



Assessment Of Benefits And Supports Of MKIS In Medium Scale Household Appliances Manufacturing Industries

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ABSTRACT

Over the past five decades, most of the value- addition in household appliances manufacturing industries is gained by there knowledge based service activities. The most identified activities are market research and customer satisfaction, the globalization of economy compelling the organization to re-sculpt with innovation in there firms. In the current fast-paced global competitive business environment, leveraging the knowledge assets of the firm, simultaneously determining how competitors are likely to leverage theirs. This paper aims to assess and establish the support levels and the components of the marketing information systems in the medium scale household appliances manufacturing industries. As a core part of the study, the primary data was collected from the selected of respondents of medium scale manufacturing companies who are using marketing information systems with the help of a survey questionnaire. The data analysis that was performed using cumulative weighted average technique concludes highly moderate support levels of marketing information systems exists in the medium scale household appliances manufacturing industries and they are able to attain only highly moderate of the benefits. Further the research, based on an evolutionary view of computing growth suggests improvements in the marketing information systems in order to gain the competitive advantage and to maximize the sustainability of Return on Investment.

Keywords : Information Technology, Marketing Information Systems, Marketing Management

Introduction

More and more companies apparently have need for controlling ever larger transforming era of marketing environment; marketing management has become an important management discipline at enterprise level. Perpetually, marketing management (MM) plays a vital role in implementing the strategic business objectives of the organization, and in running the daily operations/functions efficiently and effectively to improve the productivity, proficiency and sustainability of development among firms. As the current business environment grows in high manner of complexity because of narrowed opportunities with marginal profits, winning firms are those that pivotally gain and master the business issues critical to their performance, and enrich the most precise understanding of phenomena of value and creation of value. Firms that are successful at finding, managing, retaining and developing cutting edge products economically will outperform their competitors, achieve higher financial success and build greater ROI.

Pragmatically, speaking the information systems that claim to support managers cannot be built unless one understands what marketing managers do and how they do it. In the 1990s the marketing management function and the more traditional, bureaucratic, hierarchical organizations will be complemented by new, more flexible, organizational forms such as strategic partnerships and networks. This means compulsory need rose to maintain relationship and

data of customers, suppliers and resellers. The technological innovations led for the development of marketing information systems (MKIS) and advanced internet capability facilitates to create a real-time shared data information-based, self-service, and interactive work environment. The Information Technology with web-enabled capabilities helps marketing information systems as it becomes a more horizontal and self-learning organization, by enabling personnel to contribute to the strategic focus of the organization. The marketing personnel will need skills and knowledge in relationship management and these skills will become valuable business assets.

A marketing information system (MKIS) is intended to bring together disparate items of data into a coherent body of information. An MIS is, as will shortly be seen, more than raw data or information suitable for the purposes of decision making. An MIS also provides methods for interpreting the information the MIS provides. According to Little (1979) has defined "The Marketing Information Systems (MktIS) can be defined as an MIS or DSS which relates to marketing activities and marketing information. Cox and Good (1967), "Marketing Information Systems (MKIS) was seen as a set of procedures and methods for the regular planned analysis and presentation of information for use in making marketing decisions". The study investigates and establishes the support levels and the benefits of the marketing information system (MKIS) in the medium scale household appliances manufacturing industries.

Components of MKIS: MKIS is a set of inter related components that whilst the MIS varies in its degree of sophistication - with many in the industrialized countries being computerized and few in the developing countries being so - a fully fledged MIS should have these components, the methods (and technologies) of collection, storing, retrieving and processing data notwithstanding. Marketing Information systems have to be designed to meet the way in which managers tend to work. Marketing Professionals assignments involve a lot of manual internal records that can be used by marketing managers, but even this small set of records is capable of generating a great deal of information like territory sales and volumes and many other information. MktIS empowers the executive to access, monitor and for comparing for ascertaining facts like Product type, size and pack type by customer; average value and/or volume of sale by territory; average value and/or volume of sale by type of account; average value and/or volume of sale by industry; average value and/or volume of sale by sales person. In the literature, Internal Reporting Systems, Marketing Research System, Marketing Intelligence System and Marketing Models are deemed to be major components of marketing information systems.

