

## **RELATIONSHIP BETWEEN MARKETING INFORMATION SYSTEM AND PERFORMANCE OF SMES IN IN MALAYSIA**

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**Date of Publication: November 2021**

### **ABSTRACT**

**Purpose of the study:** The study sought to examine the relationship between marketing information systems and the performance of SMEs In Malaysia

**Statement of the problem:** The performance of the SMEs in Malaysian has not been much effective. Some of the SMEs have liquidated their operations due to low sales. It was noted that around 65% of the SMEs cease operations before three years in operations. Thus, the study sought to investigate the reason behind the majority of the SMEs not surviving for long. Therefore, the study examined the relationship between marketing information systems and the performance of SMEs in Malaysia.

**Research Methodology:** The study was literature-based. The inferences of the study were based on the findings from the preceding studies.

**Research Findings:** It was found that the marketing information system has a positive effect on the performance of SMEs in Malaysia. The study indicated that a marketing information system is a management information system designed to support marketing decision making. Marketing information system plays an essential duty in increasing the efficiency of financial performance to the business in highly competitive markets through providing the needed information for the different administrative levels.

**Conclusion:** It was concluded that the marketing information system is potent in ensuring the performance is enhanced among the SMEs. The marketing information system is essential in increasing sales and firms can use various techniques, networks, and approaches to promote their products. The study further concluded that companies with reliable and efficient advertising and marketing details systems tend to create competitive items that will fulfill existing and potential buyers' demands in the market, thus more sales.

**Recommendations:** The study recommended that SMEs should enhance the use of marketing information systems. The marketing details system allows the organization to evaluate the market correctly and acquire details needed to critically examine its possibilities and select its target audience to make most of its profit.

**Keywords:** *Marketing information system, performance, SMEs, Malaysia*

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## BACKGROUND OF THE STUDY

A marketing information system is a management information system developed to sustain advertising decision-making (Hess, Rubin & West, 2017). It combines several sorts of data, individuals, mechanisms and procedures to assist a company in making better decisions. American academic Philip Kotler has defined it a lot more extensively as people, agencies and processes to collect, type, analyze, determine and disperse required, timely and precise information to advertising decision-makers. The marketing information system can play critical functions, like analyzing information requirements, coming up with knowledge and distributing information, in an effort and initiative towards improving the general level of the sale in and business. Most businesses of today are confronted with the trouble of decreasing the level of sales. A study by Buhalis (2020) suggested that a traditional promoting details system can offer limitless advantages to any company in the private or public sector, regardless of its dimension or level of the managerial class.

Marketing information system deals with the creation, sharing, storage and implementation of information and expertise within an organization to support and improve its business performance (Abusweilem & Abualoush, 2019). For organizations to be more successful and survive in a competitive market, they need to consider adaptive and intelligent strategies, including marketing (Elfar, Elsaid & Elsaid, 2017). Knowledge management practices are becoming increasingly imperative for improving decision-making capabilities, learning organizations, and stimulating cultural change and innovation (Novak, 2017). Marketing information system continues to be very significant in promoting the performance of organizations (Novak, Hoffman & Yung, 2020).

A study by Bartlett and Ghoshal (2019) argued that promoting information systems give the information technology foundation for the marketing companies' calculated procedures. In a large view, the marketing information system develops an arranged and timely flow of details needed by marketing choice makers. An ideal informational system makes it possible for the business to create its task and supply new services and products, modifying work processes and even considerably progressing organization and business procedure (Davenport & Short, 2018). As a

result of advertising, managers require complete information. The idea of an informational system was first introduced within the principle of information management as the standard demand of information systems.

Marketing information systems are a system that improves the decisions of managers in companies (Sääksjärvi, & Talvinen, 2018). Marketing information system significantly enhances the performance of the organization and is considered as a competitive advantage and by doing this the duty of computer and additional systems as a subsidiary system for processing period and the expert system is significantly increased i.e., if the capacity of customers of subsidiary systems of computer is enhanced, the supervisory activities of the company is boosted. Nowadays, among the major requirements of profiting marketing details system is developing data source for signing up details. The responsibility and function of informative advertising systems is gathering details and procedures of producing components via close relationships with consumers (Rad, Massafi & Tak, 2019).

Organizational performance is a measure of how services are offered, the quality of products, return on investment, and the level of customer satisfaction with an organization's products (Mtswenem, 2020). The data on performance is critical in recognizing essential factors that aid or impede the achievement of results. Organizational performance in simple terms, checks the precision with which an organization has attained its pre-set strategic goals (Byukusenge, 2017). This typically depends on the quality of people and how well they can use the resources at their disposal to achieve a given set of organizational goals. The performance of the SMEs in Malaysian has not been much effective. Some of the SMEs have liquidated their operations due to low sales. It was noted that around 65% of the SMEs cease operations before three years in operations. Thus, the study sought to investigate the reason behind the majority of the SMEs not surviving for long. Thus, the study sought to examine whether marketing information systems can influence performance.

