

This guide introduces you to various techniques and guidelines for collecting data on your customers. <http://www.smarta.com/advice/sales-and-marketing/advertising-and-marketing/how-to-collect-customer-data/>

What customer data to collect

You need to collect as much of the following as possible:

- Name and contact details:
 - Allows you to market directly to them.
 - Also lets you make communications personalised.
 - You may also need to contact them if an order is running late.
- Transaction history:
 - Indicates user preferences - which products they're most inclined to buy, when and how often.
 - Reveals how valuable a customer they are: how much they spend and how often.
- Communications from you to customers and any response they make:
 - You need to keep records of this to make sure you space out your communications correctly (i.e. not too often).
 - It also lets you monitor how effective different types of communication are and which the customer best respond best to. If you compare their transaction history with the communications record, you may find one method of communication encourage them to buy more than others.
- Profile: age, gender, profession, income, hobbies, and so on:
 - This information is harder to obtain (see advice below), but can be useful for more advanced marketing strategy.
 - Once you have the info for a number of customers, you can build up clearer picture of who exactly your target customer is.
 - It allows you to better focus your advertising and marketing efforts, as well as affiliate opportunities and sponsorships. If you know your target customer goes to the gym three times a week, it opens up a new place to advertise, a new line of gym-related products and an opportunity to do a deal with the local gym to offer discounted membership if they shop with you X number of times.
 - Knowing their age and profession (and so an idea of their income) helps with pricing strategy.

- The better and more detailed picture you have of your target customer, the more you can tailor and develop products to please them.

- Spending habits: how your customers shops - such as impulse buys, considered purchases, comparing the prices from different businesses, always with you on a regular basis, and so on:
 - You can display goods and structure deals around consumers' spending habits - think of how supermarkets put magazines and chocolate bars at the checkout: impulse buys.
 - Can be difficult to assess - you may need the help of a market research agency or detailed surveys with trusted customers. Or you can try out different strategies and see which work. You can also take an educated guess based on your knowledge of the market.

- Birthdays:
 - Sending out a birthday text or card can add a personal touch and make a customer feel valued.

- Whether or not they pay on time:
 - This is obviously important for cashflow reasons rather than marketing ones, but it's worth adding to the list anyway if you're thinking about data collection.

How to collect customer data

- First and foremost, do not harass customers for data. Endless form filling is enough to put a consumer off a purchase. Data collection has to be either non intrusive or incentivized. Collect it bit by bit to build up a fuller picture of your customer gradually and in a non-annoying way.

- From orders:
 - Obtain contact details and name from orders and begin building a transaction history, whether on or offline (although online makes things even easier as data can automatically be entered into a database).
 - You can add in a birth date as optional.
 - If the transaction is happening online, you can add in an optional section requesting more information. Phrase it in a way that appeals to the customer, such as: "So that we can learn more about you and provide you with a service more suited to your personal needs,

please fill in...." You can also use this technique if a customer has to register an account with you at any point.

- Surveys:
 - If you run a survey on your business, you can obtain a fair amount of information by asking details about their profile (gender, age, etc). While some respondents may be reluctant to give their name, some will. For those that don't, you get a clearer picture of your overall target customer anyway, which is the aim here. SurveyMonkey at www.surveymonkey.com helps you create any type of survey—from simple to sophisticated—with their powerful and easy-to-use survey builder.

- Competitions:
 - Run a competition asking for email address and a couple of other details - customers will be more inclined to share personal data when they have something to gain from it.

- Online:
 - Online can help you track spending habits and user preferences, though you may only be able to get an overall picture of your target customer rather than profiles of specific users - use Google Analytics.

- Research:
 - Statistics and research already out there can help you build a more detailed picture of your target customer (though of course they won't provide information on individuals).
 - Look at demographic-related reports and spot trends. There's almost certainly other people targeting the same demographic as you, which means you can simply look at the research they've done and any statistics on the matter to find out more about your target audience.
 - A market research agency will be able to provide you with the most detailed picture of your target customer and their habits, but this is quite an expenditure. You probably only need to go into this much

depth when you're marketing techniques are very advanced - and you'll recognize your need for an agency as and when that happens.

- Noticing things when you see customers face-to-face can of course also give you a very general idea about who the bulk of your customer are and what demographic and age group they're part of.

How to store customer data

- Initially, you can store things on Excel or similar spreadsheet software.
- But as your data becomes more detailed, you'll need specific database software to manage your customer data.
- Ask a software and computer shop or supplier to recommend you some software, explaining your needs both present and future to make sure they provide you with the right level of complexity. You don't want to end up with something either far too complicated or far too basic for your needs.
- Make sure your data collection spans all different departments and members of staff. Everyone should be contributing to the same document. Use CRM software to manage this.

Guidance and the law on storing customer data

- There are complex laws surrounding business' collection of data.
- See our guide on the [data protection act](#) to find out more and to make sure you don't accidentally break the law.
- Make sure you ask customers' preferences when you take their contact details. Allow them to opt out of receiving marketing material - you don't want to get on the wrong side of them, after all.