



**NAKED TRUTH:** If you're a fan of Jamie Oliver, your Net bookshop will know

# They all know what you buy

**D**OTCOM companies are often criticised for being overvalued, providing poor service and paying executives outrageous salaries.

As far as I am concerned exactly the same criticisms can be levelled at business gurus, management consultants and business lecturers the world over.

The real scandal is how heavily their age-old principles have been relied upon and how so much money is being made by selling strategies that are blindingly obvious.

How many times have we heard that we should "listen" to our customers, "know" what they want, and then "provide" or "offer" (the "in" term) it to them.

Now, I am happy to say, the party is over. Why? Because by its very nature, retailing in the new digital economy is directly and precisely targeted to the wants of the individual customer.

Consider how odd the following scenario would be: I am wandering aimlessly through my local supermarket when suddenly a shop assistant approaches me. He is walking towards me smiling, and what's this, he has his hand out to shake mine.

"Hello again Mr Wagner," he says, "How was that organic chicken you bought last week, and how did it go with that Burgundy you plumped for, because you were undecided on that weren't you? Just to let you know Dan — can I call you Dan? — that this week we have a special offer on fresh Aylesbury duck, which I think you might like. It's just as easy to cook and I'll happily pick out a wine for you if you're in two minds again."

Although such an exchange might be very useful and even welcome to some, I would personally think that I had a stalker, would be scared out of my wits and run out of the shop, leaving my trolley and forfeiting my pound. Like most people in supermarkets, I don't expect to be smiled at, let alone spoken to.

But this strange scenario is completely normal if it happens to me over the Internet.

Amazon.com knows all about my book-buying habits and is therefore in an excellent position to make such recommendations to me about future books I might enjoy, or indeed, miss, if it were left to me to find them for

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myself in a store. A number of websites have a detailed personal information questionnaire that they request their customers fill out. I choose not to but that doesn't prevent them learning a great deal about me just by reviewing my recent purchases and what I've browsed through.

Yes, even browsing their website leaves a trail of information. "No thank you, I'm just looking", is the bane of the traditional retailer, but is the very life-blood of Internet retail.

Amazon knows that sports non-fiction is a favourite of mine; that someone in my household is either fond

of cooking or Jamie Oliver or, perhaps worryingly for me, both. It's also highly probable that someone in the Wagner family is either a baby or an adult with severe learning difficulties. With this minimal information the retailer can target me specifically and so, if in the unlikely event that Tony Adams writes a cookery book which needs colouring in, they'll know exactly where to come and I'll want a signed copy.

This intense customer-focused activity is possible because of effective knowledge management — using technology to increase business.

**A**S A result, customer profiles can be established immediately and continually supplemented with each virtual interaction. The problem for Internet retailers is attracting customers in the first place and until they have done so, none of these advantages can be realised.

It is surprising, however, that so many dotcoms that spend millions attracting customers fail miserably to use the knowledge they could gain from those visits to increase sales.

As knowledge management technology becomes more widespread and understood such inertia will be overcome and the millions spent attracting customers will seem like a bargain compared with what those customers spend.

And so to my prediction: the growth in Internet book sales will be commensurate with the death of the business book sold over the Net. The business gurus will have to find another grandmother who has no idea how to suck an egg.

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