Benefits of MKIS: The researchers have identified the following assess the benefits of MktIS in the manufacturing industries.

- 1 Organized Data Collection.
- 2 Broad Perspective.
- 3 Significant Data storage.
- 4 Avoidance of Crisis.
- 5 Coordinated Marketing plans.
6. Speedy and relevant information for decision making.
7. Data amassed and kept over several time periods.
8. Cost benefits analysis.

It As A Catalyst To Marketing Management

In the late mid of 19th century, the phenomena of traditional marketing management approach evolved as a widely accepted business function, bounding out of the more traditional sales management approach. From last few decades the transformation of business firms paved and routed the function of Marketing as responsible for more than sales. It also evolved as the management function responsible for making sure that every aspect of the business is focused on delivering superior value to customers in the competitive market environment. According to Möller, this management approach can be characterized as trying to solve the problem of "how to develop an optimal marketing mix consisting of Product, Place, Price and Promotion solutions for the competing preferences of a chosen target segment of consumers, households or organizational buyers". The advent of Information technology-based marketing is not the new and it have been with us from many years. The significance of computers in marketing was highlighted and recognized by market philosopher. Traditionally, Marketing Information Systems (MKIS) was a system just to facilitate and support function in its decision making. In addition to the management perspective, MKIS can be an essential tool for the entire marketing organization. Some researchers have classified IS in marketing by the tasks for which they are customarily used. According to Moriarty and Swartz it a concept of marketing and sales productivity (MSP) systems which consists of four subsystems: salesperson productivity tools, direct mail, telemarketing and sales management. However, these new, more operational, IS have been slowed in usage in the context of the MktIS concept. In recent times, they are transforming themselves from sales center to strategic partners in delivering further business value with the help of information technology. Today the heightened demand to support the strategic business objectives with an exceptional focus on shareholder value,

customer loyalty, customer relation management have headed to transforms in both job content and expectations of marketing resource professionals. According to Benjamin and Scott Morton 'a radical redesign of functional processes is a way not only to improve effectiveness but also to develop strategic IS systems which bring competitive advantage to the company. As functional hierarchies are replaced by cross-functional networks, the organization of the future will be designed around business processes rather than functional hierarchies'.

In the literature, many academicians addressed the growing need to cost justify the marketing resource function, and according to Phillip Kotler (1980),

'The marketing management process is defined as a process which "consists of analysing market opportunities, researching and selecting target markets, developing marketing strategies, planning marketing tactics, and implementing and controlling the marketing effort".'

The traditional organizational principles of functional hierarchies and the Tayloristic principles of task specialization have led to many islands of optimized activities that are hardly linked. "Each organisational sub-unit within the process had optimised its own IT application, but no single sub-unit had looked at (or was responsible for) the entire process". Earlier it was believed that achieving maximum efficiency in doing single activities would improve the whole process. However, this is not necessarily true while the efficiency of a specific task may be improved, the overall effectiveness of the process may suffer. Therefore, the whole process with all its activities and its linkages needs to be considered.

Contributions to Organizational Performance: The amplified information technology implementations and managing marketing information by means of IT has become one of the most vital elements of effective marketing. By collecting, sharing and interpreting data of marketing and its environment drives to reliability to promote corporate and brand image cutting edgily is the need of the hour. Information Technology role in marketing offer new ways of improving internal efficiencies, dynamic marketing communication among personnel and corporate which leads continuously to planning, accounting, advertising, sales promotion and logistics and supply channel of the firm. Today studies evidences that in supportive to the phenomena of management, Marketing Information Systems can be an essential tool for the entire marketing organization. Academicians and researchers have segmented Information Systems in marketing by the tasks for which they are customarily used. Reasonably industry at par to competition product development, customer service leads to the surfacing of the marketing department as value addition and as well as strategic partner to the firm in order to have sustainable development. The pivot activity of extracting information is a truncated on going process from different spec of sources synthesizes it and sends it to those responsible for meeting the market places needs. In era of digitalized marketing can no longer be an area of few specialists. This is the time every personnel in the firm must be charged with responsibility for customers and delivering admirable value for them. According to Webster, this customer focus may require increasingly large investments in information management and information technology. In the coming frontier of automation will be marketing and sales functions, and these functions are likely to receive the largest investment of technological resources in the future. It is also evident that many companies have started, or are planning to build, marketing related IS. For the firms it became apparent to classify these systems in more detail so as to be able to design better, efficient and more cost-effective information systems in marketing and sales function for better and vibrant business. Unfortunately, there is a sign that the MKIS is heading for potential destruction.

