

For the class of M. Com, Dept. of Applied Eco. and Commerce, Patna University

Subject – Marketing Management,

Paper Code – COMCC 6; Unit – 3

Topic – Sub-systems of Marketing Information System

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Dear Students,

It's been more than a month that we haven't communicated in class. I hope you all must be safe, healthy and must be involved in some fruitful activities for building-up some new talent in you.

The sub-systems of Marketing Information System (MkIS) are as follows:-

1. **Internal Accounting System** – This point was dealt in the class. So, I'm proceeding towards the explanation of second point.

2. **Marketing Intelligence System** – A marketing intelligence system is a set of procedures and data sources used by marketing managers to shift information from the environment that they can use in their decision making. This scanning of the economic and business environment can be undertaken in a variety of ways, including the following:-
 - **Unfocussed Scanning:** The manager, by virtue of what he/she reads, hears and watches exposes him/herself to information that may prove useful. Whilst the behaviour is unfocused and the manager has no specific purpose in mind, it is not unintentional.
 - **Semi-focussed Scanning:** Again, the manager is not in search of particular pieces of information that he/she is actively searching but does narrow the range of media that is scanned. For instance, the manager may focus more on economic and business publications, broadcasts etc. and pay less attention to political, scientific or technological media.
 - **Informal Search:** This describes the situation where a fairly limited and unstructured attempt is made to obtain information for a specific purpose. For example, the marketing manager of a firm considering entering the business of importing frozen fish from a neighbouring country may make informal inquiries as to prices and demand levels of frozen and fresh fish. There would be little structure to this search with the manager making inquiries with traders he/she happens to encounter as well as with other *ad hoc* contacts in ministries, international aid agencies, with trade associations, importers/exporters etc.
 - **Formal Search:** This is a purposeful search after information in some systematic way. The information will be required to address a specific issue. Whilst this sort of activity may seem to share the characteristics of marketing research it is carried out by the manager him/herself rather than a professional researcher. Moreover, the scope of the search is likely to be narrow in scope and far less intensive than marketing research.

Marketing intelligence is the province of entrepreneurs and senior managers within an agribusiness. It involves them in scanning newspaper trade magazines, business journals and reports, economic forecasts and other media. In addition it involves management in talking to producers, suppliers and customers, as well as to competitors. Nonetheless, it is a largely informal process of observing and conversing.

Some enterprises will approach marketing intelligence gathering in a more deliberate fashion and will train its sales force, after-sales personnel and district/area managers to take cognisance of competitors' actions, customer complaints and requests and distributor problems. Enterprises with vision will also encourage intermediaries, such as collectors, retailers, traders and other middlemen to be proactive in conveying market intelligence back to them.

3. **Marketing Research System** – The general topic of marketing research has been the prime ' subject of the textbook and only a little more needs to be added here. Marketing research is a proactive search for information. That is, the enterprise which commissions these studies does so to solve a perceived marketing problem. In many cases, data is collected in a purposeful way to address a well-defined problem (or a problem which can be defined and solved within the course of the study). The other form of marketing research centres not around a specific marketing problem but is an attempt to continuously monitor the marketing environment. These monitoring or tracking exercises are continuous marketing research studies, often involving panels of farmers, consumers or distributors from which the same data is collected at regular intervals. Whilst the *ad hoc* study and continuous marketing research differs in the orientation, yet they are both proactive.

4. **Analytical Marketing System** – Within the MIS there has to be the means of interpreting information in order to give direction to decision. These models may be computerized or may not. Typical tools are:
 - Time series sales modes
 - Brand switching models
 - Linear programming
 - Elasticity models (price, incomes, demand, supply, etc.)
 - Regression and correlation models
 - Analysis of Variance (ANOVA) models
 - Sensitivity analysis
 - Discounted cash flow
 - Spreadsheet

These mathematical, statistical, and financial models are the analytical subsystem of the MIS. A relatively modest investment in a desktop computer is enough to allow an

enterprise to automate the analysis of its data. Some of the models used are stochastic, i.e. those containing a probabilistic element whereas others are deterministic models where chance plays no part. Brand switching models are stochastic since these express brand choices in probabilities whereas linear programming is deterministic in that the relationships between variables are expressed in exact mathematical terms.

Management of Inputs

The inputs of MkIS are all those information which are to be utilized by the marketing department. These inputs can be stored in both, hard form or soft form. If it is stored in hard form, then it should be filed up in a way, that the information could be retrieved as and when required to the different levels of management. If it is stored in soft form, files are made in computer systems. With the advancement of technologies, these are stored in dedicated softwares developed by the professionals understanding the needs of their clients. There could be many sources of coming of inputs in the organizations like, salespersonnel, customers, surveys, distributors. Besides, there are many ways by which the inputs could be managed in an efficient manner:

1. There should be dedicated personnel for this very purpose
2. There should be an efficient filing system in the organization
3. There should be prompt and efficient communication system among the different levels of managers
4. There should be provision of storing even minute inputs
5. The inputs could be of different nature regarding their life, say, some inputs could be useful for only a day, while other can be useful for even years.
6. There should be a proper and reasonable security system for granting access to different levels of personnel to the inputs
7. The sources of inputs should be trustworthy