

Lecturer name: Dale Clarke

Introduction:

Marketing information systems is a type of a system used by an organisation to analyse, store and collect information in order for them to be able to have an effective decision making. When companies first started using marketing information systems it was via information technology which has allowed them to spread and share that information across the entire organisation, however, nowadays that technology has developed a lot and organisations using it are able to access, share and source information using an Internet link. Different sources of literature have proven that such systems and their existence no matter at what level, lead to improvements in decision making. Marketing information system is made up of four different components: User interfaces (this is the main components relating to the people who will use the system and the type of interface they will need to effectively do the job), Application software (this relates to the programs being used by the organisation), Database marketing (a system where all files are stored within an organisation), System support (people who maintain the software and the system so that there are no issues with it and that it runs smoothly). Robert Jamon (2003)

The company I chose to relate this to is Tesco. It works in more than 12 countries in the entire world. It is a leading Superstore company in the UK with more than 2000 stores across the island. It specializes in things like refreshments, food, clothes, healthcare, phone and sim plans, kitchen appliances and many more. More than 11 million people visit the stores every single day. Another interesting fact about Tesco is that its online grocery shopping is one of the most successful in the world having more than 750 thousand people using it.

Discussion/Evaluation and Critical Analysis:

Marketing essential system is important to the managers of a company and its external partners too. The system should be able to balance the needs against possibility such as the cost of processing, sorting, delivering and obtaining information not being cheap and that not every piece of information is obtainable. The needed information can be gathered through

either the internal data of that company, the marketing research or the competitive marketing intelligence. Internal data is obtained via customer databases, financial records and reports of operations. The advantage of internal data is the easy access to information. For example, one of the biggest stores in the UK, Tesco, uses Clubcard which obtains data from its customers and stores it in a database which then uses to give customers vouchers, offers and advertisements. Since the launch of that card which was in 1997 there are over 700 000 customers using it and they have received more than 200 million pounds worth of vouchers. That way they are able to see what products are bought the most and what their customers like, because every time someone makes a purchase, they scan their card at the till and depending on the amount they have spent they get points added to their account. Investing in such systems has eventually resulted in an increase of productivity, revenue and long-term strategic positioning.

Functional uses of the marketing information system include Sales and Marketing, Accounting, Human resources management. Companies used to use Linux system when it came to digital marketing but when Tesco decided to switch to the Oracle Marketing platform the business became even closer to the customers because of the digital services provided to customers. For example, Oracle creates unique discount scheme to stimulate customer loyalty. This is the way of identifying and learning about the pattern in which customers do their shopping and thanks to the discounts and all the promotions they are able to understand future purchases. Another functional use is accounting. Accounting hub of oracle helps Tesco do day to day activities such as invoices, customer details, supplier details, products details, inventory control etc. An internal control structure is provided to make sure good, successful audit reviews. Tesco also provides different opportunities to its employees such as higher educational programmes in order for them to gain professional skills. The company has introduced two programmes which are available to the employees called pre-optional test and optional test. Those programmes aim to improve the customer service skills of employees. Tesco has a good transactional processing system which collects, retrieves, stores and modifies transactions within the company. Tesco requires to have a custom made TPS (Transaction Processing System) which works with its strategies and processes which is why there are two types of transactions: Batch processing and Real Time processing. Batch processing is useful because it can process huge amounts of data with limited resources. Real Time processing is put in place so it can react to an event happening in prearranged time. The MIS provides Tesco's managers with tools for efficiently running, evaluating and managing departments within the store which enables them to obtain past, present and predicted information. Tesco can also use this system to record how many hours workers have been working over a selected period of time, as well as get

monthly reports of different expenses compared to the income. To sum this up, Tesco benefits from Marketing information system and transaction processing systems. Using these two systems the store makes sure it runs smoothly and efficiently which explains its revenue of almost 3 billion pounds a year.

Conclusion:

As a conclusion to this I would like to say that Marketing Information System is a very useful way of running and managing a company. If all the steps are followed and all the components of the MIS are followed the company will be efficient and it will improve a lot. The system itself gives the managers control over every department of the company and allows them to know what is going on at any point. As mentioned above, Tesco is indeed the largest company in the world and the third most profitable company in the world (3 billion pounds per year). They have achieved all of that thanks to that information system which has allowed them to have control over their stuff, their workers and improve their skills and knowledge. Even though, this kind of system is used mostly by medium sized businesses I think every single company irrespectable of its origin e.g. store, hotel, airline company etc. because it is clearly shown with Tesco that it helps, and it is definitely efficient.

References:

Business Jargons. (2015). *What is Marketing Information System? definition and meaning - Business Jargons*. [online] Available at: <https://businessjargons.com/marketing-information-system.html>.

BusinessDictionary.com. (2019). *What is marketing information system? definition and meaning*. [online] Available at: <http://www.businessdictionary.com/definition/marketing-information-system.html>.

Marketing Week (1998). *Tesco uses technology to tighten supply chain – Marketing Week*. [online] Marketing Week. Available at: <https://www.marketingweek.com/tesco-uses-technology-to-tighten-supply-chain/> [Accessed 11 Dec. 2019].

Robert R. Harmon. (2003). Marketing Information Systems. *Encyclopaedia of Information Systems*, Vol. 3. Elsevier Science (USA), 137-151.

StudyBay (2019). *Information Systems of TESCO*. [online] StudyBay. Available at: <https://studybayhelp.co.uk/blog/information-systems-of-tesco/> [Accessed 11 Dec. 2019].

Seth S, Brodie R, Scott D. 1993. The determinants of MKIS usage: an integrated model. In *Information Decision Making in Marketing*, ESOMAR Symposium, Paris, November; 21±48.

