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Investigating the Role of Marketing Information System in Strategy Planning Process: a Case Study of Melli Bank Branches in Tehran Province

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Abstract

Due to possessing direct relation with environment and its changes, marketing sector can access this information and subsequently, it can well play its role in strategy planning process of organizations. The purpose of the present study is to investigate the role of marketing information system in strategy planning in Melli Bank. The population of the study included 126 branches of Melli Bank of Tehran. The required data was gathered using a researcher-made questionnaire. Using the experts' opinions and Cronbach's alpha, the questionnaire validity and reliability (0.89) was evaluated. The questionnaires were distributed among 100 senior managers of the banks. The obtained results revealed that there is a significant relation between four dimensions of marketing information systems (internal records system, marketing information bank, competitive information systems, and special systems of CRM) and strategy planning process. Further, the results indicated that marketing database is the most important component of strategy planning process.

Keywords: Marketing information systems, information technology, strategy, Melli Bank

Introduction:

In new marketing theories, marketing and marketers unit has a strategic place. In these theories, marketing is not propounded as an organizational unit regarded as sale backup but marketing unit specialists are involved in companies' strategies planning due to companies focus on customers and marketers good knowledge of market (Arabi, 2004). Rapid and on time access to strategic information is a set of organizational and environmental evolutions. Due to direct relation with environment and its changes, marketing sector can access this information and subsequently, it can well play its role in strategic planning process of organizations. It should be noted that strategic decision making in an organization and formulating strategy requires using special resources and skills in entire the organization. The resources and resources should be in accordance to the features of such decision makings. Basically, strategic planning, as an analytical process, requires specific judgment power and motivations appropriate with strategic planning in senior managers of the organizations. In strategic planning process, it should be specially considered that each organization should be able to distinguish itself from its rivals through investing on weaknesses and providing and presenting better value to customers (Binaii, 2005). Nowadays, strategic planning process is effective for mangers of organizations

and service providing institutes in competition area. In the current Iranian economy, in spite of the presence of various banks and their managers' complex competition, these institutes' managers should have adequate and timely information to properly interact with internal and external environment. It is also needs an appropriate information system. Today, creating database to record marketing information is one of the important factors of operating marketing information system. The responsibility and role of marketing information system has been developed from a merely information gathering system to information creating processes through close relations with customers. Developing necessary capabilities to identify customers, ranking and classifying customers' equations during the time and being aware of goods and services that may be bought by customers form a new instruction in most of marketing researches and activities. Such an instruction can be a combination of traditional marketing activities and creating a developed database. Given to the competitiveness of banks and the role of strategic planning in a bank's success, it seems necessary to investigate the role of marketing information systems in strategic planning process. Using the obtained results, the role of marketing information systems in strategic planning of banks is clarified more than before. According to the aforementioned, the present paper attempted to investigate whether marketing information systems of Melli Bank is effective in strategy planning process or not.

Theoretical basis of research:

Marketing information system

Defined by Catler (1998), marketing information system is a structure containing people, equipment and processes to gather, classify, analyze, evaluate, and distribute timely information required by marketing decision makers. A marketing information system not only should be a center of saving all information pertained to company customers but should be able to gather, save and analyze information pertained to marketing mix, rivals, macro environmental variables, internal information, documents of the company. Marketing information includes analyzing customer and market behavior, marketing, financial policies, pricing methods, distribution method, rivals. Such information is obtained through the following methods (Catler, 1998),

- Internal information and documents of organization: contain tables, figures, financial statements, and sale information of the company. Internal documents and information of the company are generally provided for other purposes and are usually regarded as secondary information. These documents should be analyzed in terms of marketing to be used in marketing decision makings. Therefore, accessing information system and bank systematically saving the information to perform necessary analyses in needed times is one of the necessities of a marketing office.
- Intelligent marketing: in this method, mangers should be aware of rivals' actions, customers' new need, distributors' problems, etc. and respond them in the best way. Marketing mangers usually execute intelligent marketing through reading commercial books and magazines, speaking to customers, suppliers, distributors, and other external factors.
- Marketing research: it includes the process of identifying and defining opportunities, threats and problems of marketing, considering and evaluating marketing performances as well as transferring findings to mangers.

The role of marketing research is to associate customer and consumer of the organization through information. The information is used to identify and state the problem of marketing, presenting, modifying and evaluating affairs as a process. Marketing research in its influencing process causes better identifying weaknesses and strengths of organizations and opportunities and threats of market as an external environment of the organizations.

