

## article ►► highlights

### Strain on marketers

Marketers must now optimize marketing dollars and find ways to do more with less.

### Move forward or fall behind

It's not whether you need the latest database technologies, services and best practices, but how they are delivered; in-house or via a partner.

### In-house option

The time and financial burden of developing in-house centres of excellence isn't a wise investment for many organizations.

### Benefits of partnering

There is a long list including: lower cost of ownership, higher level of direct support and access to greater expertise and experience.



# UNLOCK YOUR DATA

by Rick Brough

## Do your database marketing practices match growing expectations?

Managing more products, promotions and channels to attract and retain smaller customer segments requires the right tools, services and best practices

**T**he current economic storm puts real pressure on marketers to produce results, and direct marketers find themselves at the epicentre. Not that we've been performing badly. Many organizations are now capable of effectively mining customer data and translating that information into profitable one-to-one promotions for both print and electronic media.

Executive management took notice, and organizations are increasingly investing more marketing dollars in direct focused strategies. The problem is that the performance bar keeps rising, as does competition in the marketplace. The calls for greater accountability and ROI get louder every day.

Further fuelling the problem are the demands of the slow economy and the relentless push for more by executives who often know too little about sales cycles, lead generation processes and campaign management.

### The strain of keeping pace

Marketing professionals must now optimize marketing dollars and find ways to do more with less. Their departments must manage more products, promotions and marketing channels to attract and retain smaller customer segments—even down to the individual level.

That requires having the right tools, services and best practices for database marketing. Yet, a recent Conference Board report of marketing executives indicates that nearly half of all survey respondents identified data availability and integrity as internal barriers to implementing clear and easily compiled ROI measures. Other frequently mentioned issues were technology and infrastructure deficiencies as well as resource dedication.

Unfortunately, there's no winning by

taking a "status quo" approach to database marketing. Standing still only dooms your organization to falling behind. As the competition for customers and customer share heats up, the most aggressive organizations are making sure they have the right database tools and services in place to compete and win.

Not only are these organizations performing better in the current economy, they also are better positioning themselves for superior performance when the economy turns around. So the question becomes not so much *whether* you need the

latest database technologies, services and best practices, but how they are delivered—in-house or via a partner.

### Marketing data checklist

- Does IT have adequate bandwidth for new projects?
- Is communication between IT and marketing a priority?
- Does IT have the skills and staff levels to support changing market needs?
- Is IT experienced with marketing's unique needs?

### Analytics and campaign management

- Is there in-house expertise in applying data for marketing?
- Is there in-house bandwidth to meet time-to-market requirements?
- Is there variability in your analytic and campaign workload requirements?
- Are there internal concerns about committing to a marketing automation platform?
- Are you financially prepared to keep pace with technology updates and retooling?
- Are you able to provide sufficient staff training?

If the majority of your responses to these questions is "No," then it is

likely that there is not a comfort level with the ability of your organization to handle the ongoing demands posed by internalizing database services. With that understanding, partnering with an organization that can provide you with the services needed is the better solution. In fact, many organizations, regardless of their internal resources or ability to develop them, still choose partnering for a number of important reasons.

### Benefits of partnering

Doing more with less requires spending the money you do have available

business intelligence, analytics and campaign management services for a wide range of clients across various industries.

- Immediate reengineering: There is no significant development time. An outside provider gives you immediate access to a robust infrastructure featuring cutting edge solutions.
- Scalability: You get the ability to quickly ramp programs up or down, as your program requires and without worrying about staff levels and expertise, whether your need involves database administration, campaign

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management, reporting or analytics.

### Internal versus external solutions

There are different ways for organizations to achieve their goals. A study by Hypatia Research identified two trends emerging among companies engaged in database marketing:

1. Approximately half of survey respondents preferred creating an internal centre of excellence comprised of statisticians, analysts and database marketing experts.
2. The other half preferred focusing on critical core competencies and tended to outsource most database marketing services by partnering with a full-service provider.

### Questions

strategically. The time and financial burden of developing in-house centres of excellence isn't a wise investment for many organizations.

If you're considering a partner relationship, here are the nuts and bolts reasons companies elect to use external service providers:

- Lower cost of ownership: You control and cap hardware, software and IT investments, many of which fall on the service provider.
- Higher level of direct support: Your partner has a single focus on database services and meeting your specific needs. Internal IT departments might not have the same set of priorities, level of commitment or specialized expertise.
- Access to greater expertise and experience: Service providers have the expertise gained from providing marketing database management,

management, reporting or analytics.

- Better resource allocation: Partnering allows existing staff to concentrate on strategic, rather than tactical, tasks.
- Making the right decision when it comes to using in-house resources versus an external partner is critical in helping you close the gaps in your database marketing services. In today's market, it is no longer an issue of gaining a competitive advantage, but rather having the right tools, services and partner in place to remain competitive in an ever-challenging direct marketplace. **DM**

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