# How collecting information benefits a company

Information is invaluable to any business. It allows them to analyse how well they are doing, gives them advantages over competitors, and helps them spot areas that need improvement.

### Self-analysis
Companies need a lot of information about themselves in order to gauge their performance. This includes financial, sales, marketing, manufacturing and administrative information. This will help to spend income more efficiently, have better advertising campaigns, reduce costs in manufacturing, and communicate more effectively.

### Information about customers
Information on customers is possibly the most important thing a company that sells a product can have. This information allows them to target customers with adverts, and modify products and stores according to customer interests and trends. For example, google records user's searches and uses them to display adverts the user is most likely to click on.

### Information about competitors
*Know your enemy* – Sun Tsu, The Art of War.
Having information about competitors gives companies a huge advantage.
Knowing what a rival company is doing allows a business to change their product and advertising to outmanoeuvre and make more profit than their competitor. For example,. If a rival company is developing a new product, a business who finds out could steal their idea and sell it first, gaining a monopoly on the market.
As a result of this, companies will often to go to great lengths to secure data and prevent industrial sabotage.

## Collecting information

Because information is so valuable, getting it efficiently is very important. There are numerous tools for gathering information. These include;

### Automated systems
These are often used by retailers. They record every purchase and transaction, and analyse this data to discover trends in customer spending. By also recording the time and date the purchases were made, and tracing individual's purchases through loyalty cards, retailers and shops can target them with adverts and offers more effectively. They can gather so much information about customers that the American store Target's system sent offers for baby food and clothing to a teenage girl before her own parents knew she was pregnant.

There are also technologies for managing logistics – they keep track of stock and can order more if necessary.

**Surveys**

Many companies use these. They can be online, sent in the mail, or handed to people at outlets. They can give valid feedback on what customers think of a company or their product, information that is difficult to gather through automated systems.

**Internet**

The internet contains a lot of information. Most of this is accessible to companies, but some is only accessible to business and companies. There is also the Freedom of Information Act, which means anyone can get public information form the government, NHS, colleges or schools.

**Data Mining**

to 'mine' something means to pick out something of value within a greater mass. The same can be done with information. By spotting trends and patterns, businesses can forecast future conditions of sales, finance, customer habits and the same for other companies. While confirming a suspected trend is useful (there are more customers during the holidays, for example), businesses want to spot new trends, such as correlations between data sets – time of year and sales numbers for example. This allows them to capitalise on previously unknown exploits in the industry and maximise profit.

# Telx

TelX is a telecommunications company. This immediately means they can collect a wealth of data from their hardware and software, automatically gathering usage statistics.
They can then mine this data for trends, looking for most used products, features and sales by location, as well as previously unknown patterns.

They can also use surveys to find out what their customers want and already like, to improve advertising and the products themselves.