

4.0



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Show me the money – Industry 4.0 – Digitalization in marketing and sales

While digitalization and networking for application in production and logistics are already firmly anchored in the minds of the decision-makers, marketing and sales still skillfully manage to avoid getting to grips with digitalization and hence (yet again) measurability.

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The legendary line “show me the money”, that Cuba Gooding Junior says to his sports manager Tom Cruise in the film Jerry Maguire for me best describes the attitude towards companies’ marketing and sales processes. Hence the heading of this article. Over the last few years, I’ve noticed how management and executive personnel actually do worry (Industry 4.0) about finding meaningful applications for networking and information gathering. When, despite the help of an advisor and a 300-page concept paper, they really can’t come up with anything, there’s always Plan B: sensors on anything that’s available, then drop the collected data into a data lake – the oil of the future flows into the data warehouse. What surprises me about this digitalization euphoria is that marketing and sales get worse than stepmother treatment here, and manufacturing companies in the B2B area are sometimes almost totally overlooked. At best, there’s an enormous black hole here. And the strange thing is, very often cost savings, cost efficiency and rational allocation of resources are given as reasons for Industry 4.0 ambitions. Henry Ford is said to have made the observation that half of the money he spent on marketing was wasted, but unfortunately he didn’t know which half. These days we do know, in fact it’s pretty simple, but apparently nobody is particularly interested in saving costs or stepping up efficiency here. And the thing is, digitalization and generation of information in marketing generally speaking requires very little code, sometimes only a couple of lines. It’s not the case that companies have nothing in their hand: CRM, newsletter tools, homepage and landing page evaluation, links to social media and email tracking are often available. But these are like an elderly married couple – they coexist side by side. Moreover, these applications are above all used to fulfil their primary (process) purpose: sending newsletters, providing customer information, etc. The information thereby generated is only exploited in a very rudimentary way. But what practically never occurs is the networked application

of this information. And yet how easy it would be. To take just one example: newsletters to larger groups inevitably generate so-called “bounce messages”, i.e. an email goes undelivered because the intended recipient has left the company and his email address has been deleted. In 50 percent of cases, nothing happens with this information because email transmission to a deactivated address costs nothing and so has no impact on anything else. In a further 30 percent of cases, this information is deleted in the newsletter system, simply for reasons of good IT hygiene. In yet further 20 percent of cases this information is passed to the CRM system and the dataset there is likewise deleted. But what almost never happens, i.e. in less than 10 percent of cases, is that this information is used as valuable intelligence. In concrete terms, this means that a simple request to Xing or LinkedIn will provide the name of the intended email recipient’s new employer in a matter of seconds. A further request will in all probability also provide the name of that person’s successor. Both pieces of intelligence find their way to telesales or the relevant sales people as a telephone instruction (in CRM).

That this doesn’t happen is all the more astonishing, as the telesales people are desperately looking for excuses to call people with a particular purpose in mind. What better approach is there than a new job or a new position? I recently visited a larger company with a manageable number of newsletter recipients. In the space of a year, 2000 bounce messages were received and deleted from its newsletter system, in my view 4000 lost contact opportunities. And that’s only one of at least 20 standard cases where, with simple digitalization, information gathering and proper utilization of information, unbelievable potential can be tapped into within a few days, in my view, a genuine treasure trove of data. And to sustain the excitement: exploiting true potential is in the downstream discipline – namely in sales.

Industry 4.0 is the core term for the perfect storm that is sweeping through industry and trade across the globe. This column sheds a light on recent trends, strategies and developments.

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