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*The SalesPulse<sup>T</sup> The Monthly Sales Briefing for Directors*

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2009

## THE KORU CONFERENCE

On Thursday May 14th we will be holding our annual conference. The theme this year is selling for survival through customer intimacy and the agenda is attached to this issue. If you would like a place please click [here](#).

The conference is sponsored by [Career Prospects](#) and [Sales Elite](#)

The Author of this

Dear %%Customer Name%%

### **GENERATING SALES FROM DATA**

Making maximum use of your sales assets is a major requirement in the current climate. The last two issues of the SalesPulse have covered this subject. This issue prepared for Koru by David Willis of Information Drivers explores how data can help your sales efforts particularly in the area of customer retention.

It's understood that selling to existing customers is more cost effective than pitching for new business. Supermarkets and companies such as Amazon capitalise on this principal. They know who their customers are, what, when and how much they purchase and use this knowledge to devise propositions that entice customers to return and buy more goods.

These companies and others like them, have retention programs to help keep their business in front of the customer's mind when making purchases. When considering purchase of a CD or book, you probably think of Amazon. Similarly, for food you automatically think of your preferred supermarket. The brand plays a part in that decision, but it's the service you receive that will ultimately keep you coming back.

Key to retention is understanding customers and how to service their needs. It's unlikely that your customers are all the same, they will probably fall into a number of groups or segments. By segmenting

month's article is David Willis of Information Drivers. David is an expert in data mining and has helped many companies build sales through the provision of data analysis services.

[Click here for more information](#)

### Quote of the month

"If you work just for the money, you'll never make it, but if you love what you're doing and you always put the customer first, success will be yours."

Ray Kroc (1902–1984)  
Founder of McDonalds



*Steve Rowe*

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customers into discrete groups, you can address each group's specific needs e.g. occasional shoppers, price sensitive or volume purchasers, etc

Yes, it's easier to send a general news letter or piece of promotional material to all customers than targeted communications. But if you were on the receiving end, how would you feel? What would be the implied message? Customer segmentation as part of a retention strategy provides the context for each communication. Communications with regular customers might be to thank them for their continued business, whereas infrequent customers may be sent purchase incentives and less profitable customers bulk purchase discounts.

Using historic sales information, it is possible to build customer segmentation that will support your business growth. Sales data held in your systems provides the basis to understand how often customers purchase, what they buy and which offers they respond to.

A good retention model will identify discrete customer segments e.g. best customers in terms of recent, regular and profitable business. Similarly it will reveal segments that require attention e.g. lapsed and previously best customers. Perhaps most significantly, it will also identify customers who have the potential to become tomorrow's best customers.

From a business view point, how profitable are your customers? You may have customers that are hugely profitable; some where you actually lose money and many others in between. Should you treat them all the same? Probably not! Placing customers into profitability segments makes it simpler to ensure they receive appropriate communications e.g. change of terms for unprofitable business!

Customers who purchase regularly can easily be viewed as the lifeblood of a business. Quite often this is true, but each needs to be seen in terms of profitability too. Are regular purchasers only taking advantage of your offers or have they succumbed to your excellent service? In the current economic climate, it is appropriate to view changes in behaviour

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and Sell Faster*



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*the sales improvement people*

to. If customers are ordering less frequently or in lower quantities, what is the reason for this? What might be the long term impact on your business? Could you help them and retain their longer term business?

Moreover, should you just focus attention on recent customers? Clearly it's good practice to welcome new customers and thank them for their business, but what of customers who have not placed an order recently? What could be done to encourage another purchase? By understanding their previous purchases, relevant offers can be communicated.

Your sales system undoubtedly maintains customer names, addresses and records of sales. This information will provide the basis to build customer insights that reveal latent sales potential and the understanding necessary to translate that knowledge into sales.

If you would like to know more about exploiting data to generate sales email [david.willis@information-drivers.com](mailto:david.willis@information-drivers.com) or call him on 01494 871 342

Regards

Steve

Steve Rowe  
Director

**Telephone:** 0870 873 3363

**Mobile:** 07903 121 916

**Email :** [steve.rowe@korusales.com](mailto:steve.rowe@korusales.com)

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