

The multinational marketing information system



Introduction

This paper is a comprehensive examination of the task of Marketing Information Systems and how market research can be incorporated into multinational marketing programs and how it can affect decision making within the organisation. In order to do so, this paper aims to address this concept by identifying key concepts and trends from a comprehensive review of related literature and publications. Research that will be highlighted in this paper will be the timeliest publications possible and is acquirable by the research group. This is to provide a basis for the conclusions of this study with the most up to date research available for this field of study. But before tackling the objectives of the study, it is important to first tackle some fundamental elements of the study. The first item to be discussed is marketing research.

Multinational Marketing Information System

In general, marketing research is the process wherein vital information pertaining to the market is gathered thru data acquisition and is analysed in order to help the senior management reduce the risk associated with decision-making thru the means of an effective information dissemination system. Because of this, the marketing research tool plays a vital role in the overall process of management information systems (Kotabe & Helsen 2004). With the expansion of countries into the global market, multinational marketing research has taken flight and has ushered in a new field of research.

Multinational marketing research according to several sources on this field is the systematic and objective acquisition of data pertaining to the market in <https://assignbuster.com/the-multinational-marketing-information-system/>

which the company wishes to penetrate (Jaffee 1993). It is a support tool for the decision makers in order to reach a sound decision that involves the proper identification and implementation of their multinational marketing strategies and programs targeting the identified market. Marketing research as part of the multinational marketing information system should be able to be utilized in order for the multinational company (or even domestic companies willing to go global) to establish the most favoured marketing mix for the product, or service. In addition to the marketing mix, market research also aims to determine the most effective mix of product characteristics, pricing approaches, promotional methods and effective supply chains that would tailor fit the identified market (Young 2005). A multinational marketing information system (MMIS) is a tool that aims to reduce the chances of mistakes being made when launching marketing programs and initiatives within the multinational market (Craig & Douglas 2000).

Every multinational company has some sort of mechanism in order to acquire a particular kind of data from a given target market and develop these acquired data into relevant information in order to provide senior management with the necessary information for them to effectively decide on matters concerning proper marketing plans and activities geared towards sustainable competitive advantage within the market (Brown 1993, pgs. 19-34). This is where MMIS goes into action. The MMIS concentrates on the provision of the data related to the market being targeted by the company. These marketing data contribute to the overall management information system for the company as a means of effectively placing their marketing plans. In terms of breaking down the system, a marketing information

system is described as the integration of several resources such as human, equipment, technology, and data gathering methodologies as a mean of gathering, sorting, analyzing, evaluating, and distributing information to decision makers in a manner that addresses necessity, practicality, timeliness and accuracy (Craig & Douglas 2000).

The necessary data that is needed to fuel the MMIS is acquired from a balance between formal and informal communication mediums that utilizes also a combination of internal and external sources within the company (Brown 1993, pgs. 19-34). Formal internal sources of data that might prove relevant would be reports from the sales department, monitoring and trending reports from sales groups. On the other hand, informal sources of information are information is acquired from gatherings with co-workers and associates (Terpstra 1987).

Multinational Market Analysis

For the process of data analysis and acquisition, the MMIS aims to gather market data by tapping into three sources namely internal records, market intelligence and marketing research that are often integrated into a single database. These data are then analysed and reported to senior management in order for effective marketing decision-making (Carter 1988, pgs. 13-18). The multinational aspect of the marketing information system creates for a more complex collection process of data acquisition and analysis as more factors are considered (such as sales per country or region, political stability, cultural differences, etc.), but the fundamental aspects of the MMIS is practically the same as that of the domestic MIS.

Sources of the Multinational Marketing Information System

The 3 sources of data should fall into place together continuously, that is internal reporting sources covering information obtained from within the organisation may be used in being able to prepare and develop studies focused on marketing research (shown in Figure 1).

On a similar note, being able to scan the environment of the market creates for a more effective and grounded marketing intelligence that can be used in junction with internal reporting processes that feed into the marketing research function (Keegan 1989). All the data gathered from the internal reporting process, from marketing intelligence and from marketing research should be analysed and assessed to determine market trends for a given area or region the company is focused on (Mackenzie 2003, p. 11).

In essence, the process of being able to gather the needed market data in MMIS is similar as that of creating a comprehensive market research for a single country (Levitt 1983, pgs. 92-102). The main difference lies in the fact that the data that is collected from the market pertains to the product or service and its performance in multinational market, not to mention global and local competitors in the area or region of focus (ESOMAR 2003). It involves collecting data from at least one country other than the domestic country and may use data from several countries, or even global data (Firat, Dholakia, & Venkatesh 1995, pgs. 40-56).

The kind and amount of resources needed in order to effectively conduct the MMIS is likely to be greater than for single country research due to the increased geographical spread of collecting the data, as well as the

complexities of analysing and reporting on the data that is acquired (Firat, Dholakia, & Venkatesh 1995, pgs. 40-56). Nevertheless, this kind of system is essential for multinational corporations aiming to penetrate a given market or place their product effectively to gain sustainable competitive advantage. The market researchers involved have to have the necessary skills and training in order to effectively appreciate the diverse culture that he/she has to consider, as well as the language skills appropriate for the countries being investigated (Levitt 1983, pgs. 92-102). This yields an information system that is holistic, mainly because it not only focuses on cold market and product supply and demand trends but also takes into consideration the socio-cultural aspect of the region being analysed (McGivern 2003).

Conclusion

In conclusion, although it is clear that the scale of the market analysis required for assessing multinational markets is greater than for domestic markets (Cavusgil 1984). There are clear and sometimes large differences in terms of market data collection procedures and the nature of the information technology tool that is used by marketing research suppliers in different countries can compound difficulties (Smith 1990). On the other hand, with the rise of the need for a detailed marketing research, studies have accelerated and procedures have been refined and developed in order to keep up with the demand for marketing information systems that can cope with the multinational setting (Keegan 1989). In addition, it has been expressed, as stated above, that MMIS utilizes the essential tenets of marketing research (i. e. using the fundamentals of market research but

expanded to suit the global standards of the company). Current studies have shown that MMIS utilized by companies today are as advanced and as accurate as the level of the products of service they promote with the aim of gaining sustainable competitive advantage via accurate and up to date data analysis. Lastly, it has been proven that it is highly important or critical for multinational companies to be able to create an up to date, advanced, and accurate MMIS for the senior management to be able to base their decisions on a market study that is timely and accurate.

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