Marketing researches, in addition to informing mangers about customers' demands, in order to respond to informational needs about rival companies, similar goods, new technologies, appropriate distribution methods, and goods-services sellers, new initial resources are raised to decrease production costs. It is done till productive enterprises can more successfully act in competitive market. There are four common market information systems (internal record systems, marketing database, competitive information systems, and special systems for contracting with customer) which are used by companies to be updated with market changes (Colgate, 2010).

To know what goods are sold to which customer with which speed in which place, marketing managers and sellers require internal record system. It is one of the key tasks of marketing in each company to design such systems in such a way that targeted users are provided with proper information in required time.

Marketing database: designing efficient marketing databases involves considering some basic problems including data gathering cost, economic advantages of using these data, the ability of company to update the information and rapid technology advancements that facilitates the maximum use of data.

Competitive information systems: competitive information is a regular and moral method to gather and analyze information pertained to rivals' activities and commercial changes and their related works. The most important resources of competitive information include annual reports and companies' financial reports, mangers' lectures, internet databases, etc. (Lacksitams, 2004).

Special systems for contacting with customer: today, in developed countries, there are various low-cost applied softwares that updates information related to employers' names and characteristics as well as their various contacts; therefore, most of companies selling their products through direct selling method use such systems.

Marketing information system model

Marketing information system includes three components (Venus, Ebrahimi & Rousta, 2007) of information acquiring and saving system, information supervision system, and information analysis.

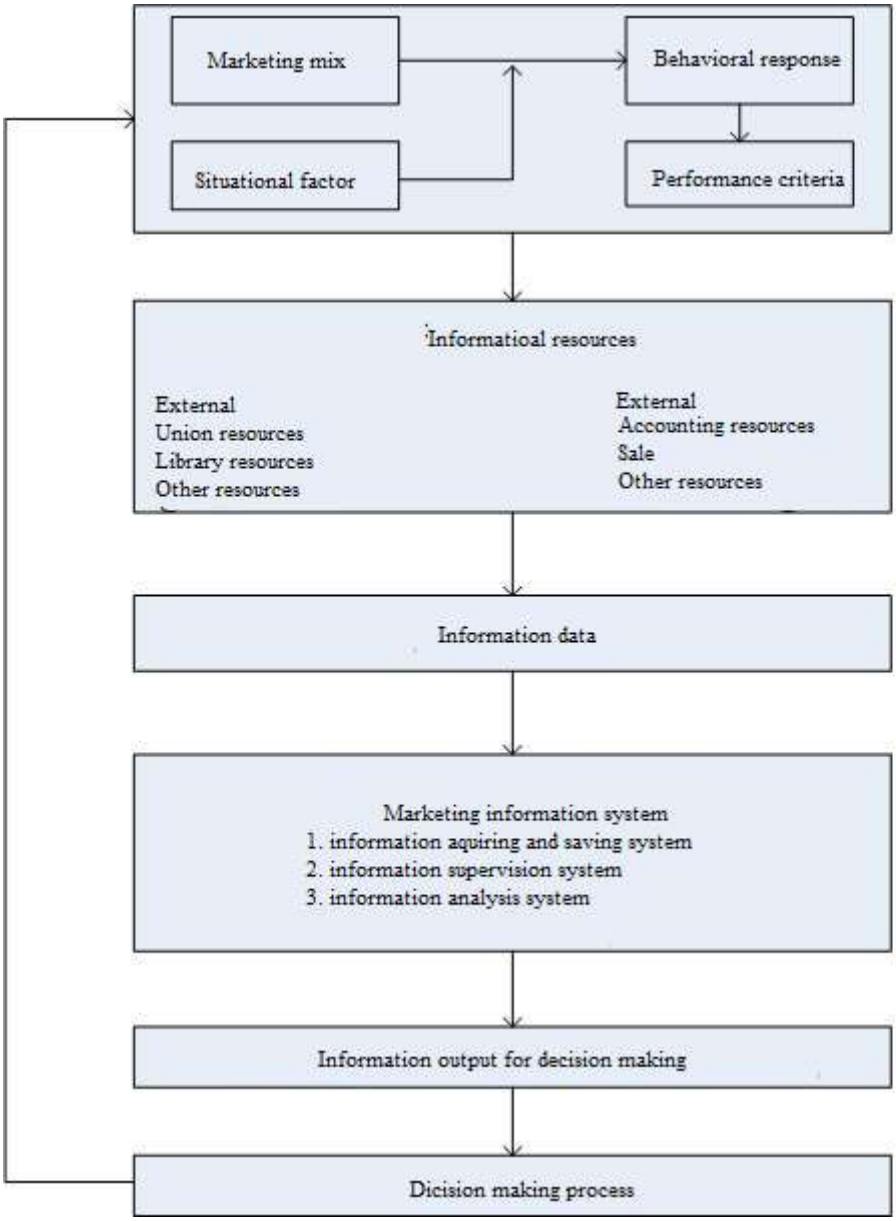


Figure 1: Marketing information system model (Venus, Ebrahimi & Rousta, 2007)

