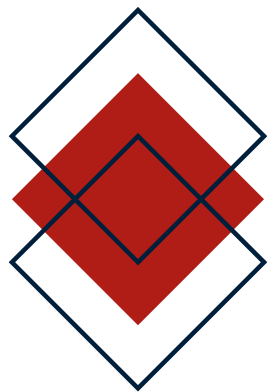




DIFFERENT INFORMATION SYSTEMS IN MODERN BUSINESS

Module: Managing Business Information (LCLM5004)

University: University of Wales Trinity Saint David



Presented By

- **Student 1: Andriana Chemodurova**
- **Student 2: Olha Yatsyna**
- **Student 3: Ihor Vynnychuk**
- **Student 4: Marian Stanila**

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WHAT IS AN INFORMATION SYSTEM?

An Information System (IS) collects, stores and uses information to support business activities.



01

Main components:

- People
- Data
- Hardware and software
- Business processes

02

Why is it important?

- Improves efficiency
- Supports better decisions
- Reduces mistakes
- Improves customer service
- Helps businesses compete

Reference: (Laudon and Laudon, 2022)

THREE TYPES OF INFORMATION SYSTEMS

01

Transaction Processing System (TPS)

Records daily transactions, such as sales and payments.

02

Management Information System (MIS)

Uses business information to create reports and support management decisions.

