

Primer_{on} Customer Data MANAGEMENT



Primer on Customer Data Management

In this competitive era organizations are banking on customer data to build, manage, convert, and analyze customer relationships. But in the zest to track customer behavior, most organization end up collecting more data than necessary. This sea of customer information from different customer touch points is now the biggest challenge to decision makers.

So, how do you organize data to get meaningful interpretation from it? What are the steps involved in getting the best out of customer contact information?

In case you're thinking of creating a new customer database, here are five tips to get started:

1 Write down the objectives

Whether you are planning to start a customer database or managing one, writing down the objective is vital for building excellent customer relationships. When you pen down tangible objectives of managing customer database, then it becomes easier for you to reach goals. Usually the objectives of customer database management are to find, attract and retain existing clients.

Tip: Be sure that you have well defined objectives before you start building customer database.

2 Choose the right database

Depending on size of customer data and depth of information, choose a system that is capable of managing the data effectively. One of the cheapest ways to create customer database is to use Microsoft Excel or Microsoft Access or you can choose other software programs available in the market to store customer information.

Tip: Be aware of your requirement before deciding on system.

3 Determine the fields in the database and its relationships

After finalizing objectives, decide what information will go into each field of database. For example, a typical customer database will contain multiple contact and demographic information around each customer or prospect. While sketching the fields for each table, keep in mind the relationships between the different fields.

Tip: Create fields only for required data & determine relationships between tables.

4 Refine the database design

After creating the tables, fields in the database, populate it with sample data to test different queries. The results will give you a clear picture on outcome and based on the feedback optimize design of the database. Tip: Optimize database design to achieve better results.

5 Measure results

Finally it's critical to measure output and benefits of managing customer database. You can measure the results based on customer engagement, repeat business or on any specific metrics that's relevant to your business.

Tip: Analyze the entire database and try new ways to optimize the results.

These five steps outlined above enable you to pursue managing customers' data.

Now let's focus on benefits of having a well maintained database.

- Reduce the amount of time spent managing data
- Improve the quality of decision from the data
- Turn disparate information into a valuable resource
- Find value from consistent information

Customer Database and Customer Relationship

Database and ROI: Lifetime Value



A well designed customer database renders multiple benefits to sales, marketing and helps in developing an effective customer relationship management (CRM). The interpretation from customer data helps in understanding reason behind why and what your customers buy from you.

In real terms, customer database lets you to:

- Analyze customer data to find personal preferences
- Personalize marketing based on buying interest of the consumer
- Save you money by focusing on high-value customers
- Create loyalty programs aimed at profitable customers
- Reach customers through their preferred channels of communication
- Measure the effectiveness of your marketing activities

Final Cut

With customer data spread across organization, success lies in collating data from desperate sources and making meaningful interpretation of data. And always keep in mind to invest in quality data or you might end up killing the goose that lays the golden egg.