Strategy

Defined by Porter (1998), strategy is the plan of manager to achieve a place in market, direct operations, attract and satisfy customers, successfully compete, and achieve organizational objectives. Although there are many definitions about strategy and various concepts are used for planning, strategy considers the process of determining mission, fundamental and long-term goals and allocating necessary resources to achieve organizational objectives in order to explain in which business which organizational activity is or will be performed. Strategy planning entails six important activities (determining mission and perspective

of organization, identifying external environment factors threatening organization or creating opportunities, identifying internal strengths and weaknesses of organization relative to rivals, setting long-term and fundamental goals, considering various strategies and creating possible strategy for organization, and selecting the most appropriate strategy or strategies for organization).

Marketing information systems and strategy planning

To determine marketing objectives and strategies, marketing sector undertake some strategic duties (Nakata, 2006). Researchers consider various duties as strategic duties of marketing sector. As shown in Table 1, operational and strategic duties have determined marketing sector. From the perspective of marketing manager, marketing information system is an instrument to handle marketing information, marketing research, marketing planning, modeling marketing exchanges, decision making in marketing, budgeting, analyzing various performances, reporting and controlling (Mangaliso, 2011). In operational scope, the considered system includes activities such as applying sellers' profitability tools, managing marketing and sale, direct communication, creating marketing database, and telephone marketing.

Table 1: Operational and strategic duties of marketing unit

Strategic tasks	Operational tasks
Analyzing rivals and competition	Promoting sale and managing it
Targeting and segmenting market	Customers relationship management
Market analysis	Advertising activities
Strategic planning of organization	Direct sale
Analyzing opportunities and threats	Determining pricing strategy

To achieve the above mentioned objectives through information systems, one of the most important issues of designing and developing it is to investigate informational needs of mangers. Such needs are investigated with respect to the informational nature required by managers at different organizational levels. Ashill (2001) believes that designing a marketing information system can operationally act when possesses information width and range, information scheduling, current information, gathering level, information accuracy, personal information resources, and non-personal information resources.

Research Background:

Information width refers to the extent and expansion of required information inputs to facilitate mangers' decision making. Information scheduling specifies the speed and time of receiving information. In gathering level, data reduction degree is considered at various organizational levels. It seems that at upper organizational levels, there is higher data reduction. Information accuracy refers to data appropriateness for mangers' decision making and interval between data occurrence and reflection. Personal information refers to data that are in individual relations framework and is mostly oral (e.g., face to face and tell communications). Non-personal information puts data in organizational relations framework and certain information structure and is mostly written (e.g., computer reports). According to various studies on marketing information systems and strategy planning, the positive effect of using marketing information systems on planning the best strategy is confirmed. In this regard, Sadeghi et al., (2011) believed that marketing information systems output has a high effect on the efficiency of marketing strategic planning process. Speier (2002) revealed that using IT-based marketing information systems can highly influence market environment. Behzadpour (2013) stated that information systems affect commercial strategies of an organization. Hosseini (2014) confirmed that all marketing information system components (features of designing marketing information system, main features of marketing information system, the complexity of marketing information system, the capabilities of marketing information system, and the

barriers of marketing information system) has a positive effect on strategy planning. Elahi Fard (2015) reported that marketing information system increases organizational efficacy.
Given to the aforementioned, the research hypotheses are as following:
Internal record systems influence strategy planning process in Melli Bank.
Marketing database influences strategy planning process in Melli Bank.
Competitive information systems influence strategy planning process in Melli Bank.
Special systems for contacting with customer influence strategy planning process in Melli Bank.
According to the research hypotheses, the research conceptual model can be presented as following:

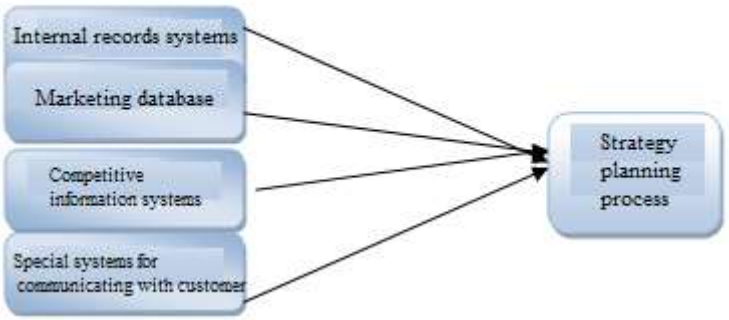


Figure 2: The research conceptual model

Research methodology:

In the present descriptive-correlation research, the required data was gathered using a researcher-made questionnaire. The population included 126 Melli Bank branches of Tehran. The questionnaires were distributed among the population and 100 branches completed them. The validity and reliability of the questionnaire were evaluated using experts' opinions and Cronbach's alpha (0.89). To investigate the research hypotheses, Pearson test and regression coefficient were used through SPSS Software.

