

What is a Customer Database

Customer relationship management plays a vital role in understanding consumers in the marketplace. Media technology has changed how businesses interact with consumers. They must find ways to provide their target audience with an end-to-end experience.

This guide will discuss customer database marketing, the importance of creating customer profiles, and the eight most common uses and applications of database usage.

Customer Database

Let's first start with the [Customer Database](#). A customer database is a list of customers that a marketer turns around and uses the data to help businesses reach a specific target audience. Maintaining a customer database allows marketers to understand their target audience deeper.

Marketers Collect Data Like:

- Demographics (household income, age, gender)
- Psychographic
- Interest Behaviors
- Opinion Behaviors



Marketing professionals use this strategy to generate leads, qualify leads, track a sale of a product or service, and conduct promotional activities, and it helps create customer profiles.

The Types of Database Marketing Tools a Business Should Know About

Database Development

Creating a database for marketing purposes in a well-organized process. The process starts with gathering basic data about your customers. Then comes the process of translating the data into relevant information.

Marketers now have the knowledge to create a marketing strategy. Lastly, the customer interacts with a brand. A database strategy allows a business to communicate better and provide the best service for its customers. **Figure 1.1 The database process.**



Different sources of data, techniques, and platforms are being pulled in various stages of the buying process. Marketers will need to create a strategy for maintaining the data; this process is called DMP ([Data Management Platform](#)). The management process is an integrated computing structure that gathers, integrates, and manages large data sets.

The DMP is a storage depot that stores and sorts data and transforms it into usable information for marketing professionals. The DMP gives marketers the exact customer information to make strong marketing judgments. Be conscious all businesses do not need the same type of data; they will most likely have various uses for data.

When developing a database, the manager must determine the primary business goals.

Examples of Goals

- Thanking them for patronage
- Encouraging customer referrals
- Introducing new products and services
- Information about an upcoming event
- Introducing a new staff member or employee

Customers Profiles ([Personas](#)) Businesses should consider focusing their efforts on creating customer profiles for each customer. Collecting demographics, social, psychographics, and behavioral data can help companies tailor their message to the right audience.

In the marketing industry, this is called building personas. Personas are semi-fictional descriptions of a business's customers based on data and insights.

Creating personas is essential because it allows marketers to understand their audience and provide them with the best user experience across devices and platforms.

For more information about personas, please visit the link above.



8 Important Ways to use a Database

Create Customer Profiles

If you guessed personas, you are right! The first common use of a database is to build customer profiles. This means gathering demographic, psychographic, interest, and opinion data to create your best customer.

Keep Your Best Customers

Marketers need to ensure they understand the 80/20 rule. 80% of your revenue will be generated by 20% of your customers. This means marketers must carefully analyze their database to confirm they are paying the most attention to their best customers. Focusing on the best customer is where most of your efforts will be directed.

Show gratitude to Customers that do business with you

Customers deserve to be appreciated for their business. This is especially true for highly competitive companies. Customers want to feel good about their purchase and the support they provide.

Follow-up activities are essential because:

- It reinforces purchase decisions
- Provides opportunities for dialogue
- Ensures the customer is satisfied with your product
- To promote future purchases



Profit from Cross-Selling and Continuity Marketing Opportunities

It's vital to capitalize on opportunities to sell customers more products similar to what they bought in the past. This practice is called continuity selling, also known as club selling. These are customers that buy regularly and are brand loyal.

For more information, follow us on social media.

Create a Customer Communication Plan

This is where the database can harness its power. Marketers can communicate with each of their customers using a database strategy.

Examples of a customer communication plan include:

- New customers receive a welcome letter
- Current customers can receive thank you for your loyalty

Car dealers are one category that uses direct marketing well. Think about a new car buyer; after the purchase is made, the dealership sends out a survey and thank you correspondence.

Customer communication suggests two-way communication; marketers use this communication to optimize and enhance marketing activities for shoppers and increase profitability.

Implement Market Research

A database is a perfect tool for market research. Market research compiles, organizes, and examines data about the customer. The information collected is either problem specific or purpose-specific. For example, if you are a product marketer looking to roll out a new product, it would be critical to gather potential responses from current customers.



Here are a few ways marketers can conduct market:

- Customer approval surveys
- New product research
- Customer needs analysis
- Brand preference study
- Media preference study

Produce New Customers

So, we now have a common understanding that a customer database creates customer profiles and allows marketers to tailor the best message possible. It's time to generate new customers. Marketers can now find new customers with specific needs and want that are similar to their current client needs. Database marketing allows marketers to compile lists identical to their target audience.

Send out Customized Offerings

Lastly, customer databases allow marketers to create customized messages for their target audience. Customers are happy to hear from you when you're providing 20% off that purse or 20% off those nice sneakers. Marketers use strategies like e-mail marketing and direct mail to create customized offerings to reach their target audience.

Customer relationship management is an important strategy in today's business world. The evolution of media technology has changed how businesses interact with customers. Customers dictate whether to spend their time supporting a company more than ever. Marketers need to keep their target audience first to earn their business.

