

33.6: Introduction to How Businesses Use Information

What you'll learn to do: discuss ways in which information is used in business

Traditionally we think about value in business in terms of assets—property, plants, equipment, inventory and even human resources. The explosion of technology over the last decade has made us re-think what is valuable. In fact, what many businesses today consider to be their most valuable asset cannot be held in your hand because it is the *information* generated by the collection of billions of bits of data. In fact, the data that businesses gather about their customers is, to the most progressive companies, invaluable! For example, when you visit a company's website, data is captured about what you looked at: what colors you preferred, how long you remained on a page and yes, even your physical location.

Companies take that “data” and turn it into useful information. They can then use this information to push advertising to you, not just through their website but to your social media accounts, your email, and even your cell phone. As the collection of data becomes easier and more cost effective, businesses are constantly generating new and better information about the business environment. In this section you will learn the difference between data and information, the types of data that businesses collect, and, finally, how businesses use information.

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