The Roles of Customer Databases and Database Marketing in Marketing Intelligence: A Business Ecosystem Perspective

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ABSTRACT

Customer databases and database marketing play important roles in marketing intelligence and in building and developing customer relationships for organizations. Development of customer databases and performing database marketing are made possible mainly by the advancements in information technology. The study discusses various aspects of customer databases and database marketing and their roles in marketing intelligence and in building customer relationships. It discusses the ways in which companies can use customer databases effectively to achieve the best results. The study discusses the issues of database marketing, ways of overcoming them, internal changes in an organization required for the implementation of database marketing, and emphasizes that maintenance of customer databases and performing database marketing are not the solutions to every problem in building customer relationships. It will help practitioners and researchers in finding a direction for generating customer insights, achieving the goals in relationship management, and in achieving business excellence.

KEYWORDS
Customer Loyalty, Customer Relationship Management, Customer Touch Points, Customer-Oriented Strategy, Data Mining, Data Warehousing, Privacy, Security

INTRODUCTION

Companies need to know their customers well to sustain in the competitive business environment (Alani, Kamarudin, Alrubaiee, & Tavakoli, 2019). They require building customer relationships to retain their customers and to grow their businesses (Miloloža, 2022). A shift in two dimensions is required to revitalize relationship marketing: from share of wallet to share of heart as the relationship marketing objective and from managing customer relationships to managing contractual or virtual joint ventures with customers as the process of relationship marketing for organizations (Sheth, 2017). Research proves that superior customer services help organizations to sustain, to flourish, and to grow (Mandal, 2014). Consequently, an organization and its top management should focus on their customers, understand their requirements, and should show more attention towards their demands. It is difficult for an organization to sustain and to grow if it does not have a customer orientation (Carmen & Marius, 2016). Companies also need to understand the key antecedents and consequences

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of relationship marketing across different industries (Verma, Sharma, & Sheth, 2016). Companies will not be able to understand customer preferences and requirements unless they have a thorough and in-depth understanding of their customers (Shi, Cui, & Liu, 2022). Again, customers’ needs, wants, and demands change frequently. Therefore, what would have delighted them a short while back might not satisfy them at present (Carmen & Marius, 2016). Companies will not be able to serve their customers better unless they know their expectations well (Westerman, 2022). Companies will be able to understand customer expectations when they have relevant and updated information about their customers and when they analyze the information to obtain marketing intelligence and customer insights (Grönroos, 2020). Companies collect the required data about customers and store them in databases. Data can be retrieved from the databases as and when necessary for analysis.

The importance of the collection and analysis of relevant information for the generation of customer insights cannot be overemphasized. However, studies focusing on customer databases, database marketing, and the roles of marketing intelligence and relationship management for organizations are missing. The study aims to address this research gap.

The study focuses on the importance of managing and maintaining customer databases effectively to help in the analysis of marketing information, generation of marketing intelligence, and in the development of customer insights for organizations. It is important to maintain customer databases to conduct database marketing. Without maintaining customer databases, it will be difficult for companies to handle large amount of information about customers.

The objective of the study is to underline and to understand the importance of customer databases and database marketing in the generation of marketing intelligence and customer insights for organizations. The roles of business ecosystems and business platforms in the process are also investigated. The study analyzes various aspects of customer databases and database marketing.

The methodology adopted is a conceptual analysis of the literature on customer databases and database marketing and their applications in the generation of marketing intelligence and customer insights. The roles of business ecosystems and business platforms are discussed. Relevant and latest research papers related to customer databases, database marketing, marketing intelligence, and customer relationship management are studied. Primary data is not collected, and empirical analysis is not done.

The novelty and the contributions of the study lie in the fact that a conceptual analysis of the various aspects of customer databases and database marketing and their roles in the generation of marketing intelligence and customer insights for organizations are discussed. Organizations will not be able to do relationship marketing without doing proper development and maintenance of customer databases. The relationships between customer databases and marketing intelligence are highlighted. Organizations cannot function without a proper business ecosystem and business platform. The connections of these aspects with databases, business intelligence, and marketing intelligence are highlighted. The discussions will enable researchers, companies, and practicing managers to understand the importance of business ecosystems, business platform, and customer databases in relationship marketing. The discussions will sensitize them to consider customer databases from a holistic perspective and not only as a tool for storing and retrieving data. They will be able to appreciate the various aspects of customer databases and the roles of customer databases in relationship marketing. They will also be able to understand that companies will not achieve success and growth only by maintaining customer databases. They will understand that maintaining customer databases is perhaps only the first step toward relationship marketing.

The study is structured as follows:

Section 2 focuses on customer databases and database marketing while section 3 focuses on data warehouses and data mining. The connections between customer databases and marketing intelligence are highlighted in section 4. Organizations cannot function without business ecosystems and business platform. The business ecosystems and business platform views and the connections with databases, business intelligence, and marketing intelligence are highlighted in section 5. Applications of databases are discussed in section 6 and its different sub-sections. Section 7 discusses about the usage of customer...
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