

# DAYSTAR WHEATON GROUP



## The Database Marketing e-Letter: Focused Insight for Industry Professionals

Dear Industry Professional,

This is the fourth issue of an e-letter for direct and database marketing practitioners. This month we discuss why operational systems generally must be re-engineered to achieve Best Practices Marketing Database Content<sup>SM</sup>. To understand why, consider a hypothetical company that sells to both consumers (“B2C”) and businesses (“B2B”). (Even if this does not characterize your firm, the general point will be relevant.) Also assume that:

- Many orders come in over the phone, and that B2B transactions are much larger than B2C.
- The company has invested in an elite group of highly-trained phone representatives to handle the lucrative B2B transactions.

Now, consider what happens if the following automated prompt is put in place to route incoming calls: “Please press or say ‘1’ to speak with a telephone support representative, or press or say ‘2’ to speak with someone from our corporate order group.” This unfortunate wording will adversely affect both financial performance and Marketing Database Content because:

- Many B2B customers will press or say “1” before even hearing the end of the prompt.
- Therefore, they will be routed to B2C phone representatives who have not been trained in the important B2B protocols.
- The operational system will miscode B2B customers as “B2C”; an error that will be propagated into the Marketing Database during the next update cycle.

Techniques exist to correctly reclassify some of these misclassified B2B customers, including look-up routines against both keyword tables and third-party compiled databases. However, such techniques are imperfect because of factors such as:

- The use of personal credit cards for company business. (Credit card affinity programs such as airline frequent flyer clubs encourage this phenomenon.)
- Calls that originate from SOHO’s (Small Office/Home Offices).
- Shipments to a home address, such as holiday gifts that new business development professionals plan to deliver personally while covering their sales territories.

Re-engineering the automated phone prompt will improve the classification of customers, and will enhance Marketing Database Content in the process. Interestingly, changing the prompt to, “Please press or say ‘1’ to speak with someone from our corporate order group, or press or say ‘1’ to speak with a telephone support representative” is likely to result in an overstatement of B2B customers. Also, care must be taken that improvements to the classification of customers do not cause problems with existing data mining routines such predictive models and customer clusters. This will be the topic of next month’s Database Marketing e-Letter. In the meantime...

Please contact me at 847-202-0101 or [jwheaton@daystarwheaton.com](mailto:jwheaton@daystarwheaton.com) if you have any “war stories” you would like to share, or if you have questions. Also, please feel free to pass this e-letter along to anyone you know who might find it helpful. Finally, please see the following links to two published articles titled, “The Ten Commandments of Best Practices Marketing Database Content”:

[The First Five Commandments of Database Content Management](#)  
[The Second Five Commandments of Database Content Management](#)

Sincerely,

Jim Wheaton  
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