCH PROCESS

STEP 2- DEVELOP THE RESEARCH PLAN AND DESIGN:

3) Survey Research
- Survey is undertaken with the help of questionnaires

4) Behavioral Research
- Customers' actual behavior in terms of actual purchases are obtained

5) Experimental Research
- This is the most scientific method of research which tries to capture cause and effect relationship

STEP 2- DEVELOP THE RESEARCH PLAN AND DESIGN:

- c. Research Instruments
  - The instruments used in research can be of two types. They are (i) Questionnaire (ii) Mechanical Device

1) Questionnaire:
  - This is the most commonly used to instrument which is highly flexible

2) Mechanical Device
  - Mechanical devices such as galvanometers, eye cameras, audiometers etc are used as research instruments

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4-1) MARKETING RESEARCH PROCESS

STEP 2- DEVELOP THE RESEARCH PLAN AND DESIGN:

- d. Sampling Plan
  - The researcher has to prepare a sampling plan that should outline the following:
    - Who should be surveyed (Sampling Unit): target population
    - How many should be surveyed (Sample Size): depends on objectives and budget
    - How should they be selected for the survey (Sampling Procedure): Probability Sampling & Non-Probability Sampling

STEP 2- DEVELOP THE RESEARCH PLAN AND DESIGN:

e. Contact methods
The choices of methods available are as follows:
1) Mail Questionnaire
  - This is the best way to reach people
  - The questionnaire should be simple and clearly worded so that respondents can fill up the answers without any assistance

2) Telephone Interview
3) Personal Interview
4) Online Interviews

4-1) MARKETING RESEARCH PROCESS

STEP 3- COLLECT THE INFORMATION

- After designing the research instrument, the researcher should now actually contact the respondent and collect the information
- At this stage, it is very important to keep the quality of the data under control by ensuring accurate <u>unbiased</u> answers and by seeking the entire respondent's cooperation.
- The data collectors should be <u>well trained</u>

STEP 4- ANALYZE THE INFORMATION

- In this stage, the researcher collects the data and codify it
- Nowadays, many questionnaires are pre-coded
- The coded data is then tabulated
- Then the data is analyzed with the help of several statistical tools
- Here the data is converted into information

4-1) MARKETING RESEARCH PROCESS

STEP 5- PRESENT THE FINDINGS

- The researcher should present the findings to the decision makers or users of the information
- General format of report
  - Introduction
  - Statement of purpose
  - Research methodology
  - Analysis of data
  - Findings and conclusions
  - Recommendations
  - Appendix and bibliography

4-2) MARKETING RESEARCH PROS AND CONS

ADVANTAGES:

- Uses scientific approach in designing the problem and finding out alternative solutions
- It helps to make better marketing decisions as they are based on authentic information
- It helps in evaluating the effectiveness of various marketing actions
- It is helpful in ascertaining the reputation of the firm and its products
- It helps the firm in knowing the marketing and pricing strategies of its competitors
- It is helpful to a firm in making sales forecasts for its products and thereby ensure harmony between demand and supply

DISADVANTAGES:

- Not an exact science
- It is not always a solution
- Human tendencies
- Inexperienced research staff
- Involves high cost
- Limitations of tools and techniques

See you in the next lecture

THANK YOU FOR YOUR ATTENDANCE