

Turning Customer Data into Profits



How well do you make use of the information in your marketing database? Are you achieving significant business growth by leveraging your vital digital asset?

Collecting the right information and using the data can help you acquire and retain customers. The organization that understands and manages business-to-business data can improve the whole spectrum of marketing and gets a leg up on its competition.

The purpose of this whitepaper is to provide IT marketers with reasons and business objectives behind database marketing. By following the checklist provided, you can ask the right questions to the right people/departments within your companies and justify the objectives of database marketing program. In the end, we would like you to know that your database is simply an enabler, not an end in.

This white paper covers:

- ▶ How to spot marketing opportunity with customer data?
- ▶ How to select what information to collect?
- ▶ How to discover interesting customer patterns from customer data file?
- ▶ How to use database to use competitor's information?



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In the beginning, there is only 'data'

Under increasing pressure to gain new markets, marketers are turning to database marketing. All of a sudden marketers are waking up to the fact that strategic marketing with customer data can help them expand their business. Specifically, more and more technology centric companies are starting to invest in database marketing.

But this is the hitch. There's a heaping, growing pile of information about your customers from all customer touch-points. Collecting, storing and managing customer information coming to your business is a growing challenge.

Sources of customer/prospect data

Customers are your most valuable assets; therefore the customer information you hold in your database is the key driver of profitable business management. The more you know your customers and prospects through structured data, the greater the competitive advantage.

A customer database can hold all the vital information about your customer. Typically technology-centric company gathers customer/prospects data from the following sources:

- ⦿ Customer enquiries
- ⦿ Customer recommendations
- ⦿ Catalog inquiries
- ⦿ Email / web sign-up requests for information
- ⦿ Sales/Service
- ⦿ Trade show leads
- ⦿ Guarantee records
- ⦿ External marketing data
- ⦿ Customer surveys
- ⦿ Other Sources

The more data you build around your customers and prospects, the greater the competitive advantage. But most companies struggle to effectively leverage customer knowledge. And it's getting even harder to reach today's highly empowered customers who have limited tolerance for marketing.

Common data fields in B2B database

Before you collect data, decide on the relevant customer information for your business. Each detail you collect should justify importance, relevance and cost of collection.

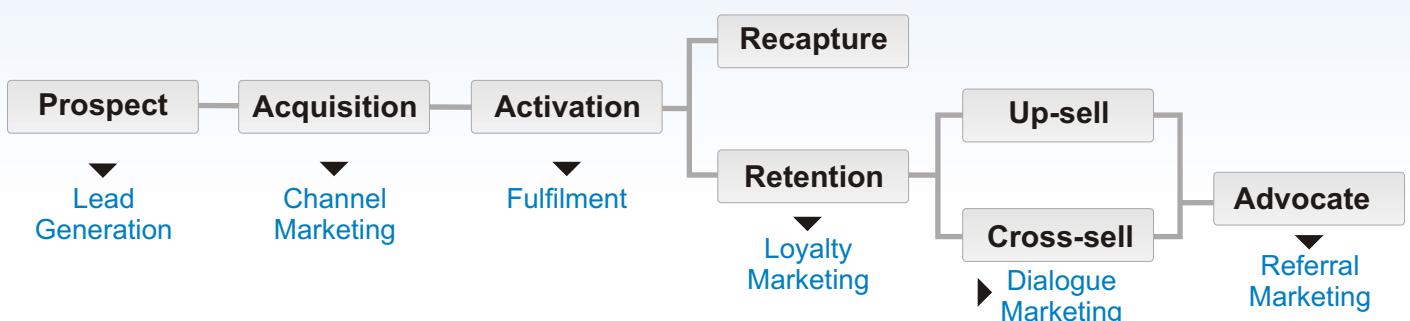
Most common data collected for B2B markets includes:

- ⦿ Company name, address and zip
- ⦿ Industry type (SIC code)
- ⦿ Number of employees
- ⦿ Name, title and function.
- ⦿ Communication preference (email, phone, fax etc.)
- ⦿ Influencer, or decision maker
- ⦿ Email, Phone, mobile, fax details.
- ⦿ Buying history — what, when, where, why.
- ⦿ Size and date of last purchase
- ⦿ Credit history
- ⦿ Source of data
- ⦿ Preferred sales channel

Database Marketing

All database marketing starts with organized customer information. This process consists of gathering and processing relevant consumer data to aid in direct marketing. The varying degree of information about your customer helps you to design suitable marketing campaigns. Tracking the information of customers will help a company determine the value of its customers and determine what type of marketing campaigns they typically respond to.

Strategic Customer Database Marketing Process



What Are the Benefits? / Why Database Marketing?

With the rise in sales quotas and shrinking budgets, marketers are using database marketing to engage with prospects, increase performance and reduce costs. Targeting right messages to the appropriate customers and prospects can vastly improve the economics of your marketing.

Here are 3 primary reasons for you to begin implementing database marketing.

1. To improve profitability:

Rightly executed, database marketing can help you to target marketing efforts in a way that improves efficiency and increases profit margins.

