Marketing Information System

Marketing Information System (MkIS)

People establish business firms with the purpose of making profit and satisfy customers with the products and services they offer. Firms put lots of money, effort, and time to make products, sell those products in the market. Many business processes like, acquiring raw materials, arranging factory floor, human resources, machinery and many more other supportive tasks are performed by the firm in the process of making products. Even after putting healthy effort, time, and money, firms are not able to sell their products as they plan. There are many reasons for failure in selling products: customers are not aware of the product; product is of not good quality; cost of product is not right with the quality of the product; firm is not able to inform customers about the existence of the products or features of the product.

It is not necessary that the high quality of the product is the main cause for the sale of product; weakness in disseminating information about the product in the market may also be big reason for the low sales of the product. That is weakness in the marketing strategy of the firm; the marketing is not of quality in spreading information about the product; it is not able to make people aware about the product, features of products, benefits of the product etc.

The marketing plays a pivotal role in the success of the organization. Marketing, in brief, is the process of informing customers about the product using different marketing strategies. Therefore, nowadays firms have started to invest huge amount of money in the marketing of their products.

It is necessary to understand the marketing strategy; fund invested in the marketing, how the sales volume changed after the marketing campaigns; what was the result of marketing? To understand the details of marketing strategies and proper execution of the marketing strategies developed all the data involved in the marketing are required. Those data after processing enables to understand the implication of the imposed marketing strategies. The information system that takes data related to the marketing and provides information about the marketing before and after the execution of the marketing strategies is Marketing Information System (MkIS).

Functions of Marketing

Following are the functions of Marketing

- **Researching:** to make, design, develop and sell product it is necessary to study the existing market; study the preferences of customers; study what is selling currently in the market.
- **Buying:** to produce product raw materials are required. It is necessary to know from which supplier required raw materials of good quality for the production of product could be purchased cost effectively and timely.
- **Product development and management:** to make product machine, human resources, factory floor have to arranged; and those arranged resource must be managed properly to make quality product in time to meet the customers’ demands.
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- Production: this is function of production and manufacturing department but is related with marketing. How the decision to design, to pack product is done influences the marketing of the product.
- Promotion: it is communicating about the finished product in the market; make market know the features of product.
- Standardization and Grading: specify the characteristics of the products meeting some standard and provide grade according to size/quality of the product or market segment.
- Pricing: specify the value of the product considering production effort invested plus expected return from the invested effort
- Distribution: bring finished product in the market so that customers can easily get the product.
- Risk bearing: use good packaging method to protect the product from damage, maintain secure data warehouse, stores.
- Financing: how fund is collected to make the product and how those collected funds will be returned.
- After sales-service: after customers purchase the product if some additional services are required to use the product properly, provide those additional services to the customers.

MkIS enables to strengthen marketing process by providing information pertinent to the marketing.

How Marketing Information System can be of value to the organization?

Marketing is one of the most essential activities of organizations. Without marketing it is very difficult for organizations to survive in this competitive environment; more the organization make aware about its product to the customer more the possibility of increase in sales volume or profit. To make marketing strategies effective it is necessary to have timely, complete and accurate information about the market.

MkIS provides information related to the marketing, it helps to make marketing strategies; it helps to analyze and see the effectiveness of the marketing strategies.

Pricing of Product: By studying different products available in the market it can be known what is range of price of different products; using this information with the production and manufacturing information and anticipated profit margin, MkIS helps to specify price of a product.

Promotion: Advertising is a tool for marketing a product. Different types of advertising are in used these days: online advertising (web-pages, social networks) or offline advertising (holding boards, dash board etc.) which advertising method will be effective for the purpose of promoting product can be decided by analyzing different advertising method used in past and used by other people. MkIS helps to study and analyze used advertising strategies.

Features of MkIS

- Evaluating marketing strategies
- Promoting products
- Pricing products
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- Forecasting demands
- Improving Customer relationships

Components of MkIS

- Data base
- Data Analysis tools
- User Interface to access data/information

How MkIS works?

As all other information system works, MkIS also works in the similar manner, take data as input, process them, and produce information as output. The difference is the type of data taken as input and output produced.

Input to the MkIS

- The past transaction data are one of the most important component for the marketing information system. The database consists of records of the transaction and record about the customers involved in the transactions.
- For understanding market research is performed. Survey forms are used to collect data about the customers’ needs and interest.
- Feedbacks about the products and services from the customers
- Information about the market environment and new products in the market
- Data about the locations and customers of those locations
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- Information from the internal departments of the organization like account, production, human resources etc.
- Data/information about the implemented marketing strategies. That is how much money; human resources were required for the marketing purpose, what change brought by the marketing campaign.
  - How much fund was invested?
  - What was the human resource capacity used?
  - What was the sales volume before and after the implementation of the marketing strategy?
  - What was the size of customers before and after the implementation of the marketing strategy?

Data analysis

MkIS does analysis of the customers’ data and past transaction data to find out different categories of customers according to different attributes, subjects. For example, by analyzing the past transaction data it can figure out profitable and non-profitable customers; or segments of customers’ according to the products they purchase and the location or age group or gender etc. This helps organization to find out niche market also.

The customers’ feedbacks are analyzed to find out what kind of comments are mostly coming; negative or positive about the product and service.

The survey forms are analyzed to understand to know what customers’ want, what features customers’ expect in the product, from which location many answers for the survey question are coming and so on. It also enables to forecast the demand of the product.

The information from internal departments helps to make marketing strategy. The information about the fund will enable MkIS to budget the new marketing strategy.

The data related to the implemented marketing strategies are analyzed to evaluate the marketing strategies. It answers the question: “Was marketing campaign successful?” The analysis of marketing strategies will also enable to decide how the promotion of products can be done effectively. If the implemented strategy was not good, think about different promotion strategy or try to improve the implemented strategy.

Output of the MkIS

The MkIS after analyzing data enables to:

- Find niche market on the basis of preferences of customers
- Help to make new products or unique product
- Effectiveness of the implemented marketing strategies and insights to promote products differently if required.
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- Improve customer relationships. MkIS helps to understand customers purchasing behavior and make clusters of customers accordingly. This information can be used at the time of transaction with customers and can be served according to the type of customers; up sell, cross sell concepts can be implemented.

Questions and Answers

What is MkIS?

It is an information system which enables to promote products, inform customers about the product, analyze the effectiveness of marketing strategies used, forecast demand, help to develop marketing strategies, improve customer relationships.

What are the functions of MkIS?

✓ Sales promotion
✓ Develop and evaluate marketing strategies
✓ Enable to develop unique product
✓ Improve customer relationship
✓ Improve sales volume and customer base

How the effectiveness of implemented marketing strategies is evaluated?

By finding answer to following questions:
  ✓ How much fund was invested?
  ✓ What was the human resource capacity used?
  ✓ What was the sales volume before and after the implementation of the marketing strategy?
  ✓ What was the size of customers before and after the implementation of the marketing strategy?