## **LITERATURE REVIEW**

### **A study was conducted by to**

A study was conducted by Alhadid, Al-Zu'bi and Samer (2020) to investigate the relationship between marketing information system and gaining competitive advantage in the banking sector in Jordan. It explores the usefulness of the use of information technology in achieving competitive

advantage. It also aims to relate the components of marketing information systems with the competitive advantage in the banking sector. The researchers obtained secondary data from documented sources and primary data from the use of a questionnaire. The results of the analysis showed that there is a positive relationship between the internal records, marketing research, and marketing intelligence and achieving competitive advantage in the Jordan Baking Sector. The results also indicated that only two traits; age and educational Level, had a relationship with marketing information system. However, there was no significant relationship between gender, Experience Years and of respondents and their perceptions of marketing information system.

Moreover, Rad, Massafi and Tak (2019) examined the role of marketing informational systems on performance. Nowadays information is regarded as powerful resource and having required knowledge of customer requirements and related factors play key role at organizations. On the other hand, through developing effective factors on success activities, it is required for having enough knowledge about these factors. Therefore, those managers are successful having highest and most important information for making correct decision. The study found that marketing informational systems has a positive influence on performance. If management is defined as foresightedness, it is equivalent to information management.

Marketing information system plays vital duty in increasing the efficiency of financial performance to the business in majorly competitive sectors, by giving out the needed data for the numerous management levels (Leonidou & Theodosiou, 2021). Marketing information system has been required by advertising monitoring for the objective of determining, measuring, and projecting advertising and marketing possibilities, analyzing of market sections. Marketing information system contains individuals, facilities, and incorporated process that utilized to supply administration with exact and managed information about the atmosphere-related marketing, which assist decision makers to quest chances and come up with methods and marketing strategies (Monday, 2018). Marketing information system is a complex network, made up of interrelated-relations between individuals, machines, and process to give a flow of organized details, counting on the inner and exterior resources of the establishment which directed primarily to the formulation of advertising decisions foundation.

Marketing is a social and supervisory approach through which people and teams acquire what they want and needs by developing, supplying and trading product or services of value with partners (Siddiqui & Alam, 2017). Advertising entails a varied set of tasks; it is not necessarily selling,

marketing or any particular task, advertising procedure comprises several tasks required to make sure a certain item thrives. Marketing principle is sometimes called advertising positioning or consumer alignment. The idea mentioned that in order for a company to survive over time and make revenue, it should identify the authentic wants and needs of particularly defined target markets and afterwards generate products that please consumer's needs. (Agarwal, Erramilli & Dev, 2019) argued that marketing concept holds that accomplishing business objectives relies on identifying the needs and wants of target markets and providing of desired satisfactions better and successfully than rivals do.

Good marketing information system gives correct data on controllable and non-controllable elements and customers that improves the effectiveness of choices made by marketing managers (Alejandro, 2018). Absence of relevant marketing information system can cause customers action to certain marketing programs difficult to forecast properly. According to Asikhia (2019) he argued that lots of companies stop working to understand that the survival of their items in the competitive market is a function of their commitment to structure and preserving trustworthy marketing details system that is all including and all accepting. Due to this lot of firms in establishing nations are typically effective for a temporary period of time as they introduced a new eye-catching item or an attracting solution, but find it tough to be competitive over a longer time period because of failure to consistently collect details regarding the modifications in market situation.

Internet marketing is defined by interactivity, icon, multimedia material, and face to face connectivity. Web innovations are not only offering new means to reach the consumer, however additionally to make it possible for the reengineering of the entire advertising procedure and, undoubtedly, the whole enterprise (Hammer & Stanton, 2019). Advertising has ended up being interactive and live. Swiftly developing area of advertising and marketing automation incorporates client administration works to support shopping. As depicted in client management applications consist of marketing decision support group, client connection monitoring, sales force automation, and customer care and ecommerce tasks. These tasks are often defined as front office customer-oriented tasks. Back-office business source planning tasks consists of production, money and human resources (Chen & Popovich, 2018). Supply chain management (SCM) tasks incorporate electronic procurement, inventory administration, and top-quality monitoring as well as logistics

systems to connect a company with its providers. These 3 aspects make up the enterprise information system.

The marketing information system plays an important part of any kind of industry, requirement for professionals with appropriate abilities has ended up being a top priority for the majority of organizations. Nonetheless, the quick advancement of digital advertising has developed an electronic disconnect where professionals are yet to get to the required level of digital ability (Levin & Arafeh, 2020). This has actually resulted in a scarcity of appropriate talent in the modern innovation job market, consisting of digital marketing modern technology. Furthermore, a slowing down global economic climate has led to a relatively task brief market and firms cut back on new head count to prepare for a conventional company outlook. There has declared development in advertising hires within retail, telecommunication and production segments that work as an underlying statement that the valuation of marketing professionals, specifically those with digital understanding, is on the increase. The top abilities sought after loss within the locations of content creation, branding methods and customer information advertising (Jüttner, Christopher & Baker, 2021). Nevertheless, considering that the requirement for tech-savvy marketing specialists presently outweighs supply, candidates operating in the places of CRM, project analysis and advertising procedures stay much searched for and can anticipate getting costs deals.

