

## Mining the Most From Your Database

If, as everyone says, the customer database is a goldmine, why is it that so few companies actually control their own databases? If you believe many of the so-called experts, mining your database each quarter would lead to huge profits.

If it costs \$100 in media to acquire a customer, then the lifetime value of that customer should be at least three times more, *right?* Ask around and the same frustrations surface over and over: "I can't access my data"; "My fulfillment company has it"; and "I don't know how to get it or even if I did what would I do with it?"

The *From the Lab* team took a look at some of the hottest trends in data management and found a couple of companies that have made it their duty to help businesses control customer data and campaign statistics in order to maximize profits. We asked Jeremy Hyra, president of Vantage DR, one of the industry's leading data management companies, how this is accomplished with a little help from the Internet.

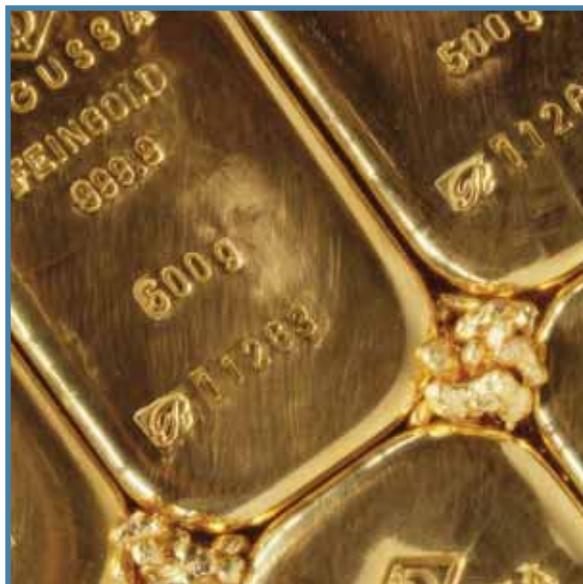
"In a business where so much is riding on the performance of key departments that are outsourced, control over your data is the only way to gain the insight needed to maximize both revenues and profits," Hyra says.

There is a tremendous amount of valuable data available for the DRTV marketer to utilize, but it comes from fragmented sources and in multiple formats, making it nearly impossible to access and very difficult to compile. Companies retrieve data by E-mail, fax and multiple online systems. Each provides just a small piece of a data puzzle that most companies aren't equipped to solve.

In addition to much of this info being inaccessible, it is also complicated to reconcile. Because this information is not thoroughly collected, stored in a centralized database, processed and analyzed, the DRTV marketer is left without the critical feedback necessary to maximize profits.

There are two main problems caused by the lack of control or mismanagement of this data:

1. Key business metrics that affect day-to-day business decisions in media, pricing, offer, upsell and more cannot be accessed, forcing marketers to go with such scientific



methods as gut feelings or rules of thumb.

2. Without data to properly manage the success of each outsourced partner, marketers spend too much time and have too little success optimizing the performance of these partners. With the ability to proactively look at the metrics of each department or partner, they could quickly improve performance. In addition, marketers are forced to aggregate business with companies who offer multiple services in order to ease the management burden.

Standard reports such as AR aging, banked media ratios (not just booked), continuity attrition by leg, average time to ship and many more have almost been dismissed as unimportant due to the complexity of data management to answer the questions. As an industry, marketers cannot give up so easily.

What is the solution?

1. **Centralized management of all data.** Bring together not only the order and customer data but also the media, call data, merchant data, shipping data, etc., into a single data warehouse that will enable marketers to slice and dice the data in multiple ways.
2. **Expertise and resources to turn that data into actionable intelligence.** Starting from scratch is a daunting task, so find technology and service providers who service other DRTV companies in this way and bring the intelligence together. ■

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