2. To increase sales:

Successful database marketing creates competitive differentiation and creates long-term engagement with customers. This way, you can reduce waste to take advantage of new market opportunities.

3. To improve communications:

Preference-driven messages to customers deliver superior sales experiences and customer loyalty.

There is an old saying that goes, "Business goes where business is invited, and stays where it is appreciated."

Database marketing strategy - Plan for results

Database Marketing is a strategic process to gather, refine and utilize data. Relevant marketing and sales communications will help you to:

- ⦿ Acquire new customers
- ⦿ Retain customers
- ⦿ Generate more business from existing customers, and,
- ⦿ Deepening customer relationships

How Can you Use Database Marketing?

The goal of database marketing is to efficiently communicate directly with consumers and have them respond in a positive manner.

How to Spot Opportunity In Customer Data

The information in your database provides you with a detailed picture of your customers and prospects. Use the following question to gather insights from customer data:

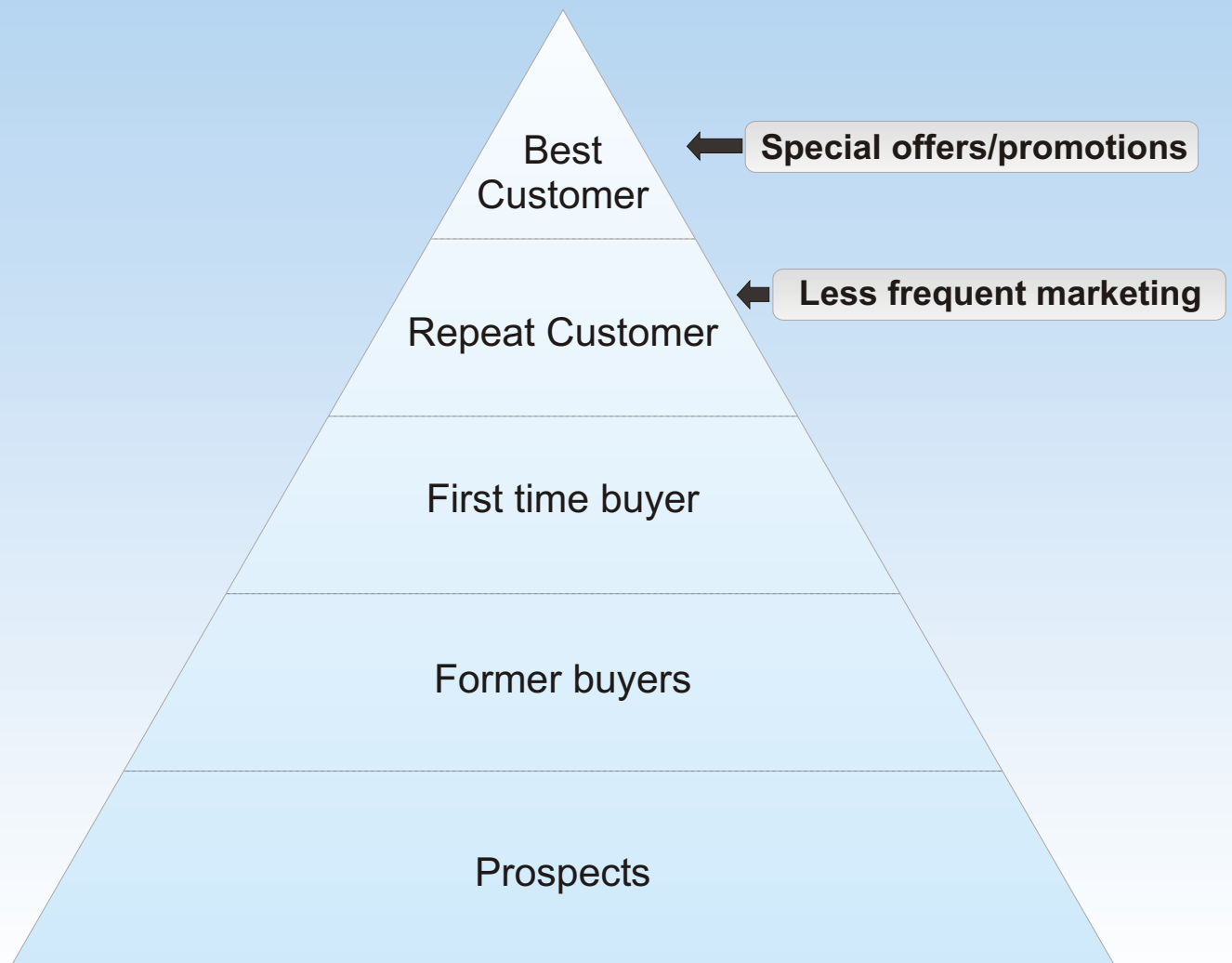
1. Which customer or customer groups do you target for a particular promotion?
2. How to tailor message for that particular customer segment?
3. Which customers are the most valuable?
4. What distinguishes your best customers?
5. How do you find or develop more of best customers?
6. What are the common traits of profitable customers?
7. What other prospects have similar characteristics?
8. Are you cross-selling/up-selling from each customer?
9. Do you really know what our customers want?
10. What marketing activities affect their buying behavior?

