

# Case study 3



**ASSIGN  
BUSTER**

Running Head: case study Financial Forecasting of the of the of the

Introduction Businessintelligence is fast becoming one of the cornerstones of success for most of the leading players in different sectors because of the benefits derived from the tools it has. While data warehousing facilitates sharing and dissemination of data, its organization wide use aids in the decision making process. The same philosophy in an innovative manner was applied by the gaming giant- Harrah's in its marketing and customer relationship management strategies. Harrah's marketing strategy Harrah's marketing strategy is guided by the principle of 80/20 whereby 80 percent of the revenues come from 20 percent of the most loyal and satisfied customers of a business. As such, marketing practices of Harrah's have always been customer-centric keeping their preferences in mind and avoiding huge and unnecessary investments in infrastructure and property building. Harrah's not only gained customer loyalty but also rewarded it from time to time which established long term relations with its customers. On the contrary, Harrah's competitors had been very stereotypic in their marketing approach by spending frivolously on hotels and building properties without paying any attention to capturing greater customer base which ultimately swept them away from competition. Total Rewards Program at Harrah

Harrah's total rewards program, earlier known as Total Gold is a customer loyalty program which retains and tracks the information of Harrah's customers and also rewards them on the basis of careful segregation of most profitable and active customers. In the context of business intelligence, this program retains each and every entry, exit or gaming information of all the Harrah's customers and classifies them on the basis of their loyalty and activeness. The customers are rewarded points for their activities which they

can redeem anytime against the privileges granted. For the company, it helps understand who the most profitable customers are how to manage the costs incurred on each class of the customer, thereby assisting the decision making process (Forgionne & Gupta 2003, p. 166). Closed-loop marketing system at Harrah Closed loop marketing system at Harrah made use of its total rewards program and evaluated the value of a customer based on his expenditures at Harrah's games and properties. As such, Harrah's was enabled to infuse positive changes in its customer behavior through its data driven marketing and business approach. The closed loop marketing system also tracked individual customer profitability against market value which helped it modify its marketing tactics and generate greater returns on its investments. Challenges faced by Expedia Use of business intelligence and web based KPI scorecard system suddenly created hiccups for Expedia when the rudimentary balance scorecard generated at Expedia could not attain the state where it could deliver answers to queries. So much of data and numbers made employees inquisitive but no data to support the queries. As such, attaining single version of the truth became very difficult for Expedia. This made revenues and other strategies going in different directions as per individual interpretations of customer data. Efficiency and effectiveness of the solution The steps taken by Expedia in correcting its KPI and balanced scorecard initiatives proved to be far more accountable, consistent and culturally fit because Expedia now made all the objectives available to all its employees and also aligned individual behavior with corporate goals. Measurements were made more transparent and financials were given greater attention (Wolfskill 2007). It is generally an uncommon experience with other organizations because they fail to establish and manage the KPI

teams and monitor their financials with respect to the revenue cycle performance and customer satisfaction arising from this data. References  
Forgionne, G. A & Gupta, J. N. D. (2003). Decision making support systems: achievements, trends and challenges for the new decade. USA: Idea Group Publishing. Wolfskill, S. J. (2007). Finding time for KPI initiatives. Healthcare Financial Management, 61 (12), 38-40. Retrieved 1 February, 2011 from <http://search.ebscohost.com/login.aspx?direct=true&db=bth&AN=27796114&site=ehost-live>