**Marketing database for campaign and promotions management**

*This research has been done to include one more function to our business in future.*

**An existing operational database** is used to take orders and fulfil them. It keeps track of inventory, customer information, orders, payments and complaints or endorsements. It is managed by IT for the finance and operations groups in the company and is based on daily transactions.

**A marketing database** is based on customers. It keeps a track of each customer and what that customer has purchased, the communications sent, and the responses received back from them, etc. This database is usually created for the marketing department and is used to build relationships with customers, for cross sales, up sales, reactivations, and new acquisitions. It is a relational database and all the campaign/promotion related transactions that belong to each customer can be viewed here. Demographic data is appended to it, and computed fields are added: *lifetime value, RFM (recency, frequency, and monetary value), cumulative annual sales and transactions*, and the results of campaigns.(Hughes)

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With this operational database, the marketing department develops campaigns designed to build customer loyalty or increase sales. The customers are divided into segments based on behavior (frequent buyers) or demographics (seniors versus young marrieds, versus college students). Campaigns are created for different segments, with responses put into the database record so you can see the return on investment from each campaign. Lifetime value is used to predict the value of each customer. Models are used to predict attrition. You cannot successfully run a business in eCommerce without a marketing database.

Marketing goals cannot be achieved with the operational database that we already have, because the structure (based on accounts) and the governance (financial and operations) of the existing operational database are inconsistent with marketing. The marketing folks want to create segments, append data, compute LTV, determine the next best product for each customer by evaluating the responses and survey results which are not regular transactions of this business. In trying to do all of this in the existing database will slow down the operations and complicate the database. Hence, it is crucial that the two databases are kept separate, and we will be calling them “**operational data”** and “**marketing data**” in future.

The marketing database is also built in relational format on a server. In an operational database, the goal is to create a standard format that will run for months without modification. The marketing database format will be constantly changed as the department creates new campaigns, surveys, promotions, and segments, and adds demographic information such as age, income, etc.

If the marketing department compromises on creating a separate database and uses the same operational database, they will be putting their dynamic customer relations building programs at great risk because operational concerns always take priority over marketing. Which is more important: getting the bills out and maintaining inventory, or sending out some marketing promotion? We know the answer to that and marketing losses.

So, it is vitally important for marketing to be a success that we have a marketing database and not forcing the marketing program to hitch a ride on the operational database.

Here’s and ERD of Marketing Database that we plan to implement in future:

Graphical user interface, application, Word

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Separate PDF file is attached for better viewing which shows the same ERD.

References:

1. **Arthur Hughes -** Operational Databases versus Marketing Databases. Retrieved on June 13, 2022, from <http://www.dbmarketing.com/2010/03/operational-databases-versus-marketing-databases/>