

By Melissa Campanelli  
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## Database Marketers Call for Centralized Data, Complex Analytics

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Integrating data from all channels, adopting trigger programs, demanding more sophisticated analytics and developing more profitable prospecting are the top trends database marketers are tracking.

Marketers are making a big push to get all available data - from channels, products and divisions - into one central database to allow better measurement and analytics, said Lance Williams, vice president of the solution consulting group at database marketing agency Merkle, Lanham, MD.

According to Scott Nuernberger, Merkle's director of database marketing solutions, marketing performance often is measured on only a piece of the value puzzle, such as response or purchase rates.

"Whereas in reality the true performance of marketing is almost always more complicated, including factors such as cost of application processing, service cost over lifetime, product return likelihood; or even non-monetary value such as market penetration or lobbying value based on member activism," he said. "The only way to incorporate these factors efficiently into measurement and analysis is to bring all the data from disparate sources into one centralized database."

Mr. Williams also noted the desire by database marketers to extend their databases into more "real-time" environments to support "trigger-based" campaigns, those triggered by specific customer actions such as a purchase or registration on a Web page. One common trigger is new movers, Mr. Nuernberger said.

"Whenever an individual or family moves to a new residence, they often are in demand for many products and services within a very short period of time," he said. "Getting your product or service in front of new movers as quickly as possible is critical to gain their business before the competition.

"This same trigger concept can be applied to many other situations, such as service contracts after large appliance purchases; ink cartridge offers after a printer purchase; offering investment products when household income brackets change; credit offers when someone starts carrying revolving balances," he said. "The key point is to get your product or service in front of a prospect at the point they will start to need that product or service."

Another trend cited by Mr. Williams is the need for a more integrated approach to prospect and customer database marketing, "with analytics being the primary value driver in extending the use of the marketing database into all marketing touch points." Scott Cone, Merkle's vice president of professional solutions, agreed on the importance of analytics, especially more sophisticated analytics.

"The trend of the past several years of more modeling and complex analytics continues," he said, citing an increasing use of analytics to predict channel preference and marketing vehicle receptivity.

More sophisticated analytics was also on the mind of Andrea Miskovsky, president of database services for MBS, a provider of advanced database and interactive marketing solutions in Central Islip, NY.

"One trend we are seeing is a demand for higher-level strategic and analytical services," she said. "Marketers are looking for a true partner in their marketing services provider." When Dennis Kooker, chief operating officer of KnowledgeBase Marketing, speaks with clients, he observes the "expansion of the marketing database system beyond traditional direct marketing channels to become a true corporate-wide sales and marketing effort." KnowledgeBase, Richardson, TX, provides information marketing and database marketing solutions.

Whether dealing with customers in healthcare, home services or traditional insurance - three main areas for the firm - reports are sought that can be used at all levels in the organization, Mr. Kooker said. Plus, companies are focusing on senior citizens to try to capitalize on that demographic shift.

"However, it is the incorporation of the sales force into the marketing database that is clearly one of the most important trends in some time," he said.

KnowledgeBase also aims to improve prospecting for its customers.

"We have worked diligently with our customers to prospect much more efficiently so that the effort is not about more prospects contacted, but instead about producing more effective results while decreasing quantity or at least holding steady," Mr. Kooker said, with the exception to this being "the very focused effort on the senior market, which includes new initiatives like the Medicare Part D legislation that took place last year."

MBS also is seeking ways to help customers prospect better.

"While we are seeing an increase in data mining by customers, marketers are also looking to do more profitable prospecting," Ms. Miskovsky said. "They are frustrated with current results and looking for a more customized approach to prospecting."

To improve results, some marketers are creating their own prospecting databases based on clones of their current customers, she said.

"Instead of employing a conventional test and rollout list strategy, they are identifying their best prospects using modeling and deploying a contact strategy against them," Ms. Miskovsky said.

The multi-channel view is finally coming together for many marketers, she said.

"The value of a customer is being better understood by companies," she said, "and the value of capturing information at various touch points is better understood as well." Database marketing also is witnessing creativity in segmentation.

"In the business-to-business space, we are seeing more of our clients rely on behavioral and value segmentation rather than on traditional firmographics," said Janet Rubio, co-CEO of DM agency Direct Impact, Austin, TX. "Because there are so little accurate overlay data available, many are assessing current and potential value based on number of employees and SIC code, looking at buying patterns and then segmenting accordingly."

In the automotive industry, Direct Impact sees a trend toward "emotional" segmentation. "Car buyers own their vehicles for four or five years, and research shows that they feel differently about the car over that ownership cycle," said Judy Bitterli, co-CEO of Direct Impact. "Our smarter clients are developing stage-appropriate mailings that appeal to the mindset at that point in the cycle. This is bringing lifecycle marketing to a new level."

Clients that rely on consumer registrations as a database source are working on new loyalty models where the cost of entry into the program is zero, Ms. Bitterli said. "The trend is a reverse in segmentation where the entire customer base is included rather than only a select few," she added.

Finally, many database marketing firms report a rise in business and expect demand to continue through summer.

"Historic sales rates have increased by 50 percent during the past six months in our middle-market segment, [which] demonstrates strong demand as marketers continue to leverage information to make better media and targeting decisions," said Brad Neuenhaus, senior vice president of Wakefield, MA-based Equifax Database Services, a division of Equifax Marketing Services, based in Atlanta.

Nontraditional industries including media and online gaming have adopted database strategies, he said.

"Marketing is fundamentally changing as online/Internet avenues grow and traditional print and broadcast channels continue to become more fragmented," he said. "This results in the use of more direct marketing approaches that create more data and drive increased demand for targeting, database management and data analysis and strategy."