

Get Digging in Your Database to Recover

The GFC is supposed to be over - but no-one told the Australian consumer. After a brief resurgence in the middle of 2010, consumer confidence level continually dropped to a low of 104.5 in January 2011 and then rose slightly to 106.6 in February 2011. David Jones just announced a 1.1% quarterly reduction in sales.

Discount sales abound - but still don't seem to be invigorating any sales.

However some organisations are fighting back by digging into their customer databases for insights they can use.

Chris King, Information Manager from Accor, Australia's largest hotel group including well-known brands Sofitel, Pullman, Novotel, Mercure, Ibis, All Seasons and Formule 1, is doing just that. Chris says 'For the first time we have consolidated our customer and hotel stay information and are able to find trends in how customers behave. We are using this to improve the targeting of offers that our customers will like and respond to.' It's early days in using the data but Accor have been able to find new patterns in customer hotel bookings that can be used for future targeting. "We have uncovered some interesting trends related to the stickiness of brands and individual hotels – especially through the GFC period. Price sensitivity is an important factor in our business and we also now have far better insights to customer value perception than ever before, and this translates into actions to improve business performance. However I must stress that underlying any customer analytics is the availability of good quality data.' Accor was the inaugural recipient of the Data Quality Award – Asia Pacific from the International Association of Information and Data Quality in 2010.

Banks use their customer databases and have demonstrated increased response rates from a normal 0.2% to 13-15% using targeted marketing based on customer behavioural insights.

Some simple examples of what businesses could do are:

- For any business - Find customers who have been good spenders in the past - and haven't then purchased anything in the last 6 months or more. Send them an attractive offer to get them to come back.
- For an electrical store - Find customers who have bought a TV in the last 3 months - and send them offers for DVD Recorders of the same brand - and perhaps an accompanying music system.
- For travel agents - Find customers who buy large holidays every year, but nothing else - and send offers for Easter getaways in areas they enjoy visiting.

It seems like a big job to get started - but by taking small steps one at a time and getting some initial successes - you can get your business back on track - and also help fund future strategies to keep you moving forwards.

So get digging into your customer database and see what gems you can find!

Laura Prophet is a Director of BusinessMinds Australia, a Business Intelligence and Data Analytics consultancy. Laura works with franchises and large organisations to help them make the most of their customer and transaction data to define business strategy and improve marketing. She works with franchises to provide marketing systems where franchisees can easily view the different behaviours of their customers, and select particular customers for campaigns. The end results are valuable, targeted business leads resulting in increased sales and loyal customers. You can contact Laura at laura.prophet@businessminds.com or (02) 8004 0310.
