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I believe the main purpose of this case study is to show what innovative thinking in the business world can do with the help of Information Systems. Markets have opportunities all over but it is hard to be successful without some kind of technology. Capital One made a very smart discovery that can be seen in every banking and Credit Card Company today. Love ems and kill yous, Customer Profitability Gradient, and the applications of IT to newly vulnerable markets was unheard of in the business world until Rich and Nigel integrated and started Capital One.

My question is, how did these two Signet executives in the credit card department spin-off, known as Capital One, turn into one of the largest companies in the credit card industry? The great idea changed banking by doing simple things such as understanding your customers, knowing which ones would be the ones that will make you money, and knowing who to target, all while tracking and recording everything they do. Rich and Nigel used Information Technology and produced the Customer Profitability gradient, to target the customers on the desirable end with attractive rates and deals that are better than competitor's, to make large amounts of profits. They began in Signet bank and integrated all of these ideas and created a new market entrant named Capital One Financial.

The case study gave us a lot of information about the process of how Capital one became so successful, but I believe the most important information was the ability they had to enter the newly vulnerable markets. There are three features that characterize newly vulnerable markets: 1) easy to enter 2) attractive to attack 3) difficult to defend. These three features are not easy to accomplish and when most businesses do accomplish them they do not last very long, unlike Capital One. The information given shows that Rich and Nigel entered the markets at the exactly perfect time. When they entered markets where down, the large companies where set and like most large companies, they could not change ways to adapt, so it made it easy to enter. Like wise the market was attractive to attack so they went for it and I truly believe that the stars aligned for them because if all of this did not happen perfectly I do not believe they would have survived the market. The large companies would have compromised the information Strategies Capital One used because they would have more leverage and more power if the markets were up and they would not have been able to attack.

The Information strategies that Capital One used can be used in many other markets as well, such as the music industry. The music industry has love yous, such as the devoted music fans that pay for the music at stores and online. They purchase every piece of music from a CD

or a single song on I Tunes, but the kill yous are the people that pirate or steal their music. The producers are losing money every time someone downloads music illegally off of the Internet on websites like Lime wire, and where this all began, Napster. I thought of the music industry because I was one of the many people to use it when it first came out. I was a kill you, because I used Lime wire every time I wanted new music and I did it illegally. Napster started the downfall of the music world once consumers could get the new hot music for free on their computer at home with the click of a button. So this information technology was used for Napster just like Capital One. They both used technology to get an advantage over the rest of the businesses and to make a large profit and it worked.

The concept of Newly Vulnerable Markets and Information Technology is being used in every type of business now since Capital One used it in 1994. I believe that these techniques and processes have changed the markets and industries for good and bad. Now people are getting smarter, like the creator of Napster, people are now learning ways to use technology against businesses. But it has also proven to be extremely helpful to our communities and our businesses in ways that produce more money or more cash flow in the society because the technology allows us to be more efficient and cost effective. My point of view is that technology will help us greatly for years to come even though we have already created systems that we thought would be impossible. We have only scratched the surface of what we can do and Capital One showed us that anything is possible with critical thinking and the right tools.

I enjoyed this reading because it was a very interesting story of innovation and critical thinking, which turned out successful. I like how Rich and Nigel integrated Information systems into their job at Signet to make more profitable decisions and used it to develop models and enter as a small new entrant. To me it sounds so easily done in the article, but in reality it was a huge accomplishment in the business world. I was surprised by the fact that once they came into the market, how dominant they actually became. Overall, the case study was interesting and it brought a lot of information to my attention about business and information technology strategies.