As discussed earlier, many marketers (48%) are not satisfied with their existing MKISs and many firms (over 40%) do not link their MKISs with their ISs to create competitive advantages. In today's businesses, the computer information system is considered as a corporate resource, it is shared by all the functional areas in the firm. Marketers must work closely with the CIO and the other functional personnel. With the growing popularity of end-user computing, maintaining the quality of MKIS is no longer the responsibility of a CIO. Marketers must take charge of their own MKISs. This notion of using technology to improve transactional activities and accomplish them more efficiently and provides one of the primary justifications for a computer-based system.

Review Of Literature

Certainly the emergence of Information Technology, especially internet-enabled technology has affected and enhanced many management areas that include marketing management. The decreasing costs of computer technology versus the increasing costs of other factors made acquisition of computer-based marketing systems (MKIS) a necessary business decision. Cox, D.F. and Good, R.E., (1967) in their research paper: 'MKIS are presented in terms of typical subsystems and their general dimensions. The models are classified into six groups based on the type of primary use. These classes are data gathering, data analysis, marketing planning, marketing decision making and implementation of marketing activities. The last group, control, is divided into two subgroups: external control (control of marketing environment and activities) and internal control (control of marketing effectiveness, performance against plans and personnel)'. Eom, Kim (2005) in F. Darena (2007) made a survey in publications (271 papers in scientific journals in 1998 and 210 papers in 2005) with the intention to discover the frequency of the DSS utilization in particular business activities: 'DSS are used for finding the best way of communication with the customer, optimal price determination or planning optimal sales effort'. Turban et al. (2007), in their work 'Collecting information about competition is sometimes referred to competitive intelligence and Internet as a source of information is very often used. Nakata, Cheryl and Subin Im (2010), "Spurring Cross-Functional Integration for Higher New Product Performance: A Group Effectiveness Perspective," from the perspective of information technology.

Study concentrating on marketing information of medium-scale house appliances manufacturing industries and evaluation is rare. Side by side evaluation on overall benefits of the marketing information systems in the same industry is rare to find in the context of Indian business environment.

Purpose Of The Study

The objective of the research study is to investigate and establish the support levels of the marketing information systems (MkIS) in the medium-scale house appliances manufacturing industries. It also evaluates and establishes the overall benefits of the marketing information systems in the same industry.

Methodology

The present conclusive study is in the specialized area of MkIS with reference to the influence of Management Information Systems (MIS) in the medium-scale house appliances manufacturing industries of Hyderabad.

Research Design

Primary Data :
Hyderabad based medium and large scale industries
Secondary Data :

Industrial Directory and websites

Sample Universe:

Employees of manufacturing industries in marketing division

Sample Frame :

MKIS implementing industries in Hyderabad Research Tool:

Five Point Likert Scale Questionnaire

Sample Size :

67

Sampling Technique :

Stratified Random Sampling

Sampling Design

The study precisely selected the following employees in the pre-defined approximate ratio of 1:3:5 as respondents from the different medium-scale textile industries of Hyderabad.

Table 1: Characteristics of Respondents

Employment Type	No. of Respondents
Marketing Managers	06
Assistant Sales Managers	29
Executives	32
Total Respondents	67

Data Collection

A pre-tested, well structured questionnaire is used for the data collection. The questionnaire was distributed to the selected respondents of the medium-scale house hold appliances manufacturing industries and their opinion is recorded on 5-point Likert-scale. Further the collected field survey data was processed and prepared the primary data which is the basis for the further data analysis and conclusion.

Analysis And Interpretation

One of the important parts of this research study is to assess and establish the support levels of MKIS using the primary data that is pertaining to usage intensity of MKIS alongside demographic factor: Occupation of the respondents. Cumulative weighted average (CWA) technique was used for the data analysis.

MkIS Support Levels

The data pertaining to the support levels of MkIS in the respondents' respective organizations are presented in the table 2 and the same is depicted in the form of bar chart in figure 1.

