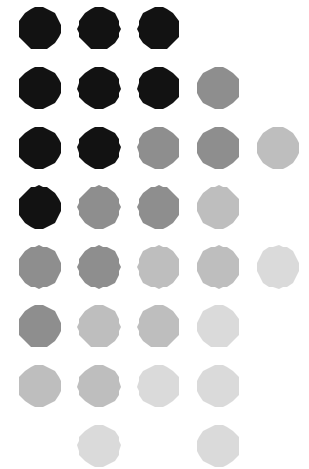
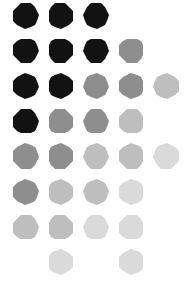


A short introduction to Database Marketing

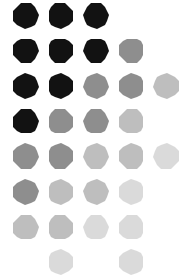
By Baber Khairi





D-base Marketing

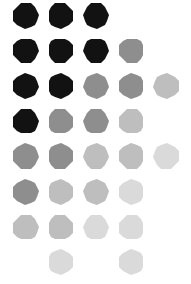
- Due to the need to measure RFM (Recency, Frequency and Monetary) a great amount of data is thrown up in the marketing function which has to be processed. The database has been found to be the easiest (but not an easy) method of storing data for later retrieval and analysis.



D-Base Marketing

What makes a good Database?

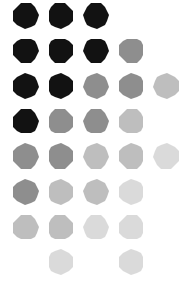
- A good database is one that allows for flexible, accurate and quick access to the records held.
- The key to flexibility to data structure
- Information is structured on the basis of files, records and field



D-base Marketing

- There are a number of different types of databases:
 - i. Hierarchical
 - ii. Network
 - iii. Relational

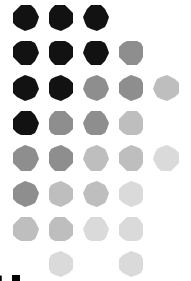
In direct marketing we are concerned with relational databases as customers have many attributes that need to be cross referenced and are often related to each other.



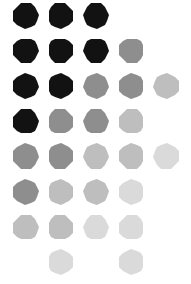
D-base Marketing

- Relational Dbases allow for a variety of links such as:
- One to one: Each record in a table can be linked to one record on another table
- One to many: Each record in a table can be linked with many records in another table
- Many to many: Many records in one table can be linked to many records in another table

D-base Marketing



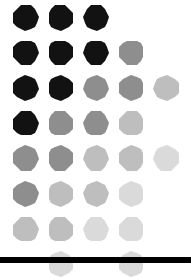
- A customer table may store customer details: names, address & demographic profiles
- The order table stores all customer orders by date of delivery, invoice dates, address, time and amount
- The stock level table stores each product in stock, and rate of use
- The stock reorder table stores order #, stock # plus quantity ordered



