

MAINTAINING A CUSTOMER DATABASE IS EASY!

If you are comfortable with sending and receiving emails using Microsoft Outlook, then you can easily take on the task of establishing and maintaining your customer and contact database.

Most Outlook users know that you can send and receive emails, and probably know you can use Outlook for diary appointments. But Microsoft Outlook does so much more than that.

It is a database in itself, and has lots of out-of-the box functionality to easily conduct quick and effective personalised customer mailings via post or email.

There are three strong cases for a winery establishing and maintaining a customer database:

1. To make it easy to produce labels or envelopes for bulk customer mailings
2. To save money on postage with particular mailings by using personalised, individual emails (and this is where the sales really start to escalate)
3. To build stronger relationships with customers and contacts by acknowledging their personal preferences and targeting them with specific offers relevant to their exact needs.

When you make a sale at Cellar Door, you know that your customers have bought from you because they like your product. As it can be difficult for customers to visit your Cellar Door on a regular basis to make purchases you need to make it easy for them to buy again without the need to visit personally.

The field of Customer Relationship Management, or CRM as it is more commonly referred to these days, is about acknowledging and valuing your customers so you have more chances of making future sales to them.

The following scenarios illustrate how CRM principles can easily be applied to your cellar door. (NB: All of these scenarios can easily be accomplished using either just Microsoft Outlook, or 'Grow Your Own Business' integrated with your Point of Sale system at Cellar Door.)

Scenarios

Scenario 1:

Acknowledging initial sales at Cellar Door is important. You may have had 200 people buy through your Cellar Door over the past week. The whole experience of buying from Cellar Door is personal. But you also know that your customers are likely to have bought from other wineries during that time. How do you make your wine and your brand stand out from the others and follow through on the personal service?

Answer: You do a quick search in your database for all customers who have bought within the past week, and send them a personalised follow up (you will already have this standard letter saved in Microsoft Word for easy reference) thanking them for visiting your winery, hope they enjoy the wines, point them to your website for easy ordering, and advise that you will be in touch with news about new releases and events. For those who have email addresses, this letter will be sent by personalised mail-merge via email; the rest will receive a personally addressed letter by mail.

Time Required: Around 2 minutes once a week.

Scenario 2:

You have a new release of Cabernet Sauvignon coming out, and want to maximise your profit margins by selling direct to your customers.

Answer: You do a quick search on your database to find all those customers who have bought your Cabernet Sauvignon in the past, and send them a quick letter advising the case pricing. For those who have email addresses, the letter is sent via personalised email, with a direct link to the order form on your website. The others will receive a personalised letter and order form. You could also do a different letter to all of those customers who have not bought your Cabernet previously – “I know you haven’t bought this previously, but you may be interested ... etc”. Or you may want to just select customers who have bought red wine. (You are acknowledging your customers and what they have bought, and are showing that you value them by “remembering” what they have bought from you in the past).

Time Required: Around 2-5 minutes depending on the number of customer types you want to contact.

Scenario 3:

You have just had a favourable review of your wines, which will probably increase their retail value either now, or over time.

Answer: Send a personalised letter or email to all of your customers including the full review and an order form to “Free Post Number ###”. For the email, include the link to the full review on your website so they can read further, and include a link to your order form.

Time required: Around 3 minutes.

Scenario 4:

You have 4,000 people on your customer list, and need to send your latest newsletter.

Answer: Merge addresses to labels, for those who don’t have email addresses and send a personalised email to those who do, together with a link to the newsletter on your website.

Time Required: Around 3 minutes.

Scenario 5:

You are running an event at your winery, and wish to invite all of your relevant customers.

Answer: Do a quick search and select all of your customers who live in your State, and send them a personal invitation to the event, either via post or email. If the event is still some weeks away, find all of your customers who don’t live in your State, and send them a quick personal email along the lines of, “We realise that you live in (name of State), but if you are travelling at that time, we would love you to attend ...etc.”

Time Required: Around 2 minutes.

Scenario 6:

You want to send a personal letter – via email or post – to all customers who have spent more than \$1,000 in the last year targeting them with a special offer.

Answer: Do a quick search on your database and send a personal letter via email or post with the special offer.

