



Consider for a moment the many types of decisions that marketers are required to make. Depending on each person's primary responsibilities, s/he might choose the best target market, the best products to sell, the best advertising strategy to be used, and so on. It is easy to think that marketers make these decisions on gut instinct or personal experience. Rather than relying on their own personal knowledge of problems, marketers base their decisions on reliable, relevant marketing information. And, where do they get this information? From a marketing-information management system.

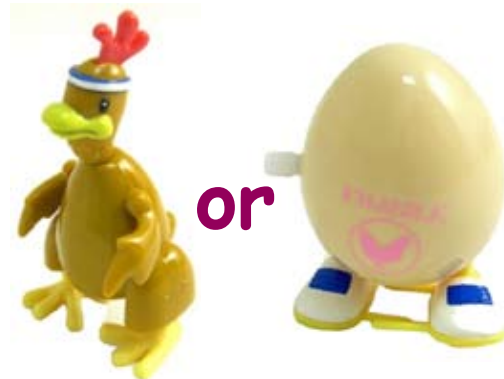
SAMPLE PAGE

Objectives

- A** Discuss the nature of marketing-information management systems.
- B** Explain the role of marketing-information management in marketing.

Just the Facts, Please

You've probably heard the age-old dilemma about which came first: the chicken or the egg. Philosophers have been arguing about it for thousands of years. In fact, there's little chance that they'll stop anytime soon. In marketing, though, cause-and-effect relationships are usually a bit more clear-cut.



Take data and information, for example. Which comes first? Ask a marketer, and s/he'll tell you that data definitely come before information. Data

or

Information

are facts and figures—nothing more. Information, on the other hand, is facts and data presented in a useful form. For data to become information, they must be processed, organized, and presented in an understandable, meaningful manner.



Marketing information, therefore, is marketing data available from inside and outside a business *that have been processed and organized in a useful way*. While marketing data are good to have on hand, they don't become truly valuable until they're turned into marketing information.

In fact, most businesses today wouldn't survive without marketing information. Businesses need marketing information to make educated decisions, solve problems efficiently, and plan for the future. Marketing information helps marketers to learn about the markets they serve, what products are working in those markets, how well those products are working, why the products are successful, and how much impact price has on customers' buying decisions. Also, marketing information helps marketers to understand what has happened in the past, what is going on now, and what to expect in the future. With such knowledge, marketers can increase their businesses' profits by improving sales and reducing losses.



Businesses also obtain external data by conducting marketing research, which is one component of marketing-information management. Marketing research is the systematic gathering, recording, and analyzing of data about a specific marketing problem or situation. Such research may be needed when the existing data in the MkIS are insufficient or do not apply to the problem at hand.

Another method for obtaining data is through a marketing intelligence system. A marketing intelligence system is often used to informally gather helpful data from both internal and external sources. While marketing research typically focuses on one specific problem, marketing intelligence may or may not relate to any current issue or project. For example, a marketer might run across some useful data while participating in a trade-related webcast. Another marketer might also discover marketing data while conversing with suppliers or customers. Some other internal and external sources may include salespeople, drivers, receptionists, newspapers, competitors' websites, and mystery shoppers.

Data processing. Analyzing the data collected and putting them into formats useful to a business are important functions of the MkIS. Remember, data are typically not useful in their original form. An MkIS is responsible for transforming these data into much more understandable, organized marketing information. Think about financial records from the accounting department. They would need to be adapted significantly for use in evaluating product performance.

Information reporting. A third important function of the marketing-information management system is handling the flow of information within a business. The system should distribute the necessary information to those who need it. It should also make it easy for marketers to locate and retrieve information at any time.

What Is Required of an MkIS

A marketing-information management system should meet the requirements of an individual business. Some basic requirements of an MkIS are that it should be able to:

- Decide quickly what data and information are needed
- Collect, process, and store data and information effectively
- Handle whatever amount of data and information a particular business needs
- Protect the data and information
- Operate continuously

A marketing-information management system provides marketers with the right information at the right time in the right form.

The Gray Zone



Yasmine, Inc. is a large corporation that specializes in hair care items such as shampoos, conditioners, and styling products. Christina, a senior associate in marketing-information management, leads a team of eight employees who are responsible for gathering and analyzing data about the company's competitors. In order to stay ahead, Yasmine's marketing intelligence team has been monitoring the competitor's product line targeted at young women. Recently, the competitor has launched a new product line that is very favorable for the company. Christina's staff, however, has suggested that the company consider dumpster diving at the competitor's headquarters. "Who knows," Timothy says, "maybe we can find some good information about these products in the competitor's trash."

What do you think? Should Christina's team rummage through the competitor's trash in search of information about the new products?

Competition. Information about competitors' activities is very important to a business. The MkIS can gather and analyze data such as improvements planned for competitors' products, new products that are being introduced, or the competition's market share. In fact, this type of information is so important that some businesses have a separate section of the MkIS whose sole responsibility is to monitor the competition.

A Key to Success

No matter how it uses its marketing-information management system, however, every business ultimately has the same goals in mind. These goals are to be profitable (or, in the case of a nonprofit business, to meet its objectives) and to develop a competitive advantage in the marketplace. Successful organizations have discovered that a key to reaching these goals is to maintain and utilize an effective marketing-information management system.



Summary

Marketing-information management systems benefit marketers in many ways. These ways include collecting and presenting marketing information in an organized fashion; giving a broader perspective of the market; providing information that may help to prevent a business crisis; and helping marketers to improve their

planning. Marketers often use marketing-information management systems when making business decisions; determining market opportunities; developing sales forecasts; evaluating promotional strategies; conducting situation analyses; determine profitability; reducing risk; and learning about competitors. Regardless of how an MkIS is used, it helps the business to be profitable and/or meet its objectives and to develop a competitive advantage in the marketplace.



1. Explain ways that marketing-information management systems can benefit marketers.
2. How could an MkIS be used in the following situations:
 - a. Business decisions
 - b. Market opportunities
 - c. Sales forecasts
 - d. Promotional strategies
 - e. Situation analysis
 - f. Profitability
 - g. Risk reduction
 - h. Competition

Make It Pay!

Regardless of size, virtually all businesses have some type of marketing-information management system. Think about the business where you work. How would you describe its marketing-information management system? How does its internal records department use marketing information? How does the business use marketing information to make decisions? How is marketing information used in the business? How is marketing information used in the business? How is marketing information used in the business? How is marketing information used in the business?

Now, take some time to consider how the business could improve its marketing-information management. What other



marketing data should the business collect? How could the business more effectively manage information? What recommendations would you make to the business so that it makes better use of marketing information?