Its ALL in the profile

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How much do we really know about our customers anyway?

Do we know their basic demographics? Age, sex, geography? Perhaps....

Do we know their transaction behaviour with us? Yes - if the category supports collection of transaction data - e.g. financial services, travel and hospitality, online shopping etc. So... in these cases we know who is buying, at what frequency, at what value to us, how recent are their purchases, how long have they been buying with us etc.

What else? Do we know WHY they are buying with us and not with competition? Do we know what makes them tick? Do we know what kind of people they are - so we can locate more like them?

The answers lie in Profile Data.

The secret of successful one-to-one marketing and customer relationship management is RIGHT and RELEVANT triggers, offers and messages at the right time. Which is possible only if we truly KNOW the customer base. You need to know what product or service to push to whom and when, what tone and manner to use, and what offer or benefit would make sense. And this may differ by individual - or atleast by cluster.

All too often we are faced with situations where there is no data at all - barring, perhaps, some customer research data that's available. Or there is plenty of transaction data - but little beyond that. The trick is to get a combination of the two.

Research - done right - tells us about who our customers are, their basic demographics, what motivates them, how they perceive our brand etc. Useful information undoubtedly. The problem - research is always done on a sample customer base. We still dont know WHO these customers are by name and address. We cannot identify them as individuals and speak to them. Can we use research information to create relevant communication content for a large customer group? Absolutely. Can we use it to target the individual customer and address him/her specifically? No.

And then we have transaction data. Many gigabytes of the same. Banks know customers by name, address, age, sex, services utilised, RFM of transactions. Analytics possibilities endless. The problem - do they know anything about the PROFILE of the customer? Do they know their likes/dislikes, their family composition, their brithdays and anniversaries, their hobbies and lifestyle? Not often enough. And this is what creates truly relevant and personalised communication. Communication that generates desired response and builds strong bonds of loyalty with the customer

So how does one go about building profile information? A one-time, long questionnaire to the entire customer base that would ask them all we want to know? Not a very good idea. The customer has to WILLINGLY give you the information you seek. You cant put him/her off with a long list of questions.

A good strategy is to do the following:
- Arrive at a laundry list of all that you would like to know about your customer base
- Divide this into 3 categories - Must have (Critical), Need to have (Not as important but needed nevertheless) and Nice to Have (the little extras that make a sea of difference to personalised communication)
- Edit each category with a trained eye. Next to each information need put down Why you would need this information and what it will be used for. That way, you being to eliminate totally unnecessary stuff.
- Put down a plan of action to collect each category; Typically the 'must have' is collected when the customer is acquired or enrolled. The 'need to have' is then collected in spurts over a period of time as add-ons with existing communication that goes to the customer - or as an independent collection effort. Then follows the 'nice to have' in similar fashion.

Sometimes, profile information collection can be made exciting by linking it to a sweepstake or contest where every respondent stands to win something. It is also useful to make every communication element to the customer base response-driven with a profile question or two thrown in each time.

Its good to remember the following:
- Richness of a database is directly linked to the richness of profile data - and this cannot be built up overnight. Every bit of information collected over time adds to the richness.

- It is critical to periodically update profile data - annual is a good frequency to do this
- You will never have profile data for 100% of your customer base since it is more response-based than mandatory. But, knowing some of your customers well is better than knowing none at all. And, again, the numbers build up over time.
- NOW is always a good time to start!