

mei-ster:
Suffix denoting
a professional
practitioner

ProfitMeister

M A X I M I Z I N G Y O U R M A R K E T I N G M O N E Y

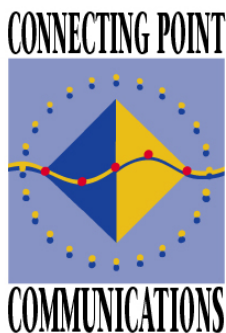
VOL. 7, #9

*"Mary Ellen's
program is
simple, effective,
and extremely
helpful for a
novice like me."*

Rozzy Keanna

**New Health
Insight**

newhealthinsight.com



P.O. Box 3523
Albuquerque, NM
87190
505-280-9772

Find Customers, Grow Sales

Transform Data into Profits by Concentrating on and Analyzing Past and Present Customer Information

Hardworking, affable, and detail-oriented, Brian seemed perfectly suited for the upholstery business. He'd fixed, covered, and restored furniture for years, generating a second income from his hobby. After long discussions and careful planning Brian bought an existing business.

The rush of transitioning into ownership, learning management and pricing techniques, and getting initial sales out the door lasted 90 days. Shortly after that, the orders had slowed or disappeared and Brian suddenly realized that his four employees had nearly completed every job in the shop.

Brian discovered that running a business was harder than he'd expected. In addition to product delivery, business survival depends on finding and profiling ideal clients, and marketing to them and others like them, in a focused, efficient manner.

Like most small business owners, Brian failed to recognize his most valuable asset: the names of customers who'd used the firm. No magic plan exists for the capture and retention of customers. Data by itself is useless. With the proliferation of competition on the internet and new technologies such as GPS, global positioning systems, growing numbers of business owners are becoming aware of the power of studying their customers by building databases.

I encourage you to address competitive challenges by mastering this 21st century

concept and making it the focus of your business and marketing planning. Data must be effectively captured, evaluated, cleaned and standardized, updated, used, analyzed and mined to be effective. Some businesses have a customer list in QuickBooks; others use index cards or an Excel spreadsheet. This newsletter offers a simple plan to begin your database process.

Start with what you have

The goal of using data is to determine over time everything you can about your ideal clients. Begin with the most important piece of information, your customer's name.

Names are key to unlocking client media preferences, geographic locations of ideal clients, product and service mix, as well as efficient and profitable marketing strategy.

Within a name lies the portal to your future success as you build a data record of each customer's activity. It is that simple. Yet many of us overlook, or underestimate the relevance of capturing, tracking, analyzing, and acting upon the information revealed within an active customer database.

Brian had purchased a business with records from 2000 forward. There was no customer list, per se, but copies of receipts for previous transactions were filed by year. With no knowledge of how many different customers existed, Brian decided to capture four customer records each day. He began to outline the information he needed to know. At the same time, he determined to consis-

To learn more: www.MyConnectingPoint.com

“In the end it’s more important to consistently capture and evaluate some data rather than capturing none at all.”

tently capture daily data from current shop transactions, building a list in QuickBooks.

Some business owners procrastinate initiating an active customer database system; others begin one and then efforts lapse. “Just do it!” is the best advice to all. Organize the data you have, attend a small group workshop on the database storage methods you’ve chosen, and establish a plan for data integration, entry, and update. Consider small weekly or daily goals, such as those Brian outlined, instead of attempting to conquer this activity in the near term. In the end, it is more important to consistently capture and evaluate some data, than capturing none at all.

Select a system

Methods to store and analyze the key customer information you need for precise marketing vary widely. Begin with the method(s) that feels right for your firm at this point and then migrate later to a more sophisticated system.

The key advantage to a computer-based system is that it allows you to grow into its capability, and allows for query. Query means you can ask questions of the database such as: all customers who have purchased in the last month; all firms who have purchased x or more from us in the last year.

Your ideal clients, the ones with transaction frequency, are those 20% of customers who comprise 80% of your sales. You can color code on a map where they live, and what their profile is. Look into their demographics, buying patterns, and media preferences. (NOTE: This information can be collected from simple customer surveys, for example.)

Assign unique numbers

Unique numbers eliminate the confusion of having multiple “Smith” accounts, and

not really knowing which one is your ideal client. Simply start from some numerical point that can easily evolve – such as A1001, A1002 or by year 200501,200502. Regardless of which capture method you choose, you need to add this feature/field. Avoid postal box addresses; they can seriously skew your demographic profiles and create problems when integrating with geo-mapping software.

Customize your data

Every firm offers a unique array of products and services, as well as an individualized history of promotional activities to track for source of sale or inquiry. In Brian’s case he must take the time to review these items and consider categories to aggregate multiple services. For example, he might want a specific category for antique upholstery which often requires wood repair. Or, by finding out which month is slowest, he could offer a “free footstool” with any sofa redone that month.

Ultimately, the key is to link the transaction data with the demographic data you will also collect. In the process of discovering your top clients, focus on demographics and buying patterns.

Summary

Now that you’ve formed a database, you can compose precise, efficient communication to the clients that matter most. Examples include: targeted media ads, targeted direct mail, thank you cards, newsletters, upgrades, new or transformed products and services, surveys, reward offers, private sales, and special coupon offers. Instead of spending hundreds or thousands of dollars on a mass market campaign, you direct your effort to precisely the group that is most interested, most benefited, and most likely to buy from you. Thus, you transform data into profits.



©Mary Ellen Merrigan

Connecting Point
Communications
P.O. Box 3523
Albuquerque, NM
87190-3523

505-280-9772

www.ProfitMeister.com