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Social Media's Impact on Database Marketing, Part 1

By Bob MacInnis And Sari Tamilio

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There once was a time when customer information was only useful when it included a physical address; email address-only records were commonly purged from marketing databases. No longer! Today's databases contain a vast amount of information on web activity, social media interactions and other online behaviors linked solely to email addresses.

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Even without a name or physical address associated, all this data is valuable. Any actionable element — e.g., a clickthrough on an email, a search engine referral or a “Like” on Facebook — can be leveraged to identify and consolidate customer activities and preferences.

When looking at social media data, there are two types of interactions you can track and analyze. The first is based on a customer's direct interaction with your brand's social profiles, such as creating content about your brand, commenting on your content or reviewing products. The second is a

customer's social interactions with other consumers, or sharing your content with friends.

The first interaction can provide insight for things as varied as deciding which products to carry this holiday season or where to build your next brick-and-mortar location. The second interaction is absolutely invaluable for indirect social marketing. It can help marketers create personas or profiles of target segments that are most likely to build brand affinity or even become brand evangelists within their social networks.

This data can help you develop point-of-sale or email promotions aimed at encouraging consumers to check out your Twitter stream or blog. It also enables you to use your online database to generate brand awareness and build brand affinity and loyalty through effective segmentation, targeting and relevance, all leading to a greater return on investment when these users head to your stores.

It's important to note the unique qualities of social media with regards to database marketing. Social media marketing isn't about pushing products; it's about building relationships and communities, and engaging customers and prospects in a place where they're comfortable.

By using social media, companies give up absolute control of the message, opening themselves up to feedback and perhaps criticism. It follows naturally that putting the consumer in control of the interaction can be both unfamiliar and uncomfortable for many marketers and brands. However, for most companies, the value of the data they collect far outweighs the risks of deviating from traditional approaches to product marketing.

The challenge of integrating social media behavior with existing data has caused companies to hesitate before making this data actionable and putting key performance indicators in place. Consider social media as a new direct marketing channel, just like direct mail, the internet and email once were. The challenges of managing and effectively using these channels have been overcome and are now well-known.

Just as companies were founded to help marketers manage the integration of email data, there are now a growing number of social media marketing companies. (Traditional database marketing vendors are expanding their offerings as well.) Before you know it, these companies will have figured out how to integrate social media into the marketing mix, and there will undoubtedly be a new “peak” channel that challenges database marketers in entirely new ways.

In part two of this series next week, we'll talk about ways marketers can use social data with existing customer data to keep the conversation going.

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Social Media's Impact on Database Marketing, Part 2

By Bob MacInnis And Sari Tamilio

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To effectively market your business with online and social media data sources, you must pull all your customer data together. Combine your data instead of creating a new, separate silo of online-only data. As we mentioned in part one of this series, think of social media as another channel of opportunity for marketing — it's unique, but best used in concert with other channels.

Integrated data from multiple sources will allow you to gain a comprehensive view of your customers, allowing you to segment them effectively to deliver targeted, relevant marketing messages. If you don't, you'll find that your siloed data loses value because your cross-channel marketing strategy is based around a limited understanding of your customers and their behavior.

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An integrated cross-channel marketing strategy enables you to leverage your customer knowledge to target each segment with relevant messages in their preferred channel. Are your customers more responsive on Facebook? Twitter? Email? Mobile? More importantly, in which channel are they most receptive to you?

You'll also be able to identify the best secondary channels to contact your customers. This way, you can continue the conversation even when your customers begin to lapse. After all, who wants to receive a "visit the dealership" email shortly after the purchase of a new car? Instead, at this point in the customer life cycle, involve customers in a Facebook conversation about their cars' features to build brand enthusiasm.

With fully integrated data, you can create information-rich customer profiles, or "personas." This technique helps bring your segmentation to life. You can

fill in the details, add dimension to otherwise dry statistics, among other things. The deeper the insight you gain through persona-building, the better you can easily identify top brand enthusiasts to spread your marketing message.

Morton's The Steakhouse, has identified the right tools to drive customers to its restaurants and keep the conversation going. Using Twitter and Facebook, Morton's invites users to share their experiences with other fans, leading customers to cement their memories of the Morton's experience. This enables Morton's to gain a clearer understanding of what its customers want. With combined profiles of customers, Morton's can tailor its email marketing campaigns to customer preferences, providing exclusive offers and event invitations that aren't appropriate for social media channels.

A retail organization might use segmentation to determine what combination of channels — e.g., direct mail, online marketing, mobile, etc. — would be best for reaching customers and prospects on multiple fronts over the course of a product life cycle. Luxury handbag and accessories retailer Coach tied together its web advertising efforts during the launch of its youth-oriented Poppy line by placing dynamic images of bags from the line on hundreds of participating blogs. They also used their Facebook and Twitter marketing campaigns to spread the word and drive consumers to its stores.

Also regularly update customer records with data from all sources. If you track links to various social media platforms via email, follow trends in how customers are interacting with your brand. Analyze customer behavior on an ongoing basis to ensure you're addressing them through the most effective marketing medium.

We expect brand marketers going forward will make greater use of data gathered across multiple channels. While still a young channel, social media is already transitioning away from the mass-data-collection stage — characterized by blasts and untargeted marketing — into a more targeted and relevant marketing vehicle. The most successful marketers will effectively use social media combined with all available channels to create ongoing and meaningful conversations with their customers.

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