

Marketing Information System (MIS) Basics

Information flow is critical to a sustainable marketing effort

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Marketing

In the course of developing the firm's marketing plan, data was collected and information about the internal and external environments was analyzed. Objectives were set, strategies determined, and evaluation metric defined. Now that all the planning has turned into implementation, how do you know which part of your effort is making a difference? Is it the pricing? Channel selection? Or are the results you are seeing entirely due to the external environment? The only way the answer this type of question accurately and in a timely manner is with a marketing information system (MIS).

At the most basic level a marketing information system consists of, "people, equipment and procedures to gather, sort, analyze, evaluate and distribute needed, timely and accurate information to marketing decision makers" (Kotler, 1997).

Information

Any person or group managing a marketing effort needs information to make informed decisions. The first step to developing an effective marketing information system is identifying the information that is important to your marketing efforts. Like all efforts, information requests must be balanced against what is really needed to make decisions, what is possible to acquire, and the cost to acquire requested data.

Once these data elements have been defined, their sources must be identified. There are two means to collecting marketing data: Primary and Secondary.

Primary data is collected by the firm directly for a specific use. This data may come from client records, specific questionnaires or general surveys.

Secondary data is data already collected by third party sources. The data may not have been collected for your specific purpose, but it can provide useful information. Sources for relevant secondary data include, local association directories, the local chamber of commerce, universities, state and federal agencies.

System

The information needs for the firm have been uncovered. The data sources have been identified. Now a system for collecting, recording, reporting and analyzing that information must be developed. Its size and structure may vary, but at a minimum the MIS should consist of three components.

- **Market research** – typically based on primary research. Examples of market research data include, client interest in a proposed new product or service, segmentation of existing clients, or identification of referral sources.
- **Market intelligence** – typically based on secondary research but can include primary research. It covers the external marketing environment. Examples of market intelligence include, number and size of firms in targeted markets, competitors' offerings and pricing, any legal, political, economic, social or technological aspect that may affect your business.
- **Reporting** – for continuous monitoring of market research and intelligence. Examples include, quarterly revenue reports by client or service type. Comparing like periods across years may help refine operations, but cross-referencing this data with same period marketing expenditures typically reveals valuable information about the marketing effort and client base.

Conclusion

The purpose of a marketing information system is providing support to the marketing team and management when planning, analyzing and evaluating alternative strategies. An effective MIS can range

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from a simple spreadsheet to a complex analytical database. Regardless of its structure, the MIS must possess current data and be able to provide useful information in a timely manner. Without a solid MIS any marketing effort will not be sustainable and will result in wasted firm time and money.