

MARKETING

Smart database worth every penny



Carolyn
STAFFORD

MANY big companies spend millions of dollars on building database systems to manage their thousands and even millions of customers.

The fact is, if you asked many of those companies whether they were happy with their database systems and their client relationship management systems, the vast majority (over 60 per cent) would say no.

This is for a myriad of reasons, one of the biggest being a belief that they do not get a return on their investment in those systems.

ROI is about the ability to improve the profitability of each customer through harnessing the knowledge you have on those customers.

This knowledge enables you to service the customer better, offer them other products and services and to generate customer loyalty.

A good database system will allow you to:

- ❑ Identify and segment your customers
- ❑ Profile your customers based on their personal and company information and their profitability
- ❑ Keep detailed contact reports so everyone in your business is up-to-date with all historical customer contact
- ❑ Offer different levels of service to different customer segments depending on their value to you
- ❑ Run efficient and highly targeted marketing and communications campaigns to different segments.

Here is an example of how a smart database can help in the marketing and sales effort:

A financial planner has a database of over 3000 customers.

He analyses the data to identify all those customers who have insurance, a small amount of



A good database can generate real profits

superannuation, are between 50 and 60 years old and who live in certain postcodes close by.

This task nets the planner around 100 customers, most of whom he has had no contact with in the past year.

Over a period of two months he contacts them all via letter, phone call and email.

The response? Thirteen interviews, four financial plans and over \$2 million in new super funds.

If you don't already have a good database system, start investing in it today.

Then set yourself sales targets that you want to achieve from being able to effectively market to the customers on your database.

It will then have paid for itself in no time.

Carolyn Stafford is a marketing consultant. Visit www.connectnetwork.com.au for more details on upcoming workshops.