

2 Marketing information system (MIS)

The demand for information, its quantity and quality is growing. This is associated with the development of information technologies that cause revolution in data acquisition, processing and storing as well as in communication. We can witness the broad use of computers, computer networks, cable TV, multimedia, internet and other technologies that enable data transfer, processing and presentation. The number of companies and people that deal with data and information is growing as well. On the other hand, companies face a problem related to huge amount of data and information to be obtained, processed and used on a daily base. For this purpose, companies have to build marketing information system and if needed, to conduct a marketing research.

2.1 Structure of marketing information system

Marketing information system is a part of a company information system that is used for decision-making, and management in a company. The objective of the MIS is to bring information about company's activities and market environment for strategic and tactical planning in the company.

Marketing information system is defined as a developing and mutually communicating structure of people, facilities and information technologies focused on collecting, retrieving, sorting, analysis, evaluation, reporting and distribution of data and needed relevant information used by marketers in marketing decision making process, marketing planning, marketing plans implementation and control. It is a subsystem of the information system of a company.

The objective of marketing information system is to:

- Obtain data and produce information
- Process and provide information to managers
- Distribute and provide an access to information in the required form (Příbová et al. 1996).

The concept of marketing information system is depicted in Figure 2.1.

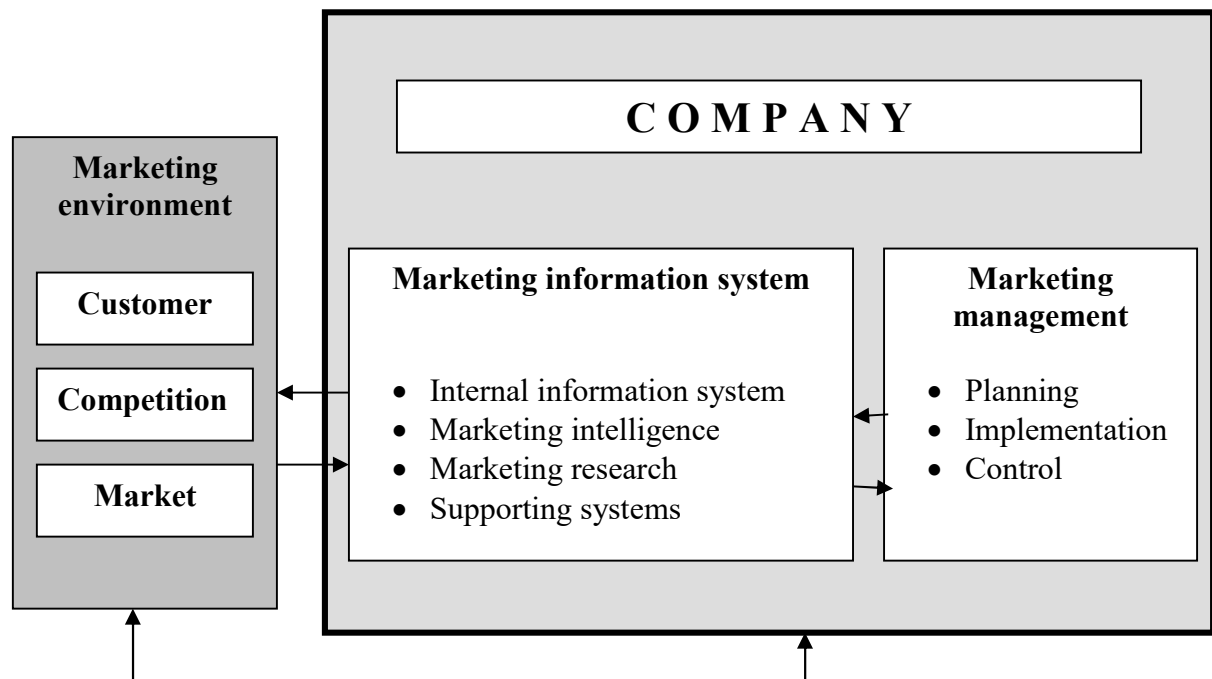


Figure 2.1 Marketing information system

Source: own

According to the way of data obtaining and processing, marketing information system consists of the following three information subsystems:

- **Internal marketing information system is a basic information subsystem that brings data/information produced in the normal course of running the company.**

The aim of an internal information system is to keep the company informed about its own performance, to help to anticipate change in its own competitive and technological environment, and to focus and monitor company effort. It helps to use of data that already exists and is available. It includes information about orders, sales, prices, costs, stocks and financial indicators. The data/information obtained from the internal resources of the company has the advantage of being quickly available, cheap to obtain and highly relevant and specific to the company, its products, markets, customers and performance. However, the data/information does not have to meet the requirements of managers since the data is produced for a different purpose, for example for the need of book-keeping or evidence.

The internal information system includes the following subsystems:

- **Sales and stock monitoring system** that involves the analysis of production and sales records, distribution statistics or cost data.
- **System of evidence and customer analysis** provides data about customers, their shopping behaviour, shopping frequency and payments. It usually represents a database of existing and potential customers used for a customer segmentation applying e.g. RFM (Recency, Monetary and Frequency) analysis.

➤ **Marketing intelligence is a set of methods and information sources used to obtain information about a situation and changes in marketing environment through personal contacts.**

It refers to intelligence information acquired by individuals who work for the company as a result of the personal contacts they make. Data is obtained from statistics (statistical records and yearbooks), daily news, official reports, TV, advertising, customers, informal store checks and monitoring of competitors' products and publicity efforts. The process of collecting data is less systematic and representative in the selection of source and acquiring data than marketing research (Kotler, 1998) .

➤ **Accumulated research and marketing information system used to acquire specific information related to real problems or purpose.**

Marketing research system is a specific part of marketing information system producing research studies focused on specific areas of interests and needs of the company, e.g. research on competitive position of the company in the market, research on customer satisfaction, and so on. Whereas acquiring data about internal activities of the company and its environment is a longitudinal process, marketing research is rather ad hoc activity. Marketing research can be conducted whenever there is a need for information or repeated on a regular basis (Kotler, 1998).

- **System supporting marketing decision-making** represents a system of statistical methods and mathematical descriptive and decision making models that allow data processing and situation modelling (Příbová et al. 1996).

2.2 Role of marketing information system in a company

The problem of many companies in these days is a need of present, relevant, reliable and actual information. On one hand, companies are overloaded by huge amount of information that they do not need. On the other hand, they have problem to find or obtain the information that is necessary for their business activities or they do not get the information on time or in a form they need, or they do not know where to get the information at all.

The solution to this problem is a marketing information system. Many companies in these days implements modern information system that provide their employees all information that they require.

Companies in accordance to the needs of its managers and employees designs marketing information systems in the way that they allow the flow of information in needed way. The marketing information works according to the requirements of managers. Based on their requirements, it collects, processes and analyses information and delivers information to managers (Příbová et al. 1996; Zbořil, 1998). Marketing information system uses various types and sources of data, such as internal operating data and external data obtained by market intelligence and marketing research (for more details see chapter 3).

Summary

Managers in order to run a company and make the right decisions need a lot of information. For this purpose, companies implement marketing information systems that meet the requirements of managers. The basic information system that monitors all business activities of the company is its internal information system. To monitor the external environment of the company, there is a need for market intelligence that brings data about the situation and changes in the market, about competition and customers.

Sometime when existing information does not meet the requirements of managers, companies have to conduct marketing research in order to get data related to a specific problem associated with the decision-making process or searching for solution. Marketing research can be conducted by the company itself or by a marketing research agency.

Literature:

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