Maintaining a Marketing Database

Why is it necessary to maintain your marketing database?

Brand Damage – Every time you send a mailing to the wrong person you make them think less of your business. What do you think when you get mail sent to your business or home with someone else's name or company on the front? Old contact names and inaccurate addresses on mailing pieces can quickly damage a reputation you have worked hard to earn and will unnecessarily annoy those on the receiving end.

Cost – Sending direct mail can be rewarding but incredibly expensive, it would seem even more expensive to know that the mail you have designed and paid to produce/post did not make it to your prospect. You could be wasting a large percentage of your marketing budget each year on campaigns that never reach the person you wanted them to. Mailings that are addressed to old employees for example will often be discarded and mailings with incomplete address details may not even reach the company at all, let alone the correct person. The Royal Mail quoted that £125 million is wasted annually on mailing businesses that have moved or ceased trading, so this is not a small problem.

Savings – it is essential to have complete and correct address data on your database in order to qualify for mailsort discounts. If your data is sorted beforehand and the addresses are correct (i.e. 90% correct postcodes), this saves the Royal Mail a great deal of time and therefore they can pass the postage discounts onto you. It is possible to save up to 30% on standard mail costs by doing some of the mail sorting yourself. Visit www.royalmail.com for further information.

ROI – If the marketing you have designed to attract certain customers is not reaching those customers, then your marketing response will suffer.

Why is a marketing database so difficult to maintain?

Because the UK changes everyday – every month in the UK thousands of businesses move, expand, start up and close down. According to the DTI's Small Business Service there are approximately 175,000 new VAT registrations and 175,000 de-registrations every year. Furthermore, only 65% of businesses survive more than 3 years.

The royal mail claims that a company name change occurs every minute, a business closes every two minutes and a business fails every four minutes. They also note that if you don't keep up with these changes, **37% of your business customer records will be out of date within a year**.

Of course, most marketers don't believe that their database is as bad as these statistics suggest. To prove that these problems do exist, Wegener DM carried out an analysis of 51 B2B databases. In total 1.53 million records were analysed across a wide spectrum of industries. The study involved databases supplied by companies taking up our ongoing free data audit service and clearly highlights the need to regularly maintain customer and prospect data. Perhaps one of the most worrying findings was that, on average, 19.42% of the records analysed for each organisation were duplicates.

The following results were found:

13% had no contact name present

45% had no telephone number

19% had an incorrect or blank post code.

3% had gone out of business

This research highlights the importance of constantly maintaining customer and prospect databases. Many Organisations are wasting a great deal of time, effort and money targeting the same individuals over and over again. Not only does this make no commercial sense, it is also extremely irritating to the recipients involved and is more conductive to losing business than winning it.

It's just not a priority

Your company's top priority is quite rightly what it does or sells, not its database. However, a decaying database will become a priority rapidly once you start getting complaints or when your ROI becomes impossible to defend. So how do you stop this? You can use the services of a company whose top priority is your database. It could be just to clean it once in a while or for a fully managed solution but every option can be explored and an ROI case built for what you need.

Usually no single person is responsible for the database

Within an organisation there is no single individual or group of people who look after the database. This means that many different people and departments have access and can update it, but not always in the same way. No-one has the allocated time or motivation to keep on top of its maintenance and it becomes quickly unorganised.

Numerous people have access to the database and can enter information

Many different areas of the business have access to the database, so it is not surprising if the data is not always sufficiently completed or in a consistent format.

There are no procedures about how data is entered

Most organisations have no data entry standardisation rules which lead to inconsistency and formatting problems within the data.

Common data problems

As a result of all the previous factors, you are likely to find the following common issues with your marketing database.

- Duplication
- Truncated names
- Inaccurate addresses
- Invalid telephone numbers
- Name splitting and salutation I.e. ‘Mr S Cook’ or “Mr Cook”
- Incomplete addresses
- Out of date data
- Inaccurate contact names
- No casing or abbreviation standardisation I.e. ‘Rd’ or ‘Road’

Example of a duplicate record

Example 1	Example 2
Mr B R Knight	Mr Ben Knight
Sales Manager	Information Services Manager
Blue Sheep	Blue Sheep LLP
Mannor by the lake	
Arle Court	Arle Crt
Cheltenham	Chelt
Gloucestershire	Gloss

How to get over these problems

Determine your database strategy early

In order to develop a database strategy suited to your particular business needs you will need to consider the following marketing and organisational questions.

