

Top Ten Objectives of Database Marketing

By John Botscharow

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Database marketing depends on you creating a pool of information about your individual customers and prospects. This data is taken from order forms, information requests, customer service contacts, questionnaires, etc. You use this information to analyze what your customers are buying, what they want, what they need, what they are interested in.

You can then combine this analysis with the opportunities offered by your database to contact individual customers or prospects using a variety of methods (email, telephone, letter, fax). This allows you to achieve a number of possible objectives. Here are the top ten objectives you can achieve with database marketing:

Number 10: design new products that meet identified needs.

It's a whole lot easier to sell your customers something THEY want, rather than what you might want. Also, the fact that you included them in the decision-making process will carry considerable weight when they decide WHERE to buy!

Number 9: target your marketing more accurately.

When you explain the benefits of your products or services in terms of needs that your customers have expressed, it makes it easier for them to buy. Also, your efforts become more efficient because you aren't "selling iceboxes to Eskimos." The people you market a particular product to are those you have already identified as having a need or use for that product. These prospects will be much more receptive.

Number 8: promote the benefits of brand loyalty. This is true especially with those customers you have identified as being at risk for going to your competition. No need to "preach to the choir." But you will know who is NOT in the choir.

Number 7: identify those customers most likely to buy new products or services.

Based on past buying records as well as other data, you should be able to tell who is a likely prospect for a new idea or new product. Some people are more willing to try something new than others. Your data analysis should help you identify them. Then, when you release a new product, include them in your marketing efforts!

Number 6: increase sales effectiveness.

When you feel the need for a sale, your data analysis will help you decide what kind of sale to have, what products would be most appropriate, etc.

Number 5: support low-cost alternatives to traditional sales methods.

Database marketing, when done correctly, gives you a very high return on your advertising investment. Targeted advertising in general is better than the "scattered" approach. And when you can combine very targeted marketing with a very low cost, you will easily achieve the primary goal of any guerrilla marketer: profits!

Number 4: make your marketing more accountable.

Because your marketing is targeted and is designed to elicit a direct response from your prospects, you know exactly how well your marketing is working. You can also do very precise cost analysis for new customer acquisitions. With database marketing, your calculations of your ROI will be much more precise. This will allow you to eliminate the costly and ineffective methods of marketing you may be using.

Number 3: improve communications internally between your marketing people and product development.

This ties back to number 10. The efforts of the marketing people will assist the product development people in their decisions about what new products to develop. The analysis will also provide areas of improvement for products. The fact that it is the marketing staff that is gathering and analyzing this data will help them to communicate better with the technical people. This will help the marketing people better understand the products and thereby improve their ability to market these products. When there is close cooperation between the marketing aspects and the technical aspects, a company flourishes. One of the best examples of this was Apple Computers during the early days of Macintosh!

Number 2: improve customer care.

This one is really important. The happier and more satisfied your customers are, the more likely they will buy from you again. This goes back to the whole trust issue. You satisfy a customer and they will trust you explicitly! Because database marketing is so interactive, it makes it almost impossible not to satisfy your customers, as long as you use the information you are collecting in a positive and constructive manner.

And the Number 1 objective that database marketing will achieve for your business is that it will coordinate the different aspects of how your marketing and how they affect the individual customer.

This means that, when it is done effectively, database marketing will allow you to PERSONALIZE your marketing efforts. You can quite literally tailor your marketing to each customer. In the Web Street Journal, we will show you how to do that.

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