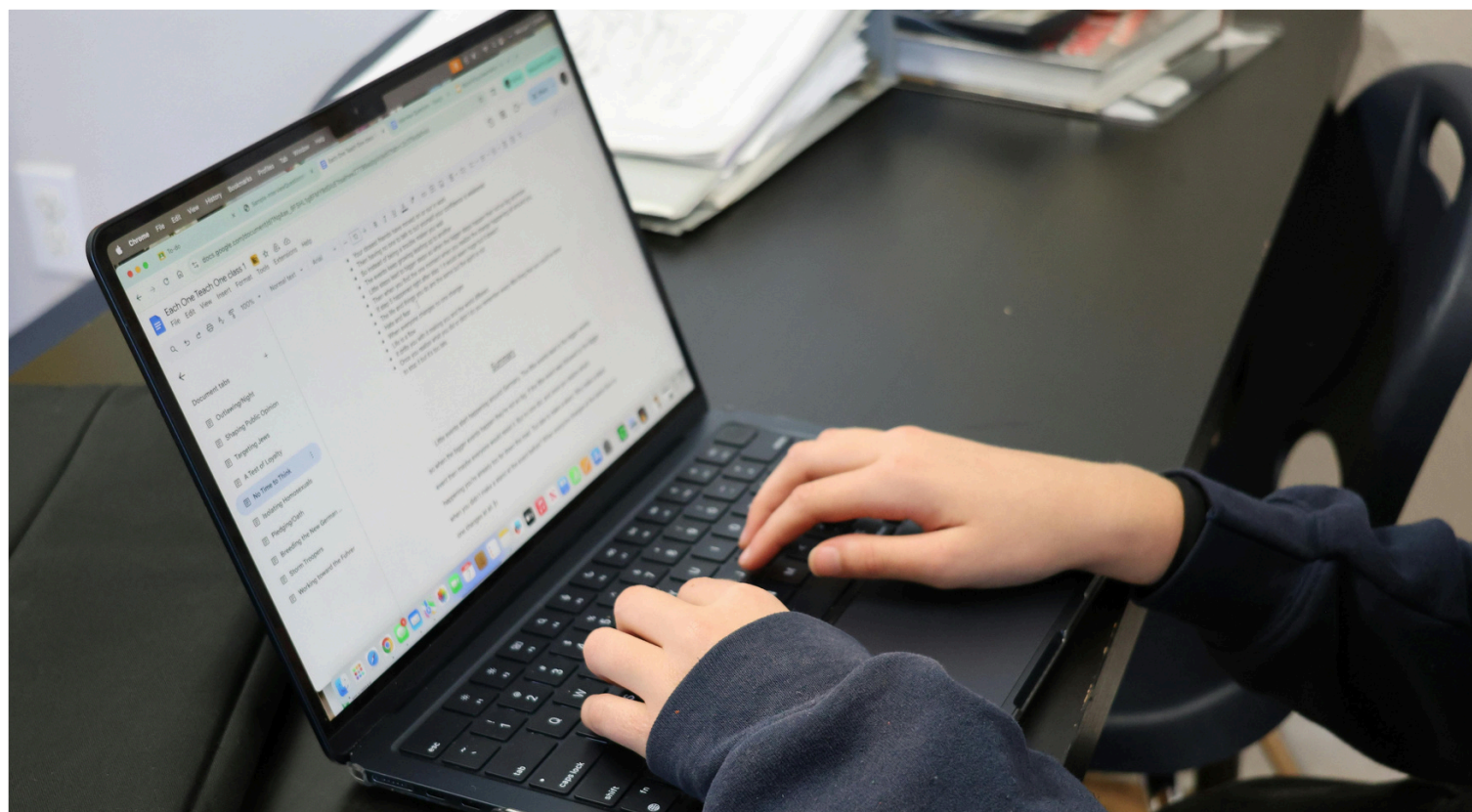
03

Customer Relationship Management (CRM)

Helps businesses manage customer information and improve customer relationships.

Key point: Each system has a different purpose.

Reference: (Laudon and Laudon, 2022; Buttle and Maklan, 2019)



TRANSACTION PROCESSING SYSTEM (TPS)

Purpose: To record and process daily business transactions.

Main functions:

- Process sales and payments
- Record customer orders
- Update stock information

Benefits:

- Fast transactions
- Accurate sales records
- Better stock control

Limitations:

- Technical problems can stop sales
- Security risks
- Maintenance costs



Reference: (Laudon and Laudon, 2022)

Main functions:

- Collect business information
- Prepare sales and performance reports
- Monitor business results
- Support planning

Benefits:

- Better decision-making
- Improved business planning
- Easier access to information

Limitations:

- Incorrect data can lead to poor decisions
- Implementation costs
- Employee training

Reference: (Laudon and Laudon, 2022)

MANAGEMENT INFORMATION SYSTEM (MIS)

Purpose: To help managers make business decisions.



CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

Purpose: To improve relationships between businesses and customers.



Main functions:

- Store customer information
- Record customer communication
- Support marketing activities
- Manage customer service

Benefits:

- Better customer experience
- Personalised offers
- Stronger customer relationships

Limitations:

- Data privacy risks
- Implementation costs
- Need for regular updates

Reference: (Buttle and Maklan, 2019)

COMPARISON OF INFORMATION SYSTEMS

Criteria	TPS	MIS	CRM
Main purpose	Daily transactions	Business decisions	Customer relationships
Main users	Operational staff	Managers	Sales and service teams
Main benefit	Speed and accuracy	Better planning	Customer loyalty
Main limitation	Technical failures	Incorrect data	Privacy risks
Business value	Efficient operations	Better management	Better customer service

Key finding: No single system can meet all business needs.

Reference: (Laudon and Laudon, 2022; Buttle and Maklan, 2019)

ETHICAL ISSUES IN INFORMATION SYSTEMS



1. Data Privacy



Personal customer information must be protected.

2. Cybersecurity



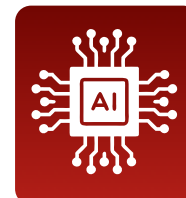
Businesses must protect systems from cyberattacks.

3. Employee Monitoring



Monitoring employees can create privacy concerns.

4. AI and Bias



Automated decisions may be unfair if the data is biased.

HOW TO REDUCE ETHICAL RISKS

Recommended actions:

- Use strong passwords and multi-factor authentication
- Train employees in cybersecurity
- Protect customer information
- Follow UK GDPR requirements
- Use employee monitoring responsibly
- Check automated decisions for bias

Expected results:

- Better information security
- Stronger customer trust
- More responsible business practices



REAL-WORLD CASE STUDIES

01

Zara — Stock Management

Business challenge: Managing many clothing products and sizes.

Solution: RFID technology helps identify and track products.

Business benefit: Better stock information and faster product searches.

Limitation: Technology costs and system dependence.

Reference: (Inditex, 2016)

02

Starbucks — Customer Relationships

Business challenge: Keeping customers interested and encouraging repeat visits.
Solution: Starbucks Rewards loyalty programme.

Business result: Rewards members generated nearly 60% of US company-operated store revenue in fiscal 2025.

Limitation: Customer data privacy concerns.

Reference: (Starbucks, 2026)

RECOMMENDATIONS AND CONCLUSION

Our Recommendations for a Growing Retail Business

Step 1 – Introduce TPS

Improve sales processing and stock control.

Step 2 – Use MIS

Analyse sales information and support management decisions.

Step 3 – Implement CRM

Improve customer service and customer relationships.

Step 4 – Protect Information

Use security controls and train employees.

Conclusion

Information systems can improve:

- Business efficiency
- Decision-making
- Customer satisfaction
- Competitive advantage

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