Table 2: Support Levels of MKIS

Occupation Category	MkIS Components – Ratings (in WA)					Average WA
	Organized Data	Coordinated Plans	Decision Supportive	Data Administration	Cost Benefits Analysis	
Managers	3.72	2.73	3.12	3.67	2.68	3.18
ASM	3.67	2.92	2.74	3.52	2.76	3.13
Executives	3.38	2.59	2.50	3.11	2.55	2.93
CWA	3.59	2.87	2.79	3.43	2.66	3.05

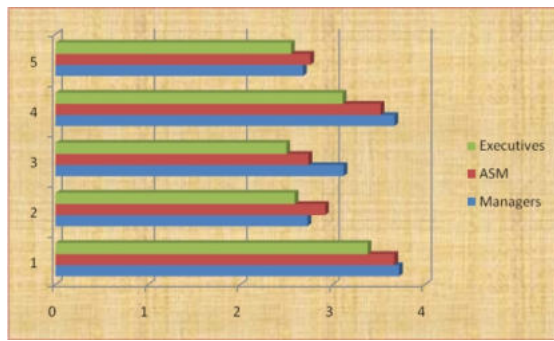
(Source: Field Survey)

WA: Weighted Average (also called Weighted Mean)

Interpretation: From above table, the CWA value of 3.59 offered to Organized Data on 5-point mean rating scale confirms that medium-scale manufacturing industries are quite capable of storing, managing and accessing the product and customer related information with the help organized data. Similarly the high CWA value of 3.43 offered to Data Administration on 5-point scale indicates that they are quite competent to maintain and manage the Data administration activities with fewer issues with the help of MkIS.

In contrary, the CWA values of less than 3.0 on 5 point scale offered to MkIS components of coordinated plans, decision supportive, and cost benefits analysis highlights the moderate support levels towards the components. The study recommends improvements in the MkIS system and also repetition of all MkIS training programs, of course, with an added intensity.

Figure 1: Support Levels of MkIS



MKIS BENEFITS

The data that was collected through questionnaire in order to assess the benefits of MkIS is processed and presented in the table 3 and the same is depicted in the figure 2.

Table 3: Variables Of MkIS Benefits

Variables	Weighted Average
Organized Data Collection	2.78
Broad Perspective	2.97
Significant Data Storage	3.93
Avoidance of Crisis	3.52
Coordinated Marketing Plans	3.87
Speedy & Relevant Information for Decision making	3.73
Data amassed and kept storage for several time Periods	2.95
Cost benefits analysis	2.87
Average	3.36

Interpretation: The Table 3 demonstrates the overall benefits attained with the help of MkIS with the CWA value of 3.36 on 5-point mean rating scale, reveals that Hyderabad based medium-scale textile industries are attaining highly moderate of the benefits from MKIS. Precisely, the variables with average score ≥ 3.5 , significant data storage,

Avoidance of Crisis, Coordinate Marketing Plans, Speedy and relevant information for decision making are providing relatively high benefits through MkIS. But, the remaining variables with CWA score less than 3.5, Organized Data Collection, Broad Perspective, Data amassed and kept storage for several time periods, Cost benefits analysis emphasizes the improvements in the MKIS system in order to attain the utmost benefits than present.

Results And Discussions

The support to the MkIS components clearly indicates that medium-scale house appliance manufacturing industries are still lagging behind the appropriate, wise and wide usage of information technology. Firms must first recognize the importance of MKIS and then enhance the systems in order to improve the organization performance. The companies are able to attain only moderate scale of the benefits from MKIS and losing the remaining more than one third of benefits. This evidently indicates that the support levels must be improved in order to realize the full benefits from the MKIS.

Conclusion

The study confirms that the support levels of medium-scale house appliances manufacturing industries towards the MKIS is highly moderate and suggest improvements in MKIS to effectively and efficiently use the system in order to attain the maximum benefits. The researchers recommend that firms must improve the weak areas of MKIS systems: Organized Data Collection, Broad Perspective, Data amassed and kept storage for several time periods and Marketing departments must have virtuous understanding, exchange and interaction with other departments especially to overcome the identified interdependent problems and sustain with vibrant product line for constant growth of organization meeting the expectations and global benchmarks.

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