67% of consumers want marketers to know the types of products or services they like

54% want marketers to know whether the consumer is a new or repeat customer

36% want marketers to know their buying trends & cycle

CUSTOMER/PROSPECT DATABASE



How to leverage customer data to your competitive advantage

Collecting customer data is not an end by itself. The next step is to leverage this knowledge to create intelligent, proactive pathways back to the customer. Customer-driven marketing holds a distinct competitive advantage over your competitors.

Here's how you can leverage customer data in your business:

Design targeted, customized communications for customers

Each potential customer is unique. But, it would be impractical to tailor your promotional marketing communications to each individual. However, you can group customers with similar buying traits, preferences and send them interest-specific communication.

This selective marketing approach allows you to focus your marketing efforts on customer segments that are likely to respond to your marketing communication.

Identify best customers and develop reward programs

Find your best customers and find what motivates them to “buy”. Based on their motivation, you can design relevant and specific loyalty programs (based on buying trends, demographics, and requirements).

Maintain constant customer support to best customers

Multi-channel information of your customers in your database helps you to maintain a dialogue with your customers and prospects.

Increase renewal or repeat business to improve lifetime value

Send timely email promotions, offers, flyers, and even calls to your current clients and remind them that you're still around. Make use of customer data and track the buying cycle to send upgrade offers, new application installation or third party application solution etc.

Use customer database for surveys, customer polls

Online customer surveys let you measure their attitudes, trends and opinions. You can send online surveys via outbound emails or with hyperlinks that can be embedded in your own web site. The feedback from customer survey lets you understand more about your customer, what they think about your products, or what they want to buy. Based on these results, you can identify new trends, and new opportunities.

Market research Questions – Gain insight into behaviors, beliefs and attitudes

Market research at regular intervals or on an ad hoc basis help you gain vital customer insights and help you to sketch the marketplace. This gives you an overall idea to chart future segmentation strategies.

These are some of the key questions you can address:

- ⦿ What are the key market sectors for different products?
- ⦿ Which segments of the market are the most promising?
- ⦿ Which market segments are static or declining?
- ⦿ What is your share of the market and your competitors?
- ⦿ Which sectors are the most profitable?
- ⦿ Which sectors are crowded?
- ⦿ Which market space is niche & yet to be exploited?
- ⦿ What are the most visible traits of your markets?

Qualitative insights from research, surveys help you to decide where to allocate your sales and marketing resources. In this process you can identify new market sectors that offer attractive opportunities.

Competitive intelligence | Why & How to find

Use database to understand Competitors

- ⦿ How well do you know about your competitors?
- ⦿ Can you assess the likely impact of a competitor's advertising campaign?
- ⦿ Is anyone responsible in your company to access competitor's activity?

Competitor assessment is easily overlooked by most marketers. Competitive information in your database can help you to shape future strategies and respond to threats. These are some of the issues you can review:

- ⦿ Key competitors by industry, location, domain
- ⦿ Competitors' market share and trends
- ⦿ Competitive pricing levels
- ⦿ Competitive online & offline promotional activity
- ⦿ Details of customers lost to competitors
- ⦿ Attitude of customers towards your close competitors

The managed accumulation and assessment of competitor's market presence will give you distinct advantage while formulating your marketing strategies.

Bad data ... Bad decisions

Many businesses are struggling with burgeoning growth of information assets. Unstructured data or bad data leads to unproductive marketing. You don't want to make double promotion to the same customer or worse, different things to the same customer. Bad data is the next big challenge for IT managers and CIOs.

Bad Data Bottlenecks

Multiple and disparate sources of data applications

- ⦿ Lack of business data ownership for data quality
- ⦿ Growing size and complexity of data
- ⦿ Exchanging data in different data formats with external vendors
- ⦿ Mergers and acquisitions
- ⦿ No clear “master” or authoritative source of core data; and
- ⦿ Lack of enterprise data services

Dirty data may never completely disappear from your database, but an effective data management plan can keep it to a minimum.

Looking Ahead – Conclusion

Database marketing will see greater evolution, optimization and integration across the social media of customers. To get productive results, businesses engaged in database marketing have to refresh customer information on a regular basis. Organizing data and right application of database technologies can make YOUR marketing database your competitive weapon.

About ProcureData

Procure Data builds and markets unique database of software and technology company profiles. We offer a wide range of software and technology company lists that covers exclusive locations like USA, Canada, European Countries, etc. Established in 2003, ProcureData has managed to deliver niche market information for high-performance database marketing. Our patented list management and list building strategies are bound to enhance your business growth. All our data are acquired through in-depth research that is regularly updated to maintain accuracy and freshness. Whether it is tapping the Fortune 500 & Fortune 1000 software companies or getting contact details of 1 billion annual revenue companies – Procure Data is your one-stop database resource. For more information, call us at **800-381-1464** or email us at info@procuredata.com.