Moreover, it was reported by Calvano and Polo (2021) that marketing information system has a positive effect on performance. Clients can easily move their service to another supplier with the click of a computer mouse. They can get the very same price information as their distributors and they require twenty-four-seven client service. Consumers currently have virtually unlimited capability for interactions with firms with Internet in addition to the conventional phone and mail techniques. Business web platforms initiate information search, shopping and consumer assistance. Email interaction can target certain deals on face-to-face basis. Recognizing and satisfying requiring expectations has placed a renewed emphasis on managing client partnerships. Key objective of customer relationship management (CRM) systems is to enhance the return on marketing expenses by allowing the knowledge of the total history of a company's relationships with its consumers. CRM applications can supply targeted options which enhance client commitment as gauged by boosted reaction to promotions, purchase regularities and volume, and decreases the period between orders (Anshari, Almunawar, Lim & Al-Mudimigh, 2019). CRM systems increase profits, reduced expenses and maximize customer life time worth.

## **RESEARCH FINDINGS**

The study discovered that marketing information system is important in the increment of sales of a particular item; different companies, firms and organizations make use of different methods, networks and approaches of advertising its products. The marketing details is really essential for the marketing experts to recognize the best channels of marketing items, and the marketing helps in the raising companies' sales volume. The majority of companies these days have actually encountered the problem of decreasing level of sales due rigid competitors of marketing methods utilized by organizations which are creating the exact same item. Making use of the internet is changing the method company views marketing information systems because new company designs existing obstacles and chances as firms look for to take on e-business strategies in the search for competitive advantage. Malaysian social media individuals use more time on the social media sites platforms.

Modern marketing information systems develop and manage the client user interface where interactions are more virtual than in person since they take advantage of IT modern technology to incorporate and coordinate with consumers and service partners to rapidly obtain measurable organization outcomes. Marketing feature has actually been to sustain manufacturing and sell, service techniques that highlighted rises in market share over the production of lasting consumer value. The elements of marketing details system including inner documents, market research, and marketing intelligence are one of the most essential sources in getting advertising details. Malaysia is being positioned 26<sup>th</sup> in the IMD World Digital Competitiveness ranking in 2019 with a 79% internet penetration rate.

## **CONCLUSION**

The study concluded that given that several businesses are making use of existing or new techniques of marketing information system to boost sales, other firms which are completing need to try as much as possible to take on these new methods which are being made use of by its rivals. In marketing, due to the value of interaction with customers and success corporate, information technology is increasingly able and rapid changes is the environment along with advancement of in marketing details in marketing company, to produce benefits for business to competition. Management may not have the ability to alter consumer demands and wants, new rival campaigns, altering market trends and so on, but it can establish and handle a better details system that can boost its competitive edge in the target audience. The research reveals that firm with effective and



efficient advertising information system will often tend to establish affordable items which will meet current and potential buyer's expectation in the market than organization that do not have well organized and good marketing information system.

Furthermore, research concluded that the fast adoption of Internet-based modern technologies and the attendant advancement of e-business and e-commerce applications are having a cutting edge effect on the marketing discipline. Marketing details systems, particularly, are being changed as these new technologies are allowing the combination of advertising, sales and customer support tasks. The role of informational system is more vital to make sure that at the here and now time marketing information system is regarded as inseparable part of each organization and firms that are loss being of these competitors are bring about failure for bring in consumer and obtaining market share. The main chauffeurs of this shift are the assurances of delivering raised worth to the customer more rapidly and at much less cost. Future executions of marketing information systems will progressively include the customer in the value development procedure and job to more effectively straighten the enterprise and its supply chain on swiftly changing market possibilities.

## **RECOMMENDATIONS**

The study recommended that the firms need to establish and maintain sophisticated marketing information systems that give the firm management with rapid and amazing information concerning consumers' demands and wants, choices and behavior. This will certainly give the firm with an excellent market advantage over its competitors. This is since efficient marketing information system will allow the firm to efficiently study the marketplace and to get the details it needs to meticulously examine its chances and pick its target audience to maximize profits. Furthermore, marketing information programs need to communicate much more internally to workers and externally with the consumers so that the firm can get to the market with a constant, strong voice predicting the top qualities and benefits of its goods. This will certainly guarantee rapid improvement in sales quantity of the firm. Due to this firms that incorporate efficient business-to-customers elements right into their advertising and marketing information systems policies stand a much better possibility of making their goods to continuing to be effective in future years.



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