

## Database Marketing: What You Should Know

Database marketing is now an essential part of marketing. It involves a business to take advantage in directly contacting individual consumer names who may be interested in their products. These databases of people are some of the best potential customers out there as they have already made a purchase or have shown interest in the products and services that you are providing. However, database marketing does not appeal to everyone.

Database marketing can be summed up in the following way:

**Targeted:** directly reaching the consumer in a suitable way for them, to prompt a response

**Direct:** communications flow directly between the organisation and the consumer, with no intermediary. Consumers can physically touch, see or hear the communication to them as individuals

**Marketing:** it helps meets consumers' needs and the organisation's profit sales and other objectives

Database marketing involves information that is compiled about people from their previous histories. For example, people who fill out forms such as credit card inquiries, free products, subscription forms and charity forms have their names and information gathered together. Companies can then look at this database of information and work out which other products they may be interested in. The customer names, addresses and other information are collected together and stored in a database which can then be sold to others.

Although organisations of any size can use database marketing, it is particularly well-suited to companies with large numbers of customers. The reason for this is that a large population provides greater opportunity to find segments of customers that can be communicated with in a customised way. In smaller databases, it will be difficult to justify the investment required to differentiate messages.

Because of this, database marketing has worked best in sectors such as financial services, telecommunications, and retail, which all have the ability to generate large amounts of transaction data for millions of customers.

People who are against database marketing claim that there is a need for protection from junk mail and spam and companies who send this advertising are violating their privacy. On the other side, however, companies who use database marketing feel that it is something people really want, and perhaps even requested. It provides a great way of people connecting businesses and services to the customers who want them.

The advantages of database marketing are that it provides people with advertising and promotional information that has their name on the front. Database marketing strengthens advertising opportunities, leading individuals to believe that the product was selected especially for them. It is an effective way to stay profitable because you are connecting with customers that have already shown a vested interest in this type of product.

It is up to you as to whether you take advantage of these opportunities or not. Many businesses find it to be an excellent way to reach solid customers. Also, because the information provided is not sensitive information, many people do not object to being in database systems therefore it may be in your best interest to adopt the database marketing method to strengthen your business.

### About the Author

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