

# Chapter 17

## Marketing Information System

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### ABSTRACT

*Increasingly, business leaders are viewing market information not only as an input for making better decisions but also as an important strategic asset. Marketing Information may prove to a business's chief competitive advantage in many business sectors. Competitors can copy each other's products, processes, procedures, and technologies, but they cannot duplicate the marketing information and intellectual capital. Marketing Information System primarily serves the company's marketing and top level managers, but it may also provide information to external partners, such as suppliers, partners, distributors, or marketing services agencies. A good Marketing Information System balances the information users would like to have against what they really need and what is feasible to offer and the cost of obtaining. This chapter explains how a Marketing Information system can be developed in a business? What are the subsystems of a Marketing Information system and their functions?*

### INTRODUCTION

Since early 1990s, there has been the consent among the world's scholars over the fact that consumer-driven and market-driven organizations are more successful in the world markets. Peters and Waterman in the book entitled *"In Search of Excellence"* and Michael Porter in the book named *"The Competitive Advantage of Nations"* emphasized the point that competitive success in the marketing field depends on the proper recognition of markets, customers and competitors.

High rank managers need accurate and continuous information of the market to know customers and market happenings better. Sometimes, it is observed that the performance of unsuccessful companies against market events is slow since they do not have on time access to the market information. Sometimes companies have access to relevant information but there is no continuity and harmony or they are not up-to-date; therefore, they are not of great use. Having access to suitable and reliable information is one of the cornerstones of success in the market. Another one is continuous access to the up-to-date

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information at an appropriate time. In this chapter, the Marketing Information System is introduced and explained as one of the main methods of access to the information needed to the market. This system that has been analyzed by the marketing scholars consists of the following four parts:

- Internal Database
- Marketing Intelligence
- Marketing Research
- Information Analysis

Two sections, Internal Database and Information Analysis are in fact studied inside the organizations and the other two parts Marketing Intelligence and Marketing Research are achieved by the study and analysis of market information (outside the organization) and they are used by managers for quick decision making.

The purpose of this chapter is to provide and describe the model listed above in a tangible and practical method so that people in the organization become familiar with it and develop it in their organization.

## **BACKGROUND**

The evaluation of international fast technology is merely as a result of market conditions that lead to growing competitive levels and confronting such challenges requires the companies to be up-to-date in marketing environment and marketing-based information services can act as a guide for us. (Gounaris, Panigyrakis, & Kalliop, 2007) Therefore, without having sufficient knowledge and information about the market, marketing decisions would not lead to desirable results. It is possible that new products launch to the market but there is little demand for them and consequently they end up in failure. It is likely that products come into a wrong market which may be superficially attractive while consumers of other market are more willing for them. Often, these results arise from marketing decisions which are taken based on incomplete or wrong information.

On the other hand, the excessive information can be as problematic as incomplete or wrong information. Therefore, in this context, a system must be used that reports the necessary information at the proper time to the specified users. Today, marketers complain lack of correct information or excessive wrong information. The problem of managers is not lack of information; they are in a pool of information. To obviate this problem, a good Marketing Information System must balance between the information which managers need and the information that is practically available. In Marketing Information Systems, mere collection of data is not sufficient and it does not change the quality and improvement of managers' decisions. The analysis of data and information is more than the ability to collect and read a column of numbers, percentage correctly. They are useful so long as we know where they come from and how they are collected and their influence must be studied and tested on commercial situations.

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