



Volume 5

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Subject: Data is your lifeblood!

Hard to believe but this is RP Direct Tips 5<sup>th</sup> e-newsletter. Hope all our readers are enjoying the information and able to use some of the tips. Our newsletters to date have covered:

- 1) How to calculate Marketing Contribution
- 2) RFM – Recency, Frequency & Monetary
- 3) Tracking and Measuring Marketing Efforts
- 4) Maximizing the value of your Customers

We always welcome your comments and would love to hear any topics you are particularly interested in. Simply email us your interests and we will do our best to cover them in detail.

This month's topic is on **data and your database**. For direct marketers, there is nothing more important. What makes direct marketing different than other forms of advertising is **database marketing**, both online and off. Marketers that are able to successfully measure, segment and analyze the thousands of customer transactions in optimal ways will realize a significant competitive advantage.

Even though direct marketers can't operate without one, many marketing databases are surprisingly incomplete. Here is a sneak peak of a good B2B marketing database:

- 1) Customer Information – In addition to a unique permanent ID, you must define your customer. For B2B it can be an individual, a department within an organization, an organization anywhere or, most commonly, an organization at a unique location. For one customer ID, you might have several buyers or influencers that need to be maintained. Ideally, you would maintain information on each individual with whom you've had contact to better direct messages. Make sure you have ample, spacious fields for address fields. Allow two phone numbers, one fax number and two e-mail addresses.
- 2) Customer Demographics – Keep separate do-not-mail, e-mail and rent fields, do-not-fax or call fields and a customer status field. Code customers you don't want to mail or email such as credit risks, return or service problems. In B2B, company size and SIC are easily obtained from in-house or outside appending services. Also, consider job level, years in business, or number of employees.

3) Transaction Detail – Capture transaction type, date, amount, items, order placement, payment methods and source code. Keep merchandise and shipping revenue separate. Also, capture cost of goods purchased. These details yield accurate lifetime value estimates and insight into the relationship between sales and customer buying habits.

4) Life-to-Date Detail – Build from the transaction detail 1<sup>st</sup> date on file, 1<sup>st</sup> order date, amount and product purchased, last order date and amount, life to date inquiries, orders, dollars, returns and items bought. Storing these summary details makes it easier to execute file counts and pulls.

5) Promotion History – This is a key to developing a Lifetime Value Model. Capture the date, code and cost of each marketing contact –mail, email, fax and outbound call. If the data gets too large, roll the detail into annual or semi-annual buckets for periods beyond two years.

6) Other Data - While not a complete list, some key data to capture include Product category of purchases, channel of purchase (phone, website, retail store etc., key account sales rep code, residential vs. business address, job title (B2B).

Accurate data is invaluable not only for list segmentation and selection, but also for optimal targeting flexibility, customer messaging, LTV and behavior tracking. Building, maintaining and using data in your business should be high priority, if done properly this small investment will pay off big in profit returns.

If you would like a FREE evaluation of how RP Direct can help your business grow or be more profitable, give us a call or click on the email link below.

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PS. Please feel free to pass on this newsletter to anyone you feel would benefit from RP Direct Marketing Tips.

