

**Master of Business Administration**  
**Marketing Management**  
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## **Introduction**

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A Marketing Information System (MKIS) is a planned tool that helps firms gather, store, and use data for decisions (Rosário, 2021). It supports managers in studying markets, customer behavior, and long-term strategies. By using MKIS, businesses can process data and create insights that improve performance and productivity (Dehghan, 2025). Managers can use these insights to design effective actions for growth. Customer Relationship Management (CRM) is another useful system for many firms. CRM tools help organizations build customer loyalty and trust (Guerola-Navarro et al., 2021). They also enhance satisfaction while improving customer engagement in different industries. When firms use MKIS together with CRM, they gain more chances to grow. The two systems help increase competitiveness and improve results (Aaker and Moorman, 2023). The purpose of this report is to show their role in business success.

## **Task 1**

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### **1.1 The Role and Importance of Marketing Information Systems (MKIS) in Improving Marketing Decisions**

Marketing Information Systems are important tools for modern business operations. They help organisations gather data, process information, and support decision making. Managers use the information to design marketing plans that respond to customer needs. The use of reliable data helps reduce uncertainty during the decision process (Rosário, 2021).

MKIS also plays a key role in supporting strategic goals. Information from customer interactions helps managers understand behaviour and expectations. The knowledge allows firms to improve product design and pricing strategies. By linking marketing actions with accurate data, decisions become more effective (Shukla and Gupta, 2018).

Another role of MKIS is to support the monitoring of markets. Companies can detect changes in demand through continuous information flow. Managers use these signals to adjust promotion strategies or stock levels. Such adjustments help businesses remain competitive within fast changing markets (Dehghan, 2025).

The importance of MKIS also lies in improving communication inside the organisation. Information gathered from different departments can be combined in useful reports. Managers and

employees gain shared insights that guide teamwork and planning. This coordinated knowledge helps strengthen overall business performance and decision making (Siregar, 2022).

MKIS provides a strong base for long-term growth. Businesses that depend on accurate marketing information can reduce risks. They can also predict future opportunities more effectively than competitors. Accurate marketing decisions also allow managers to allocate resources more wisely (Boateng, n.d.).

An example of importance can be seen within Tesco. The company relies heavily on Clubcard data to support decisions. Data from purchases helps managers design promotions that match customer habits. This approach provides Tesco with a strong competitive edge in the UK market (Tesco, 2024).

## **1.2 How MKIS Helps Businesses Collect, Process, and Analyse Customer Data**

MKIS begins with the collection of data from different sources. Information comes from customer transactions, online platforms, and surveys. The collected data includes product purchases, feedback, and demographic information. This wide range of inputs helps firms build a complete picture (Rosário, 2021).

Once collected, the information is processed through technology systems. The process involves storing, cleaning, and arranging the data for easy access. This step ensures that information is accurate and useful for analysis. Businesses often use databases or cloud systems to manage large volumes (Siregar, 2022).

After processing, businesses analyse the information to detect useful patterns. Analysis can reveal how often customers buy specific products. It can also show what items customers often purchase together. These patterns give managers valuable insights into preferences and buying behaviours (Shukla and Gupta, 2018).

MKIS also allows firms to track changes over time. Managers can compare purchasing trends across different periods or locations. This information is useful for planning seasonal campaigns and stocking shelves. The ability to track patterns gives businesses a clear picture of market movements (Dehghan, 2025).

Technology plays a central role in the analysis stage. Advanced tools like big data analytics and artificial intelligence support deeper insights. These technologies allow managers to predict behaviours and test scenarios. The use of such tools helps in creating more effective marketing strategies (Del Vecchio et al., 2022).

Tesco provides a strong example of this process in practice. Through its loyalty card system, Tesco collects millions of data points daily. The data is processed by dunnhumby, a data science firm linked with Tesco. This analysis helps identify shopping habits and guide marketing actions (Tesco, 2024).

Another example can be seen in global retail companies like Amazon. The firm analyses purchasing data to recommend products to customers. Such personalised suggestions increase customer satisfaction and drive more sales. The ability to process and analyse data is a major source of competitive strength (Chernev, 2025).

Thus, MKIS provides a structured way for firms to transform raw information into insights. This process supports better marketing actions that are backed by reliable evidence.

### **1.3 Examples of How Companies Use MKIS to Predict Needs and Improve Experiences**

Companies apply MKIS in different ways to predict customer needs. One common use is the development of loyalty programs that gather valuable data. These programs provide insight into customer habits and preferences. The collected information is then used to predict future behaviours (Rosário, 2021).

Tesco has built its success through the use of Clubcard data. The company tracks customer purchases across thousands of stores and online platforms. Data analysis reveals product combinations, preferred brands, and frequency of purchases. Tesco then designs promotions and product placements based on these insights (Tesco, 2024).

Another example is the use of MKIS in global airlines. British Airways uses data systems to understand travel patterns and service preferences. The company can offer targeted promotions based on destinations and schedules. This personalised approach helps improve customer experience and loyalty (Kotabe and Helsen, 2022).

