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Database marketing: are we really listening and asking the right questions?

I'm one of the hundreds of thousands of people who travel up and down to London for work each day. And about four years ago, I got into a bit of a strop.

Upon carrying out the monthly ritual of car-park season ticket renewal, the attendant announced: "The system's changed, sir. Aside from the £140 per month, you now need to pay £10 for the privilege of using one of our new card keys: and that must be in cash." This seemed a little odd since she had already given me the new card. "Why cash? I haven't got any on me," I responded. The attendant did a lot of mumbling and after an unconvincing discussion I stomped off home without a ticket, deeply satisfied at having hung onto my £10 but left with the slight problem of how to complete my five-mile round trip to the station each day.

A bright April morning dawned and my pedal bike reappeared into the daylight after years gathering dust. Summer's approaching, so why not, I thought. Four years later I'm still cycling: every day, all year and I love it. It's free exercise, with entertainment thrown in (the day a university rowing crew all fell into the river as I cycled past raised a titter) complete with massive savings which I can't help mentioning simply because I want you to realise your opportunity. Station parking £1,680, car insurance £400, car tax £150, car service / tyres £200, petrol £200, vehicle depreciation £2,000. That's annual savings amounting to £4,630 or the thick end of £20,000 for four years' pedalling. Or a quite memorable holiday each year.

Anyway, a few weeks ago the annual letter from the marketing team at the supplier of the car arrived reminding me of its need for an MOT and service - the same car I sold four years earlier. The garage letter got me thinking about my day job in database marketing as I pootled along the river bank to work: are most databases optimised to be able to keep up with changes in personal behaviour and deliver ROI? And if we add in the rapid economic changes and Web-based ways that we increasingly use to browse and purchase products, it looks like the useful lifespan of data could have just shrunk. Is 'disappearing up the database' now a serious risk for many, not just the local garage? Does this partially explain why offline DM has fallen so out of favour?



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I prefer the counter view: it's a marvellous opportunity. Since consumers are sharing so much more about themselves via the Web, we should be much better placed to provide meaningful ways for consumers to engage with brands. We help our clients use this mass of data to maintain regular conversations between them and their enquirers and customers. In doing so, we create opportunities for sales: a process we call Mutual Marketing. By providing useful material of perceived value to their supporters, they gain significant value, maintain relationships and allow more questions to be asked.

One of our clients increased loyalty by 30%. We didn't recommend anything complicated, we just gave them data insight and asked them to recognise that within four weeks of initial purchase of a 12-month contract, their marketing database was out of date and chances were their customers would not renew. We advised the client to ask each customer a couple of simple questions and, hey presto, the 30% was a reality. It was a mutual win for both client and brand, brought about by agile database marketing combined with a willingness to engage with customers outside of what was traditionally their sales window.

So back to my letter from the garage: are databases and DM dead? I don't think so: it's just that databases need to become more agile and complete, leveraging data from every channel and placing consumers literally at the centre of communications rather than technically (as in the Single Customer View). Offline DM also still has a role generating interest and awareness, but only if the offer is compelling and creates opportunities to engage, and the brand recognises that the recipient is just as likely to respond via Google as to the intended channel.

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