By surveying customers, the business can determine where the people who are interested in buying its products are located. Information about the company's market share and plans to improve current products can be obtained from the company's own records. The financial status of competitors is only available if they operate as a corporation and must report their finances to shareholders, or they are in a situation that requires them to disclose their financial resources.

A marketing-information management system can help businesses to discover new or expanded markets and to use them. The system can gather and analyze information about consumer trends, target markets, changes in the environment, changing events, and the effects of these factors on consumers. A characteristic of useful marketing data is that they should be up-to-date. Historical data, therefore, would not usually be gathered. Employee absences are a management, rather than a marketing, consideration.

Marketers need information in order to keep up with these rapid changes. Other reasons that marketers must gather information include an increasing geographic scope for businesses, hard-to-please consumers, and increasing competition.

An important function of a marketing-information management system is handling the flow of information within the business. The system should make it easy for marketers to locate and retrieve information at any time. Data processing involves putting data into a useful format. Data gathering deals with the collection of data. Marketing research deals with gathering data for a specific problem.

The data must also be readily available on an ongoing basis. They must be stored and continually updated to provide accurate information. A business must maintain control by limiting access to information only to certain employees. Unauthorized use of information could damage the business. For example, a disgruntled employee could give information about a new product feature to a competitor who could produce the same feature, thereby eliminating the advantage of that product feature for the business.

Idea generation, product screening, concept testing, test marketing, commercialization. Ideas for new goods and services can come from employees, customers, or research. After ideas are generated, they are screened to determine which ones may warrant further investigation. The screened ideas are then carefully tested with consumers, and a finished product is introduced to a limited test market. Commercialization is the point at which the product goes into full-scale production, and the product's life cycle begins.

Many new products must meet government standards or be produced under government guidelines. Government regulations also control some of the information that must be provided consumers, such as the nutritional content of food. Governmental regulations cover factors such as warranties, noise-emission standards for a wide range of products, mobile-home construction and safety standards, auto-emission standards for new cars, and safety packaging for many products. Stages in product life cycles are the courses that products follow in the market, including introduction, growth, maturity, and decline. Market-research studies are often used to aid product/service management in order to gather information concerning consumer needs and preferences but do not control warranties and safety standards. Product characteristics may indicate the types of warranties and safety standards that are needed but do not control them.

A company that spreads its business risk over several products is in a much better position than a company that relies on one or two products for its income. If one of those products fails and no replacement products have been planned, the company may be in serious trouble. Product/Service management is supposed to increase profits, sales, and financial success rather than decreasing them.

Some firms acquire new products by taking over a company that is already making a product in which they are interested. These businesses are constantly on the lookout for such opportunities. In many cases, acquisition of other firms can be less expensive than developing and producing a new product. Consolidation is the joining of two or more companies to form a new company. Implementation is the process of doing or taking action. Businesses do not obtain new products to add to their product line by syndication.

Costs and available resources are especially important factors for product/service managers to examine during the new-product development phase of product/service management. A company may have a great idea for a new product, but it may not be cost-effective if it is too expensive to develop and produce, or if the needed materials are too scarce to obtain affordably. It is too late by the time the product is already on the market (in the monitoring or elimination phases). Idea generation is just one stage in the new-product development process.

The costs of promoting products are often shared by channel members instead of being paid for entirely by one channel member. All products need to be promoted—promotion costs are unavoidable and are often expensive, especially for new products.

The wholesaler is reducing a discrepancy of quantity by breaking down a large quantity of a product into smaller quantities for retailers to buy and sell to final customers. Reducing a discrepancy of assortment means making a variety of related products available in one place. There is no such thing as a discrepancy of installation or a discrepancy of promotion.

Producers who eliminate all middlemen in the channel are said to be using direct distribution. This method of distribution is often impractical. Indirect distribution refers to the use of middlemen in the channel. Consumer and industrial channels may or may not use middlemen.

Marketers determine distribution intensity so they can achieve ideal market exposure—that is, they want to make their product available to each and every customer who might buy it, but they *don't* want to over-distribute the product and waste money. This condition is not known as complete market coverage or total market saturation—ideal market exposure often does not cover an entire market. It is also not referred to as perfect market balance.

Vertical conflict occurs between channel members at different levels within the same channel. It often occurs between producers and wholesalers or producers and retailers. Horizontal conflict occurs between channel members at the same level. Chargebacks and sanctions are two types of negative economic motivators used in channels.