Time required: Around 2 minutes.

The number of scenarios is limited only by your imagination. Of course, the key to doing this easily is to have your database set up effectively, and knowing how to use what you have.

‘Grow Your Own Business’ provides three solutions for wineries to build their direct sales through managing their own database and communications:

1. Use “Grow Your Own Business” as an interface between MYOB Retail Manager at Cellar Door, and Microsoft Outlook. Your customer contact and purchase details are imported and updated directly into your Outlook Contacts folder. No more double entry, no more struggling with Excel or Access databases. ‘Grow Your Own Business’ also integrates with Australia Post’s E Parcel delivery service, so you don’t need to re-enter customer details again for delivery.
2. Import your existing customer data into Microsoft Outlook and teach you how to use Outlook to communicate with your customers.
3. Teach you how to set up your manual database in Outlook, and use Outlook to communicate with your customers.

You will also be shown how to integrate your website registrations into Outlook, how to use the same contact database for all of your corporate contacts such as media, distributors, tour operators and others and given assistance conducting campaigns.

For wineries using Excel or Access to maintain their data – some basic rules:

1. Always have a separate field (columns in Excel are also known as fields, for merging purposes) for the first name, and for the surname. The standard column set-up is:
 - a. Date (of first purchase or winery visit)
 - b. First name
 - c. Surname
 - d. Address 1
 - e. Address 2
 - f. Address 3
 - g. Suburb
 - h. State
 - i. Postcode
 - j. Country
 - k. Telephone
 - l. Email address (Note: When a customer provides you with their email address in this manner, they are giving you implicit permission to comply with the Privacy Act.)
 - m. Wines purchased
 - n. Comments

2. If you don't use any point of sale software at Cellar Door, then have somewhere easy and noticeable for customers to manually enter their contact details. Make sure you give them enough room for their email address. (If you don't specifically ask for this information, then chances are that customers will not provide it.) The standard Visitors' books you purchase from the stationery store do not generally allow for email addresses – it's just as easy to type up a standard landscape form in Microsoft Word, print this out, photocopy it, and have it bound and displayed in a prominent place.

Get Professional Advice & Training

Information for this section has been generously supplied by Grow Your Own Business (see Contributors Section for contact details).

CASE STUDY

Kies Family Wines
www.kieswines.com.au

Previous database and communications system

Previously, we held around 3000 customer names in a paper-based card index. This was unwieldy and difficult to manage. We kept some names and addresses in a simple excel sheet; however this list was never up-to-date, and held only around 900 of our total 3,000 customers due to the issues of maintaining it. Although we used MYOB Retail Manager at our Cellar Door to record sales, there was no ability to export and segment for direct mail and so the good-sized mailing list was being seriously under-utilised. Communication was only really possible for a blanket mailing to all customers, which prevented any innovative campaigns.

In order to generate one segmented database, we had to employ someone over a two month period to hand-key the details handwritten on our customer card indexes, as these represented the only means of accessing customer purchase history for use in our direct mail campaigns.

Campaigns conducted prior to centralising database

Prior to centralising the database, we used the Excel sheet to print mailing labels for Christmas cards and for approximately two mailings per year. This was certainly not as much as we would have liked.

Current situation

We now have around 3200 in the database and are finding it far easier to maintain. Any updates are carried out immediately because of the ease of using Outlook. We have set up the database to show customer preferences in terms of what categories of product they have bought in the past. This is good information but we would really like to link it further with Retail Manager so that we can easily analyse dates, products bought and expenditure. We find it very easy now to produce labels and letters, and the segmentation tool is very user-friendly. We can produce a personalised mail letter to any segment of our database in around one minute (excluding printing time), together with any labels we require.

Campaigns conducted since data was centralised and segmented

We recently conducted a Christmas newsletter campaign and also a Christmas card campaign. As mentioned above, these were easily set up and simple to execute using Outlook's functionality. So far this has generated orders in excess of \$10,000, considerably more than the corresponding campaign last year to this point. In the future we hope to generate small, regular and highly targeted campaigns using the Retail Manager interface to build commands such as generating a letter for customers who haven't bought for 6 months. Not only has the number of general mailings increased from around 900 to 3,200, we will also be conducting targeted mailings more often.

