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The Role of Information Technology in One-to-One Marketing

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Introduction

The short, fifty or so year history of modern information technology is replete with examples, large and small, of how IT has enabled changes in business organizations, business practices, and, indeed, entire business models. Without IT there would be no just-in-time inventory management, no instant credit card verification, and no email. IT has been credited with helping to eliminate levels of management and providing executives with the data they need for decision making. Indeed, business process re-engineering is predicated on the use of IT as the driver for organizational change. The purpose of this tutorial will be to discuss the role of IT in the exciting changes taking place in the field of marketing and, in particular, in what is becoming known as "one-to-one marketing."

While segmentation has been the marketing standard for many years, there has always been a desire to focus on the individual. Learning about each potential customer's characteristics and needs and trying to satisfy those needs on an individual basis has tremendous potential for increasing revenues and profits. It is well understood that it is about five times more profitable to keep an existing customer than to get a new one and that personal selling is a major inducement to customer loyalty. Indeed, in certain commercial situations, such as a small, neighborhood store with a largely repeat clientele, the sellers can and do get to know the buyers personally. Unfortunately, this type of personal selling has not been feasible on a mass-market basis for the obvious reasons of the difficulty of tracking the characteristics and buying patterns of very large numbers of individuals and communicating with them in a cost-effective way. However, recent advances in information technology and the evolving sub-field of electronic commerce have begun to make this new "one-to-one" marketing paradigm possible.

This tutorial will include the following topics:

- Discussion of current one-to-one marketing practices.
- Display of web pages showing current one-to-one marketing practices in actual use.
- Discussion of types of data needed to support one-to-one marketing, including ways of enticing customers to provide the data. Also, storage and manipulation of the data.
- Interactive session with the audience exploring additional or more advanced ways to practice or enhance one-to-one marketing on the Web, including the use of advanced data types.
- Additional uses of advanced IT in marketing: data warehousing and data mining.
- Interactive session with the audience on opportunities for research and teaching.

References


Peppers, Don and Rogers, Martha, Enterprise One to One, Doubleday, 1997.

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