Research Findings:

Analyzing the obtained data using descriptive and inferential statistics have been presented in the following tables and figures. Table 2 shows demographic information of the respondents.

Table 2. The demographic information of the respondents

Post		Education		Work experience	
Expert	29	Associates of degree	17	5-10	19
Manager	41	BA/S	52	11-15	62
Assistant	18	MA/S	26	16-20	16
Deputy	12	PhD.	5	Above 20	3

As shown in Table 2, most of the respondents were mangers and assistants with BA/S and MA/S degrees and 11-15 years of work experience. Table 3 presents descriptive statistics of the respondents.

Table 3: The descriptive statistics of the respondents

Variables	Statistics				
	N	Min	Max	Mean	SD
Internal record systems	100	2	45	21.60	5.34
Marketing database	100	5	32	17.34	5.05
Competitive information systems	100	4	39	21.24	7.86
Special systems for communicating with customer	100	3	52	24.40	7.19
Strategy planning process	100	2	35	14.34	4.9

Table 4 shows the results obtained from testing the research hypotheses using Pearson coefficient.

Table 4: Pearson coefficient results

Variables	Correlation coefficient	Sig.	N
Internal record systems and strategy planning process	0.434	0.000	100
Marketing database and strategy planning process	0.310	0.000	100
Competitive information systems and strategy planning process	0.421	0.000	100
Special systems for communicating with customers and strategy planning process	0.311	0.000	100

As shown in Table 4, the obtained p-value is less than 0.05, indicating that the hypothesis is confirmed. In other words, there is a significant relation between marketing information systems components including internal record systems (0.34), marketing database (0.310), competitive information systems (0.421), and special systems for communicating with customers (0.311) and strategy planning process. Table 5 presents the effect size of each of marketing information systems components on strategy planning process.

Table 5: Estimating regression coefficients for the variables

predictive variable	Non-standardized coefficient	Standardized coefficient	Sig.
Constant value	41.414	-	0.000
internal record systems	0.732	0.425	0.000
marketing database	0.794	0.382	0.000
competitive information systems	0.495	0.344	0.000

special systems for communicating with customers	0.569	0.245	0.000

With respect to standardized coefficients shown in Table 5, marketing database (0.794) has the highest effect in strategy planning process. The standardized coefficients of internal record systems, special systems for communicating with customer and competitive information systems are 0.732, 0.569 and 0.495, respectively. Finally, given to the significance level of all the coefficients in the model, it can be stated that there is a positive relation between marketing information system and strategy planning process. The research findings are consistent with the findings reported by Sadeghi et al. (2011), Spiener (2003), Elahi Fard (2015), and Hoseini (2014). Just like the preset research, they revealed that marketing information systems have a significant effect on strategy improvement. Also, the research found that marketing database has the highest effect on appropriate strategy planning process.

Conclusion and Recommendation:

Marketing information system includes people, processes, software, and hardware to correctly and timely identify, collect, analyze, evaluate, and distribute information required by marketing decision makers. Since the main purpose of most of marketing efforts is to meet customers' needs, develop and improve customers relationship, marketing information systems not only can be a center to save all customer related information but it can gather, save and analyze data related to marketing mix, rivals, macro environmental variables and internal records of organizations. Hence, it can be indicated that marketing information system is an important constituent in strategic planning process which can provide decision makers with useful information.

Therefore, it is recommended that Melli Bank plan about marketing researches to gather customers' data and always update and maintain the data to make use for strategy planning. The other important component is internal record systems with the highest effect on strategy planning process. Accordingly, Melli Bank is also recommended to maintain customers' records to be informed about the most welcomed services and consider them in its planning processes. Regarding the third component, special systems for communicating with customer, it is recommended that Melli Bank uses software updating information related to customers', employers' characteristics and their contacts to increase interaction with customers. Regarding the last effective component, i.e., competitive information systems, it is recommended to form an information resource to collect and analyze data related to rivals and their business changes.

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