# How to...
# Manage a Database

A database can give you a greater understanding of how your business is performing and how your customers/clients interact with you. Dan Barnett, director of analytics at Analysis Marketing, explains


Dan Barnett

**To make the most of what a database can offer there are a few key areas to consider before undertaking any database project.**

### What is a database?

I'm sometimes contacted by businesses who say they need to 'buy a database'. In this sense, what they mean is they are looking for a list of households/businesses to use in a marketing campaign. Generally speaking you can't 'buy' data, but you can 'rent' marketing lists for use either for a single campaign or for an agreed period such as 12 months. It is when the customer has an interaction with you that you can capture them in your own database.

### Do I need a database?

The first question to ask is whether a database is actually suitable for your needs. If you only have a handful of regular customers, then it's likely that using a spreadsheet would be sufficient to capture the basic information you'd need to be able to monitor your business.

If you have a number of customers who buy at varying frequencies from a range of products, then a database can help to structure this information in a better format to be able to answer relevant business questions. Also, if you are looking to be able to use the information to drive marketing campaigns, then a database makes more sense as you can use it both to create the lists but also to store a contact history of who has been sent what.

> "It is often better to keep things simple. When the current process becomes insufficient, move on to the next level of complexity"

### What are my options for building a database?

Depending on the level of complexity you can either use an off-the-shelf database package or have something custom built. Having a bespoke database developed may cost more, but has the advantages of holding the kind of data you need and reports that are relevant to you.

Microsoft has a number of free templates for both spreadsheets and databases that could give you an idea of what could be done.

The downside is that if you have something developed specifically for you, the level of after sales support you'd get might not be the same. If you are getting something developed, then agreeing terms for support and ability to modify and create new reports is key.

In terms of off-the-shelf packages, entering 'crm software' into Google will give a huge range of providers who could meet your needs. A lot of these are now hosted online, which provides a backup of your data that you would otherwise have to do manually if the database was on your PC.

Personally, I'd recommend initially focusing on getting all your data in a single place such as in a spreadsheet, with separate worksheets for sales and contact details.

Tools such as Excel have become increasingly sophisticated and a lot of what previously required a database can now be achieved in Excel using tools such as Pivot Tables. If once you've done this you are still keen to understand more about your customers, then look in to building a database.


Gathering all your customer information into a database will really help with your future marketing plans

### What information do I need to include?

Regardless of whether you choose a spreadsheet or database solution, the key is to record information accurately and in a logical fashion, for example, ensuring customer name/account number is captured every time there is an interaction with them will mean that each interaction can be traced accordingly.

With regards to what should be included, the more information you capture, the more flexibility you have.

When capturing data, key areas would usually include:

- Customer name and contact details
- Transaction details (date/amount/products sold)
- Contact history i.e, emails/phone calls/catalogues

Depending on any other systems you use, it might be that you just want basic information in your database.

### How do I ensure my database works as I want it to?

For a database to be of any value, the data it holds needs to be in a structured format. An example of this would be customer name details; ideally you will use a unique customer/account number to be able to identify each customer. Without a unique key, you run the risk of not being able to identify customers correctly.

An example of this is where I recently received two mailings from a company for a forthcoming exhibition, the name and address details were identical but one was to me at Analysis Marketing and the other for me at Analysis Marketing Ltd. This wastes money with unnecessary marketing spend, but is also likely to create a negative impression with the customer.

The more structured your data, the easier it will be to capture accurately. An example of this could be all items sold having catalogue numbers/stock keeping unit (SKU) codes which are grouped by category, e.g AA1234 where AA relates to the category and 1234 to the Item. This will enable you to track sales by category and the number of different categories a customer has purchased in.

The key difference between a spreadsheet and a database is that where a spreadsheet usually has information held in a single place, a database has information stored in separate tables. This reduces the amount of data entry and makes data manipulation easier.

Within a database the customer's name, address, order summary information and order information would be held in three separate tables linked by key fields. Here each customer can have any number of orders and each order can have any number of items. Each time a customer makes a new order, their details are already available and only the order information needs to be added.

Using the database structure it would be far easier to manipulate the data to calculate things such as:

- Number of customers
- Average order value
- Date of last order per customer
- Number of different categories a customer has bought from
- Geographic profile of customers

As well as the examples above, this information can then also be used in other areas such as email newsletters or generating campaign lists.

These kinds of things are done by creating queries on the database. This might sound daunting but can be set up relatively easily in database systems such as Access.

There is a whole spectrum of levels of complexity from storing data in a single spreadsheet to having a database that interacts with your website to update prices and stock levels and which generates confirmation orders, marketing campaigns etc.

Rather than trying to build one grand single database that does it all, it is often better to keep things simple. When the current process becomes insufficient, move on to the next level of complexity. The key thing to remember whether a single person business or a multi-national organisation is that unless the data you collect is well structured, any attempts to understand it will be futile.