Additional comments

Building personal relationships with each and every customer is the only way that a small winery like Kies can realistically survive, and the work undertaken so far has definitely helped. Once training has been undertaken to understand its functionality, Outlook is very easy to use for our marketing purposes.

We have received very favourable feedback from customers about the personalised communications. However, we do need to take this further or it will not reach its full potential as a CRM system. We need to be able to break the data down further and extend the personalised nature so that each customer is essentially a segment on their own with our system being able to isolate their characteristics and respond quickly. Through the proposed interface with MYOB Retail Manager, and ongoing synchronisation with Outlook, we envisage the revenue from this area of our business growing substantially in the future and aim to build an integrated direct marketing strategy employing predominantly letters, but also some email and telephone calls when the situation needs it. We are not currently using E-Parcel for our deliveries, but plan on changing over to this once the interface becomes available for ease of our database maintenance.

CASE STUDY

Two Hands Wines
www.twohandswines.com

Previous database and communications system

Data was (and is) collected via our website and from there the information was sent to our 'ACT' database. This information was also manually entered into our MYOB Retail Manager customer database and Australia Post's E Parcel. Lastly, it was also held in an Access database at the backend of our website. We were using a facility on our website to send email only correspondence to our database.

This system resulted in much double handling of data with the high potential of typing errors. More importantly though, we had no way of filtering our customers and sorting them based on their purchasing behaviour or any other criteria in order to create personalised mail. As our focus domestically is on direct marketing and creating long term relationships with our customers, we believe our old system left us at a disadvantage. As a result we looked into **a)** minimising the double entry of data, **b)** merging the purchasing history of our customers (what they spent, how often, when and what products), all of which is held in MYOB Retail Manager, with our database used for communication, **c)** being able to segment our database based on purchasing behaviour and other criteria. By doing so it would enable us to refine our communication with our database and personalise our direct marketing activities, targeting segments of our database with the appropriate products and services.

Campaigns conducted prior to centralising database

All previous campaigns were general email shots to customers on the database, which yielded very low results, with less than 0.1% response and total orders of no more than \$500. We had never previously used mail shots by post.

Current situation

Since using the services of CRM, we have centralised our database into Microsoft Outlook which gives us the ability to create personalised mail, something we were unable to do with our previous system, and through training in importing and exporting data between different software programs we have reduced the double handling. We also know how to use this data within Outlook to filter and merge to produce direct mail letters, labels, lists, response sheets, etc.

We now have over 1,000 mailing list customers registered. In addition to this we have added other segments/ categories to our database with whom we regularly communicate. These include our distributors and various business contacts which are also segmented into the appropriate groups to allow for tailored communication. (This is out-of-the-box Outlook functionality that we were not using.)

Campaigns conducted since data was centralised and segmented

We have conducted one direct mail campaign since centralising the database, which allowed us to personalise our correspondence. This was a newsletter sent to our entire database. The response was an enormous improvement on previous campaigns, producing sales of approx \$12,000.

We have also used Outlook to send personalised mail to a segment of business contacts on our database. We put together an information folder and personalised letter informing all 'Private Tour Guides' on our database of the new services we are now offering at the Cellar Door. We also sent them personalised invitations to an evening at cellar door that yielded a 95% response and acceptance. With the database now in Outlook we plan to do many more mail campaigns in the future. These will include invitations to Two Hands events, exclusive opportunities to purchase rare wine and Christmas cards and gifts to our VIP customers.

Additional comments

Centralising our database into Outlook has provided endless opportunities to communicate with our database through direct personalised mail.

The next stage of improving our communication with our database and our direct marketing efforts is the most crucial, and that is to segment customers based on their purchasing behaviour. This can be made possible by our Point of Sale software (MYOB Retail Manager) interacting with our communication software (Outlook). Through such a development we will be able to cost effectively and efficiently segment our customers in Outlook based on the information received from MYOB, therefore targeting them with the appropriate products and services in a personalised manner. We will also save critical time through not having to re-enter customer delivery details into our E Parcel website, while achieving our aim of creating long-term loyal customers.