Companies also apply MKIS to improve online experiences. For example, Netflix uses MKIS to collect data about viewing habits. Data analysis supports recommendations that match individual preferences. This predictive ability enhances user experience and increases engagement (Rosid et al., 2023).

MKIS also plays an important role in developing new products. Data about customer preferences guides research and innovation. Companies use insights to design offerings that match market needs. This practice reduces risks linked to launching new products (Aaker and Moorman, 2023).

In the financial industry, banks use MKIS to detect customer spending patterns. The analysis helps in designing personalised loan or credit offers. Customers receive offers that match their behaviours and preferences. This creates trust and strengthens relationships between banks and clients (Nguyen and Ali, 2021).

MKIS also supports better customer service strategies. Companies use information from complaints and feedback to improve services. This process helps identify weaknesses and respond quickly to concerns. Customers benefit from improved services that match their expectations (Sudirjo, 2023).

Another important use of MKIS is forecasting demand. Businesses like Tesco use past purchasing data to predict future sales. Forecasting allows firms to maintain stock levels that match demand. This reduces waste and ensures product availability for customers (Tesco, 2024).

The role of artificial intelligence also improves predictive abilities. AI allows businesses to process large datasets more effectively. Insights from AI-driven MKIS support highly personalised marketing efforts. Customers receive promotions that feel relevant and useful (Pshychenko, 2024).

By applying MKIS, firms enhance customer experience through personalisation. Predictive marketing creates stronger loyalty and deeper relationships with customers. The combination of insights and actions provides businesses with competitive advantage.

## **Task 2**

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### **2.1 Evaluation of How Firms Apply CRM within MKIS to Enhance Customer Experience**

Customer Relationship Management (CRM) is a system used by firms to manage relations. CRM stores customer details for marketing and service tasks (Guerola-Navarro et al., 2021). These details help businesses design actions that meet customer needs. By doing so, firms create experiences that improve trust and engagement. This way, customers feel valued and supported.

CRM becomes stronger when joined with Marketing Knowledge Information Systems (MKIS). Loyalty programs are a key part of CRM in MKIS. These programs reward customers while collecting purchase data. Tesco's Clubcard is a known example of CRM in MKIS (Tesco, 2024). The card collects details from millions weekly. Tesco uses the data to design tailored offers and discounts. Buyers then receive personal promotions that suit shopping habits. This makes the shopping experience more enjoyable.

CRM also improves customer service through digital tools. Virtual assistants and chatbots are widely used today. These tools give answers instantly and reduce waiting times. Research shows chatbots are important for service delivery (Sofiyah et al., 2024). Faster replies improve service quality for many customers. With better responses, businesses create strong connections with customers. This combination of CRM and MKIS builds loyalty. It also raises satisfaction and long-term trust.

The airline industry also shows how CRM supports MKIS. British Airways uses CRM systems to track passenger choices and needs. The airline provides customised travel offers and reminders to customers. Passengers also get seat suggestions based on travel history. These personalised actions help build stronger trust between the airline and its passengers (Kotabe and Helsen, 2022). The use of CRM ensures that service delivery remains smooth and reliable.

The banking sector also benefits from CRM within MKIS. Financial firms use cloud-based CRM tools to store and analyse records. Customer details are studied to create offers for loans and savings. This ensures that financial services match the personal needs of customers (Nguyen and Ali, 2021). HSBC, for instance, uses CRM systems to personalise online banking experiences.

Customers receive advice and offers based on their spending and saving history. Such practices strengthen customer relationships in the financial sector.

CRM in MKIS also supports forecasting of future demands. By reviewing customer history, businesses can predict likely purchases. Predictive tools help companies prepare offers and reduce shortages. For example, Tesco uses predictive systems to plan product availability. This ensures that key grocery items remain in stock for customers (Tesco, 2024). Such preparation increases satisfaction and helps avoid service failures.

CRM within MKIS also drives innovation in many industries. Businesses use customer insights to design new products and services. Studies confirm that CRM has a positive impact on innovation strategies (Guerola-Navarro et al., 2021). Starbucks, for example, develops new drinks using CRM insights. Customer suggestions and purchase records guide the creation of flavours. This process ensures that new products reflect actual customer preferences.

Overall, CRM within MKIS helps businesses gather data, forecast demand, and personalise services. The system improves customer experiences and loyalty across industries. It also supports innovation, service efficiency, and long-term business success.

## **2.2 Critical Appraisal of the Benefits and Challenges of CRM Application**

CRM systems within MKIS provide several benefits to businesses and customers. However, they also bring challenges that require critical reflection. It is important to understand both benefits and limitations in order to apply CRM effectively.

### ***2.2.1 Benefits of CRM Application***

The first major benefit is improved personalisation of marketing strategies. CRM systems allow firms to use customer data for targeted actions. Personalisation increases customer satisfaction because products and services match actual needs (Chernev, 2025). For example, Tesco provides targeted vouchers based on Clubcard data analysis. Customers receive relevant discounts, which increases loyalty and satisfaction (Tesco, 2024).

