



Understanding the Value of Your Customers

Who is it for?

- **Medium-large size companies with at least 1,000 customer records.**
- **Better established B2B companies that want to understand more about their customers.**
 - Companies that do not have dedicated full-time marketing specialists.
 - Anyone newly appointed to the role of marketing or business development who wants to review strategies and marketing practices.
 - Direct marketing agencies.
 - Mature companies whose sales growth may have plateau'd and who want to step-change their sales growth.

When to use it

- **When trying to understand customer behaviour and identify your most valuable customers.**
 - When doing annual budgets and deciding on the optimum ways to use marketing and sales expenditure.
 - Preparing a CRM methodology or making Customer Contact plans.
 - For channel analysis and deciding where to focus sales drives.
 - New product launches.
 - Customer retention, churn reduction and loyalty programmes.
 - Cross-selling and upselling.

How does it work?

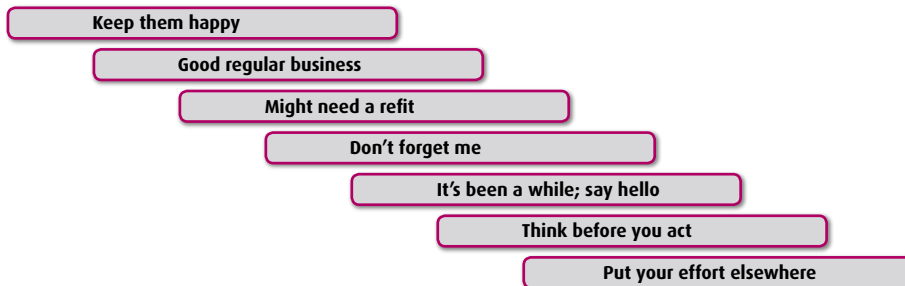
- **First we have to define your business objective so that we know how you intend to use the analysis:** is it more sales to existing customers, retention of best customers, or cross selling a new product, and so on.
- We may need to help you enhance your database to prepare it for analysis.
- Next we design a scoring system for recency, frequency and value (this is bespoke in every case).
- Recency and Frequency measure customer buying behaviour over time; Value measures pricing, cost and margin, depending on your business model.
- We will develop predictive techniques using specialist FastStats software that gives us the ability to mine your data many different ways.
- We then create the RFV "Heatmap" showing how your customer base breaks down into clusters and where the hotspots are (see visual).
- From this we obtain the relevant insights, for example: most profitable customers, underdeveloped segments, customers most likely to defect, and so on.
- Finally we review the outputs with you and make recommendations for each segment identified.

What are the benefits?

- **Improved return on investment from all of your marketing activities.**
 - Better use of your budget, less wastage.
 - More relevant highly targeted messages.
 - Ability to step-change your business growth.
 - Improved brand perception.
 - Stronger customer relationships and better retention rates.

How to apply the insight

- The data analysis will give us deep insights into the relative attractiveness and profitability of our customers. Typically we will segment them into several different tiers and then define different strategies for addressing the needs of each segment.



RFV analysis provides tremendously valuable insight into your business. Among its many applications it enables you to:

- Target cross-selling activity – knowing which customers are most likely to buy which products or services.
- Launch new products to the most receptive audiences.
- Identify sales opportunities amongst customers who have not bought recently.
- Sales opportunities with those customers who should be buying more frequently.
- Pinpoint your best customers so that first you can make sure you retain them and second, find more like them.
- Highlight any unprofitable groups of customers so that they can be repriced or turned profitable.
- Additionally, businesses can take a sample of data of any of these key segments in order to find out why these customers behave the way they do, for example if purchase frequency has suddenly gone into decline.

Credentials

- DataHQ is the UK's leading full service data agency. We specialise in providing high quality data and a full range of complementary marketing services.
- Our particular focus is in helping our clients to carry out analysis that will support their business objectives: not just generating insight but applying it as well.
- We are approved members of the Direct Marketing Association (DMA) and the Institute of Direct Marketing (IDM).
- We have substantial experience and expertise in getting the best out of our customers' databases and helping them construct marketing plans that will drive their business forward.
- We have a substantial client base of satisfied customers many of whom would be happy to recommend us. Please ask for details if you would like a reference.

Testimonials

"Data HQ is one of those rare companies, a true one-stop shop for database marketing. My initial contact quickly developed until a host of specific IT and data driven services were identified and supplied. These include the recommendation, supply & hosting of their superb on-demand CRM system. Data HQ are responsive to our needs, & have been identified as a preferential partner for our future plans."

Keith Isherwood
Elmsleigh Leaning and Development