

# Marketing on-line for Profit

Small and medium size businesses use databases more and more now to manage their customer contacts and business relationships, resulting in increase sales, improved customer satisfaction and key trend determination. Customer relationship management systems (CRM) form a major part of many small business' overall sales and marketing strategies.

This guide helps to explain the concept of customer relationship management systems and how to develop a database for marketing. Determine what kind of data your business needs for a CRM database and how to integrate it with other systems in your business.

This guide also identifies the key steps in creating a database, the type of system that you need, assists in finding a systems provider and gives tips about developing your database.

## Managing your customer database

Use sales and marketing databases to enhance customer relationships. The better managed business relationships become, the more successful the business will be. If you can communicate better with your customers using a marketing database you can:

- analyse sales information and individuals' personal details
- save money by focussing your marketing effort more precisely
- target and reward regular, profitable customers with special offers
- measure the effects of specific marketing activities
- use your customer relationship management (CRM) system, to help understand how, and what, and when your customers buy from you.

## CRM system benefits include:

- understanding the needs of existing customers and timings of sales so that you can increase sales from them and create cross-selling opportunities for other products
- improving marketing communication
- improving customer satisfaction and retention
- increasing sales with existing customers - and reducing the cost of servicing these sales

## CRM regulations

Direct email marketing is regulated by the Privacy and Electronic Communications Regulations 2003. This Act defines what must be included in marketing messages - for instance the need to disclose your company name and address.

It is also important to comply fully with legal requirements, such as the Data Protection Act.

## Compiling your customer data

Wherever possible use existing information about your customers - both manual or computerised - to build an initial database. Check the validity and accuracy of this data, before entering the information into your CRM database.

## Structuring your data

When selling business to business compile information such as:

- sector, turnover, employee numbers and location
- size and frequency of orders,
- contact details etc

When selling to consumers you could compile information about the following:

- buying behaviour
- product usage
- brand loyalty
- age,
- gender,
- occupation
- income range

## Develop your customer database

You will need details of prospects as well as existing customers for your marketing database to work best for you. Gather details of all those who contact your company for follow up in the future.

Only a very small percentage of the general public or businesses will actually buy your products or use your services. But if you can focus marketing efforts on them, you are more likely to succeed.

Aim too broadly with your marketing efforts and you may spread your limited resources far too thinly.

Customers normally have quite a variety of needs. Build profiles of customers segregated into groups according to their identified requirements. This should provide a better idea of which of your products they are most likely to purchase.

With customer profiles established, you can consider obtaining more prospects by buying a database or list. You need to be able to specify what sector, type of person or organisation that you want in the list, for example if selling business to businesses:

- sector
- size of company ie employee numbers or turnover
- type of the organisation – manufacturer, distributor, installer, retailer
- location

if selling to consumers

- age,
- gender,
- income,
- lifestyle,
- location

Lists may be offered for:

- rent - which may be for a one-off use only
- sale - with unlimited use

Rented lists often restrict you from adding the list to your database except for details needed for a sale.

### **Keep customer databases up to date**

Author :

David Edis-Bates an article for [www.Marketing-Now.pro](http://www.Marketing-Now.pro) a provider of e-marketing services to SMEs

Data needs to be kept up to date for a really effective customer relationship management system and data needs to be 'cleaned' and 'verified' regularly to achieve this.

Inaccurate data not only wastes money and marketing effort but can also damage your company reputation with errors such as :

- inaccurate email addresses
- duplicate e-mails
- name errors

Maintaining and organising a marketing data increases the ability to communicate effectively with likely prospects and future customers. The Data Protection Act also requires you to accurately maintain personal information you hold on a database. Data should only be held for as long as needed.

Accurate [marketing](#) data can substantially increase sales efficiency and improve marketing campaign effectiveness but you need to comply with legal obligations such as the Data Protection Act 1998.

### **Suppliers for your CRM system**

There are a number of options to consider:

- general database software
- off-the-shelf customer databases
- consultancies
- database bureaux
- specialist service providers

CRM systems can be regarded as an investment for the business not a cost. The investment is likely to lead to increased numbers of customers, increased customer sales and enhanced customer satisfaction.