**THE BIG PICTURE:**

# *Use Care With That Database*

*A data-dollar spent in assiduous customer retention can be well worth it*

*by Scott Hornstein*

**sales&marketing management**

If you want to identify one of the most powerful tools for assuring long-term customer satisfaction, you'll find it in your database. It's capable of driving the most efficient and effective investment of marketing resources. Unfortunately, the database often is used for short-term objectives. It is detached from any strategic initiative measured by customer satisfaction, retention, and lifetime value.

If you don't believe me, here are two solid illustrations of how trust and respect for the customer are manifested in a database. Or not.

Example number one: By way of background, I have a 16-year-old daughter, whom I (love and) am (trying) to teach to drive (which is another story). Just before her birthday, and before receiving her driving permit, I received a very interesting direct-mail package from the company that writes much of our insurance, USAA.

This package included materials, backed by research, to help me teach my daughter to drive, help her practice, and help us find ways to agree on what constitutes safe driving later on, when she does get her license. I found three interesting things about all this:

- USAA had taken my information and used it to profile my needs. Most data-mining efforts are directed at finding who might be ready to spend money.

- I was intrigued by the fact that all this came by regular mail, not e-mail. That means USAA actually spent "real" money in sending me printed pieces, instead of a link which implies, "go do it yourself."

- And finally, I was amazed at what was missing: An offer to buy something. Yes, there was an order form telling me about lots of other information I could get related to financial management, safety concerns, and significant life events. But USAA didn't try to sell me a thing.

My take-away: USAA is investing in me for the long term, that it defines profitability not just by what it sells today.

Example number two is from my good friend and courageous marketer, Vince Amen. Sadly, his father recently passed away. Several weeks later, a letter to Vince's deceased father was forwarded to Vince from the hospital. It was from the Registry Follow-Up Department. The enclosed questionnaire was introduced as follows: "Our hospital is interested in following the annual progress of our former patients. … Would you please be kind enough to fill in the information requested?" A postage-paid envelope was enclosed for convenience.

Personalization snafus aside, the intent of this letter was somewhat well-intentioned, but it felt like a slap across the face. Good intentions, bad execution.

In these two instances, both USAA and the hospital had all the customer information they needed. Both examples are database-driven. But after that, they differ: One is the result of a strategic commitment to customer care, and the other is the result of not paying attention.

The lesson is that success is not built upon increasing efforts to gather more and more information, but on gathering and maintaining the basic building blocks required to communicate value throughout the customer's life cycle. What's crazy is that we're surprised by the first example, but not by the second.

Considering all this, can you honestly say where your database succeeds or fails?

### H O R N S T E I N   A S S O C I A T E S

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