### **Marketing Information System – Importance:-**

**1. Anticipation of Consumer Demand:**

Mass production and mass distribution in ever- expanding markets are based on anticipation of consumer demand. Under customer-oriented marketing approach, every marketer needs up-to-date knowledge about consumer needs and wants. In a dynamic economy, consumer tastes, fashions and liking are constantly changing.

Without precise information on the nature, character and size of consumer demand, marketers will be simply groping in the dark. Decisions based upon hunches, guess-work, intuition or tradition cannot give desirable results in the modern economy. They must be supported by facts and figures.

**2. Complexity of Marketing:**

Modern marketing process has become much more complex and elaborate. Ever-expanding markets and multinational marketing activities require adequate market intelligence service and organised information system.

**3. Significance of Economic Indicators:**

Forces of demand and supply are constantly changing. These determine prices and general market conditions. In a wider and complex economy, fluctuations in demand, supply and prices are tremendous. Marketer must have latest information on the changing trends of supply, demand, and prices.

For this purpose, he relies on the market reports and other market intelligence services. Economic indicators act as barometer indicating trend of prices and general economic conditions. Intelligent forecasting of the future is based on economic indices, such as national income, population, price, money flow, growth-rate, etc.

**4. Significance of Competition:**

Modern markets are competitive. A marketer cannot make decisions in a competitive vacuum. Modern business is a many-sided game in which rivals and opponents continuously try to formulate strategies to gain advantage over one another.

Predicting the behaviour of one’s competitors and overtaking of the competitor will need the services of marketing intelligence. A marketer cannot survive under keen competition without up-to-date market information, particularly regarding the nature, character, and size of competition to be met.

**5. Development of Science and Technology:**

Ever-expanding markets create conditions that lead to technological progress. The energy crisis since 1974 gave a great encouragement to discover other alternative sources of energy, i.e., atomic energy, solar energy, wind energy and so on. Modern marketer must be innovative.

‘Innovate or perish’ is the slogan in the existing marketing environment. Marketer must have latest information regarding technological developments. New products, new markets, new processes, new techniques are based on facts and figures.

**6. Consumerism:**

In an ever-widening market, we do have a communication gap between consumers, users, and marketers. This gap is responsible for unrealistic marketing plans and programmes. Many marketers are isolated from day-to-day marketing realities. This has led to consumer dissatisfaction.

Consumerism and increasing consumer grievances indicate that products do not match consumer needs and desires and marketers have no up-to-date knowledge of real and precise consumer demand. Many marketers have discovered that marketing agencies in charge of distribution do not offer expected services to their customers. Up-to-date Marketing Information System alone can establish proper two-way flow of information and understanding between producers and consumers in a wider market.

**7. Marketing Planning:**

We are living in the age of planning and programming. Our plans and programmes are based upon information supplied by economic research (economic forecasts) and marketing research (marketing forecasts), which provide the requisite information about the future economic and marketing conditions.

For instance, sales forecast is the base of production plan, marketing plan, financial plan, and budgets. Marketing information alone can inter-relate and co-ordinate the product and user/consumer demand so that both supply and demand can travel on the same wavelength.

**8. Information Explosion:**

We live in the midst of information explosion. Management has literally a flood of information knocking at its door. Computer is the most immediate force behind the information explosion.

The speed with which the computer can absorb, process, and reproduce large quantities of information is simply staggering. When a computer is effectively programmed, it can certainly add tremendously to the quality of information flow. As multinational companies’ troop in and competition turns fierce, the winner will be the one who satisfies customer needs most comprehensively through well-organised Marketing Information System.