- What do you want to achieve from your marketing database?
- What are the most important elements of data for your business? For example, is it contact names, addresses for mailings or telephone numbers?
- How important is your database to the success of your business and consequently, how much emphasis needs to be placed on it? Some business types, such as mail order companies, may need to put more emphasis on their database than others.
- Do you want a ‘contact based’ or ‘company based’ database? In other words do you want one record per company with additional contact names listed within the record, or a separate record for each contact person?
- Do you want ‘site based’ or ‘legal entity’ database? Do you want every company site address or just the main registered office/head office address?
- Is it essential that your database is kept in-house or is total outsourcing an option where your data can be accessed remotely/online?

- Is there any additional information on your customers that you would like to include that you don't already hold?
- Who needs access to the database and what access rules should be applied?

Outsource

In order to resolve your database issues quickly, recruiting the help of a database-marketing specialist is best. They will take in your database, let you know what the main issues are and then formulate a solution that fits your particular needs. Your data can then be returned to you in an updated and standardised format according to your requirements.

This is a one off solution and before you know it you'll be back in the same situation unless you make longer-term arrangements once an initial clean has been carried out. This will ensure that you limit the decay of your data in the future. By formulating an ongoing plan with your supplier you can ensure that your data stays in the best condition on a long term basis.

When looking for an outsourced database management supplier you should check the following:

- **Will they tailor a solution specifically for you?**
  Check that your supplier is willing to tailor a solution to your particular needs and won't simply run your data through a standard matching, cleansing and updating process
- **What access do they have to other data sources?**
  Because they will need to validate the accuracy of your database against an up to date file of all the companies in the UK, access to a comprehensive 'business universe' is crucial (i.e. the UKBU).

Remove gone-aways from your database

Products are available that will identify the number of gone-aways that exist in your database, including The ReaD Group's Business Suppression File and the Royal Mail's Business Changes File. Your database will be matched to these files to identify any duplicates. You will then be charged to have these records flagged or removed from your database so that you won't continue to waste money mailing them. However, be careful before removing any of your data as business can plan to move over a very long period of time. It is recommended that you sense check the flagged records before you dismiss them.

TPS, CTPS and FPS

The Direct Marketing Association (DMA) Telephone, Mailing and Fax Preference Services enable consumers and UK companies to opt out of receiving unsolicited messages by telephone, post or fax. Your company is therefore obliged by law to ensure that any organisations or consumers signed up to these registers have their wished respected.

In B2B marketing you must ensure that your database is appended with TPS, CTPS and FPS every 28 days if you wish to use these media of communication in your marketing activities. The MPS only applies when you are mailing consumers. Visit www.dma.org.uk.

It is also important that you keep your database up to date with any requests you receive from organisations asking not to be sent mailings or receive telephone calls or faxes from you. This could be a result of a previous campaign that you have carried out or of a sales prospecting call.

Set date entry standards

Setting data entry standards are essential in ensuring that you continue to keep your database in the best possible condition. There is no point in having it standardised and cleansed only to be in the same situation a few months later, because people are still entering information in the same way they always have.

Here are some examples of the kind of data entry rules you could consider.

Example 1	Example 2
Blue Sheep	Blue-Sheep
Arle Court	Arle Crt
Cheltenham	Chelt
Gloucestershire	Gloss

Ensuring that full address details are entered and that contact names are always present is an essential part of this process.

A marketing department may also want to consider information that is useful to them. For example, it may be useful to make some fields compulsory, such as where a lead came from, in order to track the success of your campaigns.

Set rules about record creation

Setting rules about new record creation will help to avoid duplicates on your database. For example, if the company name, postcode and telephone number are all checked to see whether a record is created, the number of duplicates will be dramatically reduced.

The above data entry standards will also help to ensure the records can easily be found on the database and will therefore help reduce the creation of duplicates further.

Take responsibility

It is important that either one person or a small group of individuals from any relevant departments take responsibility for the maintenance of the database. This will ensure that it gets the focus it needs.

Summary

There are numerous options available to you when it comes to maintaining your marketing database in order to ensure that you get the most out of it.

You can outsource everything if you wish, budgets willing, or you can develop a plan yourself using numerous suppliers to gradually improve your database over a longer period of time.

Moreover there are plenty of simple practises that can be put in place internally within your organisation to limit the decay of your data in the future.

The best solution is probably to use a mix of all these options to create a tailored solution that works well for your business and the needs of your database.

If you have any questions or would like more advice on maintaining a marketing database email me: ben.knight@bluesheep.com