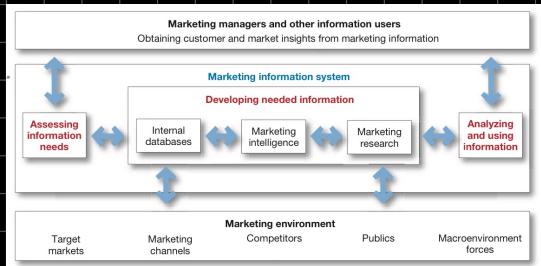


- Advantages To Marketers
 - ① Disciplined methods to collect information
 - ② More time for interacting with customers and observe competition
- Info baseless on its own, value is in customer insights gained from info, and how it is used
- Marketing Information System (MIS): Allows continuous flow of info to marketers
- consists of People, Equipment, Procedures to gather, sort, analyze, evaluate, and distribute needed timely and accurate info to marketing decision-makers
- Relies on Internal company Records, marketing Intelligence activities, and marketing research
- A MIS should be a mixture of what managers think they need, what they really need, and what is economically feasible



Internal Records

- Order-to-Payment Cycle:
 - Review of sales process and its complete transaction flow
 - Doing it timely and accurately is the key
 - Sales representatives, dealers send order to firm → sales dept prepare invoices, transmits copies to other dept, back-orders generate shipping docs
- Sales Information System
 - Timely, and accurate reports on current sales
 - Need to correctly interpret data, and not draw wrong conclusions
e.g. cookies, records of web-site usage
- Databases, Data Warehousing, Datamining:
 - companies organize their info into customer, product, and salesperson databases, and then combine their data
 - Databases contain details of customers name, address, demographics
 - Instead of mass carpet bombing mailing, customers are ranked according to a metric (RFM / purchase recency), and then offers are sent to highest scoring customers
 - Analysts mine data and garner fresh insights into neglected customer segments, recent customer trends etc..
 - Used to interact correctly with customers

Marketing Intelligence

- set of procedures, and sources that managers use to obtain everyday information about developments in marketing environment
- Internal record system supplies results data, but marketing intelligence supplies happenings data
- Must be legal and ethical
- Developed Through
 - Train and motivate sales force to spot and report new developments
 - Motivate channel distributors, retailers, and other intermediaries to pass along important intelligence
 - Hire external experts to gather intelligence Amazon's competitive intelligence arm
 - Network internally and externally purchasing competitors prod, stock-holder meetings competitor
 - set up a customer advisory panel interact with selected customers → beta testers

- Govt related data sources census
- Purchase info from outside research houses, vendors

→ Collecting Marketing Intelligence on Internet:

- Independent customer goods, and service review forums → Epinions.com
- Distributor/sales agent feedback sites → built by stores themselves Amazon
- Combo sites offering customer reviews and expert opinions → high-tech products, that require professional knowledge
- Customer complaint sites → mainly for dissatisfied customers
- Public Blogs → Reddit II offers personal opinions, reviews, ratings, and recommendations

Macroenvironment

- The larger societal forces that affect the microenvironment

Demographic Environment

- Study of Human populations
- Trends related to:
 - Population Growth
 - Population Age Mix → Generational Marketing
 - Ethnic & other markets → US & Japan
 - Educational Groups → Educated people drive strong demand for high quality books, magazines and travel + creates high supply of skills
 - Household Patterns → child planning; marriages; divorces → Family structures, collective lifestyles
 - Geographic shifts → telecommuters; work from home

Economic Environment

- Available purchasing power in an economy depends on current income, prices, savings, debt and credit availability

- Consumer Psychology - see ongoing trends to cater the situation

- Income Distribution
 - Subsistence economies
 - Industrializing economies
 - Industrial Economies
 - raw-material-exporting economies

- Marketers distinguish markets on basis of:

- very low incomes
- mostly low incomes
- very low, very high incomes
- low, medium, high incomes
- mostly medium incomes

- Income, Savings, Debt and Credit

- consumer expenditures affected by income levels, saving rates, debt practices, and credit availability

- High debt-to-income ratio which slows expenditures

- Outsourcing → contracting 3rd Party vendors for tasks like customer service, manufacturing/digital marketing

- Free Trade → Encourages trade by reducing tariffs, quotas, trade barriers

- Offshoring → Relocating business operations to another country

Socio-Culture Environment

- Institutions and other forces that affect society's basic values, perceptions, preferences, and behaviours
- Views of Ourselves - self-view segments can be targeted
- views of others - mass mingling → tap into digital technology
- Views of organizations - Need to win employee & consumer confidence by proving their consumer message is honest & they are good citizens
- Views of society - preservers, makers, takers, changers, seekers, escapers
- Views of nature - hiking, boating, fishing
- Views of the universe - religion
- Shift of cultural values through time
- Society and culture shape the taste and preferences of customers
- High Persistence of Core Cultural values:
- Secondary beliefs can be targeted and changed
- Adapt to cultural swings
- Language Barriers
- Existence Of Subcultures:
- Attract trendsetters like youth e.g.: in fashion, music, entertainment

Natural Environment

- The physical environment and the natural resources that are needed as inputs by marketers or that are affected by marketing activities
- Corporate environmentalism recognizes the need to integrate environmental issues into firm's strategic plans
- Shortage of Raw materials
 - Infinite - water-air
 - Finite-Renewable - forests and foods
 - Finite- non-renewable - oil, coal, gas
- Firms using finite non-renewable sources face substantial cost increases as depletion approaches
- Shift to infinite sources
- Industrial activities damaging the natural environment creates market for anti-pollution sol. market
- Changing role of govts - some govt willing to take action, some not - Funds

Technological Environment

- Forces that create new technologies, creating new product and market opportunities
- Accelerating Pace of change - Time b/w an idea and its implementation is shrinking
- Unlimited opportunities for innovation
- Varying R&D Budgets - More budget towards development rather than research - competitors copy and include minor improvements
- Increased regulation of technological change - Agencies approve product - Quality Assurance
- Businesses decline when they ignore new technologies
- Major new tech stimulate economy's growth rate
- Innovation's long-run consequences are not always foreseeable
- Marketers are to monitor tech trends
- Essence of market capitalism is to be dynamic and tolerate the creative destructiveness of technology as the price of progress Cloud drives → USBs → CDs, floppy's
destroy destroy

Political-Legal Environment

- Consists of laws, govt agencies, and pressure groups that influence various organizations and individuals
- Laws might create new businesses recycling industry
- Increase In Business Legislation:
 - Protect companies from unfair competition
 - Protect consumers from unfair business practices
 - Protect society from unbridled business behaviour
 - Charge businesses with the social costs of their products / production process
- Growth of Special Interest Groups:
 - Political Action Committees (PACs) lobby govt officials and pressure business executives to respect the rights of consumers
 - Companies establish PA dept to deal with groups and their issues
 - Consumerist movement organized govt and citizens to strengthen the rights and powers of buyers in relationshi^{IP} to sellers
 - Companies come together to make special groups to influence new entrants + represent businesses in govt regulations
- Businesses are being regulated and more controlled
- Govt regulations regarding businesses - rules for copy rights and patent