Continuity With Your Customers Part 1:
Introduction to Database Marketing

Customer Acquisition = Growth

Customer Retention = Growth

Customer Extension = Growth

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Database marketing may be part of your company's overall marketing strategy, but are you leveraging it properly to connect with your customers? There are a few simple strategies you can use to implement a successful database campaign and improve your return on investment (ROI).

What Is Database Marketing?

Cookie-cutter marketing strategies are not always the right match for potential or existing customers. If your message is delivered incorrectly, or to the wrong audience, you risk losing customers. Database marketing involves a host of different strategies and avenues to get new customers, earn repeat business and generate referrals. Efforts in database marketing include personalized direct mail advertising, email campaigns, PURLs, newsletters, and product updates or announcements – across any addressable medium. Identifying your best customer profile to invest your marketing dollars in also plays a big part. Your ultimate goal with database marketing is to connect with your customers and build a seamless and dependable relationship.

Segmenting Your Database

Every customer is different but will have some commonalities as others. Every contact in your database can be sorted into segments, or sections. When sorting customers, consider these elements:

- Level of need
- Frequency for purchase of your products
- Purpose for using your services
- Specific types of products purchased
- Customer size and demographics such as age, gender, etc.
- Location

A deeper segmentation of your database involves profiling your customers, further dividing them into groups. Consider these elements, which also help you determine how loyal your customers are:

- How recently they have done business with your company
- How much they spend and how often they spend it

These segmenting categories can help you determine the best strategies for engaging with your database of customers.

How to Connect with Your Customers

The challenge with successful database marketing is not only learning how to best connect with your customers, but is having the proper information to effectively connect with them. The most basic information stored in your marketing database is the contact person, their proper title, their telephone number, email and address. It is important to update this information as much as possible. Cleaning your

database should be a regular task, and there are tools available that allow you to check the information you have, and update it.

Connecting with your customers is your primary goal, and it's critical that you have the information needed to reach them in the most efficient way. When updating or adding to your database make sure to collect standardized information. Add additional fields to your database to collect the information previously discussed for further segmentation and targeting. Include any insights and information to create effective communications with each customer. These details can then be used to generate surveys, and other personalized media, and gain additional insight into your customers. Armed with a more intimate knowledge of your customers' interests, plans and experiences, your company can more effectively target your marketing efforts.

Outdoing Your Competition with Database Marketing

When you're familiar with your customer base, you can identify trends in your customers' profiles to target similar model groups of prospects. The next step is to target these segments with specific marketing projects. Unique and specific data you acquire through database marketing programs will give you a leg up on your competitors. Consider these elements that make your marketing unique:

- Customer familiarity with your brand
- Unique information about your customers' product ordering habits
- Tailored touch points developed for each database segment
- Conversation created through customized marketing approaches

Cross-media marketing that combines all forms of traditional marketing and digital marketing increases the response rate among your customers. Personalized cross-media marketing has a visit rate that is 2.5 times higher than non-personalized.

Keep in mind that it is much easier to retain an existing customer than it is to garner a new one. The more satisfied your customers are with your customer service, the more loyal they will be.

Personalize Your Company's Efforts

Once you know some basic information about your customers, customize your approach. Make it personal to them, as well as from you, by including your picture, company branding and contact information. Create a relationship with them, and then use marketing efforts that are geared toward only certain segments of your database. Carefully select the segments you want to reach and then connect with them using a personalized, targeted marketing strategy. By tailoring efforts to each segment, your company can increase your ROI and boost the effectiveness of your campaigns.

How to Calculate Your Initial Database Marketing ROI

One of the most telling signs of successful database marketing is your company's ROI. Several factors can serve as points of reference to measure your company's database marketing achievements.

- Know how much money is made on each product or service that your company offers.
- Track your company's spend per customer on its database marketing ventures.
- Determine what products and services are purchased by your new customer as a result of your marketing program.
- Calculate your profit and determine your ROI.

Conclusion

Database marketing combines a variety of strategies to reach out to existing and potential customers. The more information your company has for each contact in your database, the more successfully you can implement a program that connects with your customers that can generate a higher return on investment. You may also consider using a service to append data to your database, such as e-mail addresses, age, income or property information.

Stay tuned for "Continuity with Your Customers Part 2". We will delve deeper into the world of database marketing and help you connect with your customers even more effectively, providing the tips you need to succeed.

For more information about products and services offered by Continuity Programs, visit http://www.continuityprograms.com/contact-us-continuity/ or call 800-521-0026.

About the Author

Kirk King is the owner and president of Continuity Programs, a leader in customer relationship marketing based in Walled Lake, Mich. King has a an extensive background in sales, a bachelor's degree in engineering and a master's degree in business administration. He embraces technology and is an expert at helping businesses grow using intelligent systematic marketing strategies such as database marketing, customer retention and lead generation. King enjoys his role as a mentor in the community, often appearing as a speaker at business conferences and providing guest lectures at universities. Under his leadership, Continuity Programs earned the 2013 Bright Spot Award by Corp! Magazine and was recognized as the 2012 Southeast Michigan Small Business and Technology Development Center (SBTDC) Best Small Business.

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