



## TOP 10 TIPS: YOUR BUSINESS AND YOUR CUSTOMER DATABASE

With the ever increasing control by, and competition with, chains and groups, most business today **need** to promote and sell direct to their customers to build loyalty and repeat business. They also want to be able to promote events, communicate new services and products, good reviews, excess stock. A properly organised database can propel you from \$600 in direct sales – to \$50,000 in your first campaign (as Two Hands Wines did some years ago). But there is a lot of confusion within the retail industry about databases – let's get the basics right first.

1. **Ask for Customer Data.** Seems obvious, but far too many businesses don't take this critical first step. "People don't like to give out information." If a customer has just bought from you, then they obviously like your product! Now, at the time of sale, is the best – and in most cases the only – time, you can ask for their information. Most businesses have a unique knowledge about their products – people like to more about what they have bought – how to get better use from it, how it matches/works with other products, they like to improve their knowledge, and their opportunity to buy complimentary products. By asking the simple question "Would you like to join our mailing list to receive special offers and details regarding events?" experience shows that 95% of customers will say yes. You can't sell and communicate directly with your customers, if you don't have anyone to communicate with! Experience has shown time and time again, that it is the person handling the sale who has the attitude problem with asking for customer information – not the customer in being asked.
2. **Make it easy to collect information when you are busy.** If you are too busy to enter the customer data at the time of generating the invoice, then for those very busy times:
  - a. Still ask the customer if they would like to join your mailing list and hand them a contact form to complete;
  - b. Enter the sale in your accounting or Point of Sale system with just their first and last name – *so that you capture the **transaction against the customer!***
  - c. Then, when you are not so busy, go back and find that sale to that customer, and enter in the rest of their contact details from their completed form.
  - d. If you don't use a Point of Sale or accounting system, just ask them to complete the Mailing List Form.
3. **Have an easy and logical form for them to complete.** If you don't store and use the data you are asking for, then don't ask for it! You will need to ask for:
  - a. First Name



- b. Last Name (don't put these 2 together as just "name", as you are more likely to have customers filling out just "T Smith" in the name field) instead of them giving you their first name – this also applies to your website)
  - c. Street Address
  - d. Suburb
  - e. State
  - f. Postcode
  - g. Country
  - h. Contact Telephone Number
  - i. Mobile telephone number
  - j. Email address
4. **Understand the Privacy Act and its implications.** The National Privacy Act strictly only applies to those businesses turning over \$3million and more. However, it is always a good idea to follow the Privacy Principles – to reassure your customers that you will only be using their data to contact them about news and events from your business – you will not divulge their personal information to anyone else. Have a paragraph statement to this effect on your customer collection form, and also a Privacy Policy, which your staff understand, and you can show to customers if requested. It's also a good idea to have this Policy on your website if you are collecting customer information on the site. See more at [www.privacy.gov.au/business/index.html](http://www.privacy.gov.au/business/index.html).
5. **Understand the fields you need to enter in your POS Accounting, Excel or Access database, or Outlook Contact folder.** No matter where you are entering your customer data, you need to understand the concept of "fields". Think of a field, as a column in an Excel spreadsheet. If the column is headed "First Name", then each of the customer records in that field, should have what we can use as a "First name". The only way in which we can personalise information we send to customers – without having to do each letter or email manually, is to have consistent information in that first name field. We then do a "Mail merge", where we prepare one letter, but after "Dear", we tell Word that we want to put in whatever information is in the "first name" field. So even though we might generate 5,000 letters or emails – each one is personalised – personally addressed, as the merge process replaces our "first name" field code, with the information which is in the first name field. Similarly with fields, always enter the Suburb, State and Country in separate fields, so that you can always sort and filter on these fields. For more information on conventions for entering customer information, download the document at the bottom of the page titled "How do I enter Customer Information" at [www.yougrow.au/products](http://www.yougrow.au/products).
6. **Minimise the number of databases you have to maintain:** All too often, we have seen businesses with at least 3, or more, customer databases. One may be in their accounting system, one may be in Excel – their "Mailing List", one may be with "Email Addresses", and yet another may be from "Website Registrations"! It's a devil of a time updating and deduplicating these different databases – just maintain one, and use it for everything. (You can, if you engage some help in training on database management.)
7. **Never, ever send out bulk emails, with all the addresses in the "To" field – you will lose customers.** Only slightly better, use the Bcc field instead.



However, if you send emails in this manner, you cannot personalise them – and if you are sending out 500 emails, with one incorrect address, the whole lot will bounce! Invest in some training to find out how to personalise your emails – and treat your customers to a personally and individually addressed email which they will believe you have sent just to them. Takes no longer, and with much, much better results.

8. **Investigate what's around to make your existing systems "talk" to each other.** If you use, or want to purchase, a Point of Sale system, find out what's available which also makes communicating with your customers easy – so that you don't have to re-enter data. And talk to other businesses first to find out what's worked for them. Be prepared to spend some money on software and training. Each sale direct to your customer dramatically increases your profit margin. Be prepared to invest some money to save you hassles, and to save you a lot of time, headaches and messing around.
9. **Use your database!!!** There is nothing worse than asking people for their information, and they then hear nothing from you. This will lose customers and their sales. Send thank you letters to customers who have first bought (yes, it's easy if you know how), invite customers to your events (and differentiate with those who do and don't live in your state), send them news of new products, or products which are complimentary to what they have bought (and send the same news to those of your customers who have not yet bought that product) – differentiate your customers, and they will value you. Keep in mind that everyone is busy – send them short, personal news items which are of relevance to them, but make it easy for them to find further information.
10. **Test and Evaluate Constantly.** Don't make the mistake of thinking that what goes into your direct mail or particularly emails (because they are cheap to send) to your customers needs little attention. Used properly, it represents a significant source of revenue, and your highest margin sales. Always have others review what you are going to send, and if via email, test it by sending to yourself and one other in your business first. If something is not getting the results you intend, ask some of your best customers why, and then change what you are doing to take the common views into account. And always remember that your customers are just like you – people, and respond well when treated as such.

Happy databasing! ☺

CATHY ALLINGTON is Managing Director of You Grow – specialists in software for retailers and wineries which interfaces with MYOB RetailManager, MYOB Accounting and Microsoft Outlook. Further details: [www.yougrow.com.au](http://www.yougrow.com.au) or contact Cathy at [Cathy.Allington@yougrow.com.au](mailto:Cathy.Allington@yougrow.com.au)