D-base Marketing

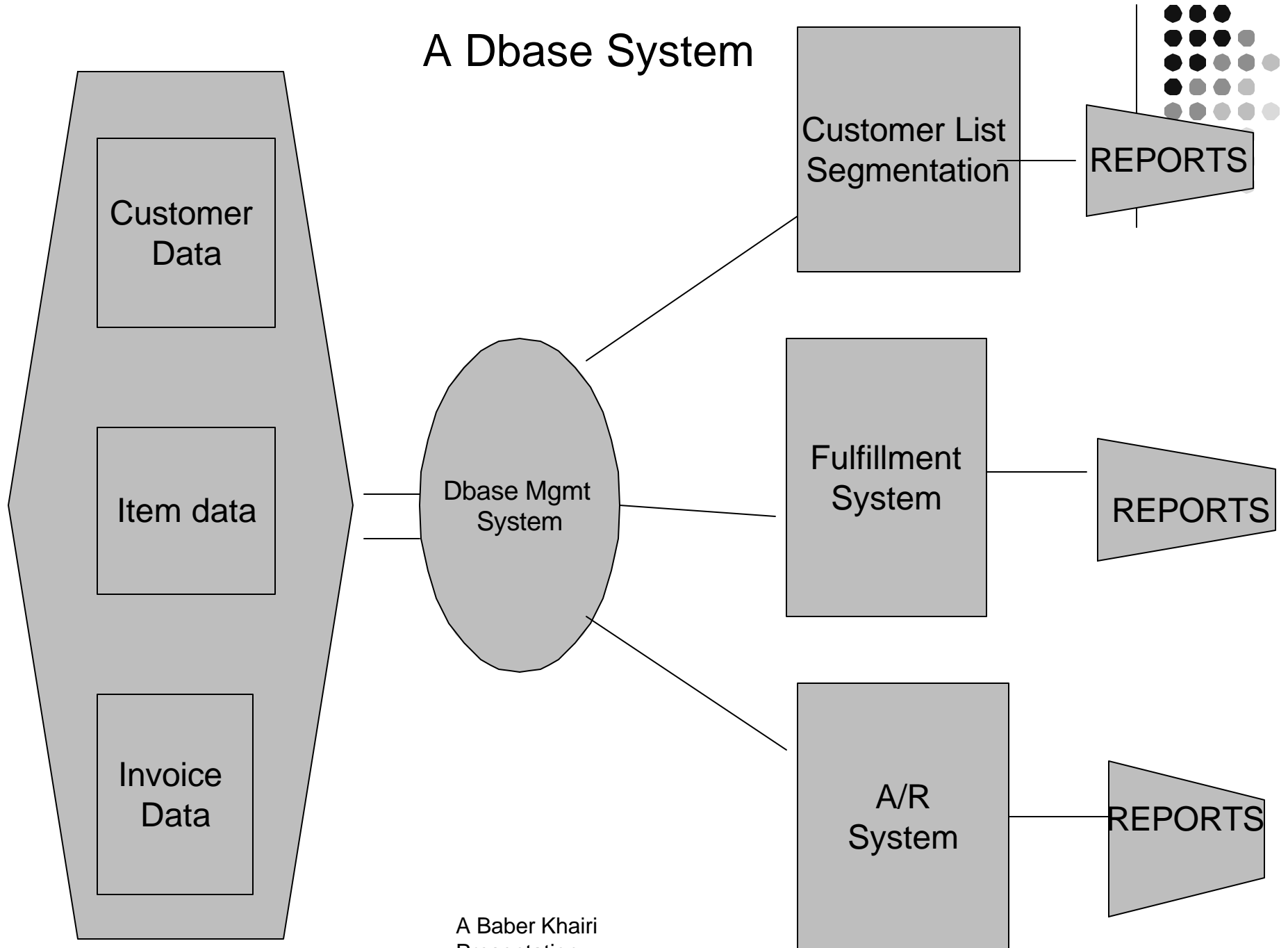
- A Database needs to be ‘populated’ with data from sources such as:
 1. Performance data – sales, enquiries, competition, complaints, feedback
 2. Primary research data – Companies carry out firsthand data
 3. External data sources – The internet would be an example

Difference between D-bases & files

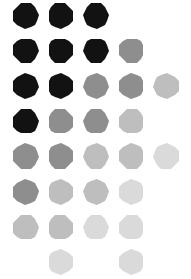


<i>Characteristic</i>	<i>Database</i>	<i>File</i>
Type of data held	Contains many kinds of data that can be linked	Only has a single kind of info
Source of Info	Info from many sources	Info from single source
# applications supported	Supports multiple applications	Supports limited number of applications
Ability to access info	Can be accessed easily in multiple ways	Allows single queries only
Strategic/tactical value	Strategic value = Viewed as an asset	Tactical value only

A Dbase System

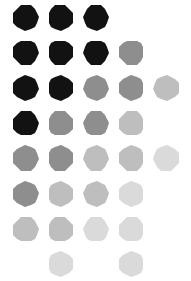


Marketing D-bases: inaccuracies



Some of the more common ones are:

1. Names (Erum, Irum, Eram, Irim ...)
2. Salutations (Mr. Miss, Ms, Mrs, Moron..)
3. Duplicate entries
4. Gone aways (change of address not made)



Marketing D-base Analysis

- Some methods are:
 1. RFM
 2. LTVA
 3. Allowable cost (based on desired profit)
 4. Cost per Order (Total Cost/Total Orders)
 5. Response rate (Total Responded/Total Mailed x 100)