

Database contributes to the evolution of selling

Ethics: Alan Gold

Database marketing – the ethical salesman

The goal posts in which Australian businesses operate have shifted so dramatically in recent years that players today find themselves in confusion and potentially great danger. Early signs are that many companies that have traditionally done well in their sales and marketing, today are failing to score

because all their efforts are wide of the mark ... and it's nothing to do with the recession, unemployment, government interference and the other bogies normally blamed.

The real problem for today's business person is today's customer!

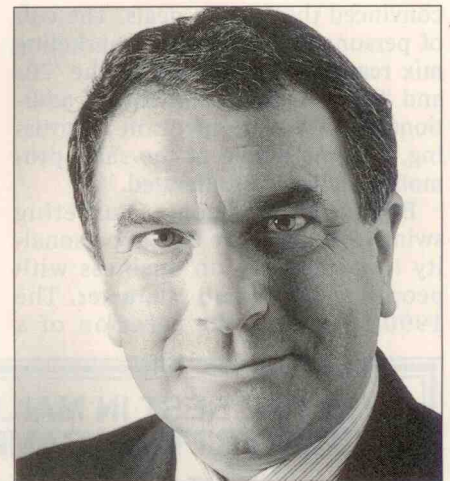
Customers, whether buying beans at the supermarket, cars from a showroom or a computer from a high-tech hardware store, are demanding two fundamental things. The first is equity, the second is service, and it is in the area of service that database marketing is coming into its own.

Equity means that customers receive value for the money they are spending. It assumes the product or service they are buying is basically the same in terms of its performance characteristics and pricing and all other comparable dimensions, as other products on the market. So the real determinant is service, and research shows that customers are relying more and more

upon service as the determining factor in making the purchasing decision. Database marketing is proving to be the secret weapon in the armoury of the sales and marketing function.

Most businesses these days either build or are capable of building a database. All that's required is a simple computer and a tracker program. But just having a list of names and addresses of customers, as well as their purchase history, is of little value unless it is used properly. And it's in the arena of service that the database is making breakthroughs in Europe and the US.

Today, there is a strong de-emphasis on salesmanship, and a far greater



emphasis on the right of the customer to make an informed choice. Increasingly, customers are showing their preference to receiving this information via a database program. Research shows that information received via database tends to be better received in the initial stages of the sale than information 'sold' by a salesman. There is a growing trend for customers to reject the initial sales approach of a salesman, with more and more customers wanting to discuss the negotiation side of a purchase at a later stage.

In fact, the whole relationship between customer and sales person has altered so dramatically in the past five years that anybody who was trained in the field of sales or marketing in the 1980s is already so far out of step with customer expectations as to need a rapid re-education.

It is probably beneficial to take a short trip back into history to see how and where

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these changes originated. From approximately 1100AD onwards, the success of a business was based upon the character of the owner. From the time of the Crusades when pilgrims, knights and monarchs were journeying to the Holy Land and buying supplies from traders, until very recently, people did business with traders who were ethical, fair and moral in their trading. If a person selling goods had these qualities, and gave good service, then his business was likely to succeed. It is only recently, probably the beginning of this century, that the power of persuasion began to take over. Salesmen relied upon their personalities to sell products. They 'befriended' their customers. They convinced them to do deals. The cult of personality in the sales/marketing mix reached a crescendo in the '70s and '80s as massive amounts of additional money were spent on advertising, and the whole of the sales promotion industry proliferated.

But there has been a marketing swing away from the cult of personality to a desire to do business with people of ethics and character. The 1990s has seen the creation of a

whole new breed of customer. A customer who is demanding honesty, morality, ethics, lack of pressure, lack of salesmanship, integrity and space in a selling situation. As an example, more and more car showrooms in England and America are responding to this demand of customers by creating 'non-selling' space, an area where

ers, manufacturers and those providing service, like accountants and solicitors, to 'sell' their services to current or potential clients, allowing their clients the space, privacy and time for consideration. Done properly, database marketing can extend a company's image of honesty, fairness and ethics in a way no face-to-face or

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a large proportion of the showroom is cordoned off and customers can browse without any salesmen approaching them with a cheery smile, an outstretched arm and the ubiquitous 'Hi! My name's John. How can I help you?'

Database marketing enables retail-

telephone new business drive could hope to achieve. It can be impressive for potential customers and clients, and can re-activate those who have lapsed.

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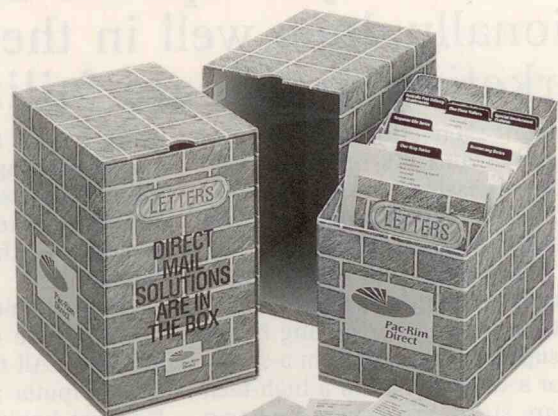
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