

Information and Analytics

A former CEO of Unilever said that if Unilever only knew what it knows, it would double its profits. The meaning is clear: Many companies sit on rich information but fail to mine this information. This has led to an explosion of interest in *knowledge management*: organizing a company's information so that it is easily retrievable and learning can be extracted from it.

Many companies, especially those resulting from mergers or acquisitions, have ended up with incompatible data systems. Before they can get a whole view of their customer, competition, and distribution, they have to streamline and integrate their data into a single data system.

Marketing is becoming more based on information than on brute sales power. Thanks to the computer and the Internet, no salesperson can say to the boss that he or she didn't know the prospect's industry, company, problems, or potentials. Using *sales automation software*, a salesperson can record each prospect's and customer's needs, interests, opinions, and hot buttons. The salesperson can answer questions in the prospect's office by connecting with the company's mainframe or other resources on his or her laptop. The salesperson, after negotiating, can print out a customized con-

tract for the prospect to sign. And afterward, the salesperson can look up what any customer bought and figure out further opportunities for cross-selling or up-selling.

Besides sales automation software, companies need *marketing automation software* to help their marketers gain efficiency and effectiveness.

One form is *real-time inventory management*, where a marketer can tell what the company and its competitors sold yesterday, including features and prices. This not only facilitates more synchronous production planning but also allows real-time tactical responses.

- Some people define Wal-Mart as an information system company more than a retailer. Wal-Mart knows the sales of each product in each store at the end of the day, making it easier to order the right replacement stock for the next day. The result: Wal-Mart carries lower inventory and therefore needs less working capital. Its ordering is driven by real demand, not by forecasted demand. It has synchronized its ordering with the demand flow.
- 7-Eleven in Japan is another retailer making data-driven decisions. 7-Eleven replenishes its stock three times a day in response to orders from individual store managers of what they expect to sell in the next few hours. 7-Eleven not only trains its store operators to capture customer and sales information but also teaches them how to use it.

Another form is *real-time selling*, where a company has programmed in rules suggesting other products and services that might be mentioned to a prospect or customer on the spot.

- Suppose a couple in their late forties comes into a bank for a home repair loan. Such customers are likely to have college-age children, and the bank might mention a college loan as well.

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- A business traveler checks into a hotel that knows from her record that she is a frequent traveler. The hotel clerk might offer to arrange for her stays at sister hotels for known future dates.

Still another form is *marketing process automation*, where a company has codified its marketing processes that its product, brand, and segment managers need to know to operate more effectively.

- A brand manager needing to do a concept test turns on his computer and looks up the six steps in a concept test; he receives tips and best-of-class examples. A brand manager needing to choose an appropriate sales promotion turns to her computer to get world-class advice.

Yet another form is an assortment of software packages that facilitate handling such processes as new product development, advertising campaigns, marketing projects, and contract management. They are being developed by Emperative, E.piphany, Unica, and several other marketing automation firms.

In all battles—military, business, and marital—victory goes to the party that has the better information. Arie De Geus, former strategist for Royal Dutch/Shell, observed: **“The ability to learn faster than our competitors may be our only sustainable competitive weapon.”**

At the same time, managers often must make decisions before they have all the facts. If they wait too long, the opportunity may be gone.