Another benefit is stronger customer loyalty and retention. CRM supports building long-term relationships through consistent communication and tailored offers. Customers who feel

understood are less likely to switch to competitors. This benefit is particularly visible in retail and banking industries. Research has shown that CRM-based loyalty programs can significantly reduce customer churn (Del Vecchio et al., 2022).

CRM within MKIS also improves service efficiency and customer support. Firms use AI-based CRM tools to answer queries quickly. Automated systems handle simple questions, while human agents manage complex issues. This division of work reduces response times and improves efficiency (Patil et al., 2024). For example, many fintech companies like Monzo Bank apply AI-based CRM chatbots. Customers receive fast support, which improves trust and loyalty.

Another benefit is the ability to predict future customer behaviours. CRM analysis can forecast future purchases and demands. Businesses can plan stock levels and services based on predictive insights. This forecasting reduces waste and ensures customers always find available products (Dehghan, 2025). Tesco uses predictive CRM insights to manage seasonal demand for groceries. Customers find products available during peak shopping periods, which strengthens satisfaction (Tesco, 2024).

CRM also drives innovation by connecting customer data with business strategy. Companies can identify gaps in the market and design new products. Research highlights that CRM data supports innovation in multiple industries (Guerola-Navarro et al., 2021). For example, Amazon uses CRM insights to suggest product bundles. These bundles reflect customer needs and generate additional sales.

Finally, CRM application provides businesses with a competitive edge. Firms with strong CRM systems can differentiate themselves through superior customer experiences. This advantage is especially important in highly competitive global markets. CRM allows firms to compete not only on price but also on service quality (Rosid et al., 2023).

### ***2.2.2 Challenges of CRM Application***

Despite its benefits, CRM application within MKIS faces challenges that must be addressed. One challenge is the complexity of integrating different data systems. Many firms struggle to combine information from multiple platforms. When systems are not connected, managers face incomplete customer views. Such gaps reduce the effectiveness of CRM actions (Fernando et al., 2023).

Another challenge is the cost of developing and maintaining CRM systems. Advanced CRM platforms often require high investment in technology and staff training. Small firms may struggle to afford such systems. Research highlights that resource constraints limit CRM adoption in developing businesses (Siregar, 2022).

Privacy concerns also represent a major challenge in CRM use. Customers are often worried about how firms use personal data. Misuse or poor protection of data can reduce trust and harm relationships. Strong data protection rules such as GDPR require firms to apply strict practices. Meeting such requirements increases operational complexity (Mazingue, 2023).

Another challenge is employee resistance to CRM systems. Staff may resist learning new technologies or changing established routines. Without proper training, CRM systems may not be fully used. Research shows that human resource skills are crucial for successful MKIS and CRM integration (Siregar, 2022).

There are also risks of over-reliance on technology. Businesses may depend heavily on automated systems to manage customers. This approach may reduce personal human interactions that many customers value. Studies have shown that over-automation can reduce the emotional connection between firms and customers (Pshychenko, 2024).

Furthermore, CRM systems face challenges with data quality. If collected data is incomplete or inaccurate, analysis becomes weak. Poor data leads to wrong predictions and less effective strategies. Data management therefore requires constant monitoring and updates (Del Vecchio et al., 2022).

For example, Tesco has faced challenges with integrating online and offline data. Customer interactions through mobile apps, websites, and physical stores must be combined. Ensuring accuracy across platforms requires continuous investment in advanced technology (Tesco, 2024).

In the financial industry, CRM adoption also faces strong challenges. Cloud CRM systems are beneficial but face issues of security and trust. Banks must guarantee safe storage of sensitive financial information. Any breach of trust can result in customer loss and reputational damage (Nguyen and Ali, 2021).

Another challenge is balancing personalisation with customer privacy. Some customers find over-targeted offers intrusive and uncomfortable. Firms must balance the use of data while maintaining customer trust. This challenge requires careful ethical and strategic consideration (Mazingue, 2023).

Overall, CRM within MKIS provides many benefits but also creates significant challenges. On one side, CRM systems allow firms to personalise experiences, improve service, predict behaviours, and innovate. These benefits result in stronger customer loyalty and competitive advantage. On the other side, CRM adoption involves high costs, technical complexity, and privacy concerns. Challenges also include staff resistance, over-reliance on technology, and risks linked to poor data quality.

## **Conclusion**

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Marketing Information Systems support businesses in making better marketing decisions. The systems help firms collect, process, and analyse customer information. Insights gained from these processes improve product design and marketing strategies (Rosário, 2021). Customer Relationship Management within MKIS also enhances customer experience. The approach supports personalisation, loyalty, and innovation across industries (Guerola-Navarro et al., 2021). However, challenges such as privacy issues and system costs remain important. Therefore, successful application requires balance between opportunities and limitations for sustainable growth.

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