

DATABASE 101:
A POWERSPORTS
DEALERSHIP
GUIDE
TO DATABASE
BUILDING
& **HYGIENE**

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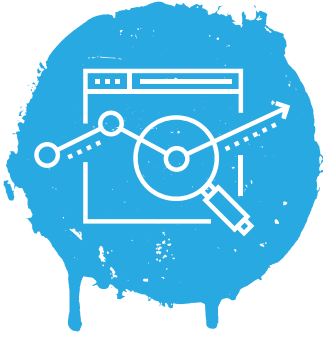
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INTRODUCTION: GETTING YOUR CUSTOMER DATABASE STRAIGHT

What is the single most important thing to your powersports dealership? Is it your inventory? Is it your sales team? Perhaps you believe it's your facility, or maybe it's the geographic location. Is it your marketing? Your banners? That big LED billboard out there on the interstate?

No. It's none of those.

The single most important thing to any powersports dealer **is your customer base.**

»»» THIS DOES NOT MEAN:

- *New customers that you have yet to connect with.*
- *Potential customers who are toying with the ideal of visiting your dealership for the first time.*
- *People that might hear about your dealership somewhere, somehow.*

What we're talking about right now is your existing customer base — those people who have purchased from you in the past, or at least paid a visit to your dealership in person, sent a query via your website, or otherwise made contact.

»»» THIS CAN AND SHOULD ALSO INCLUDE:

- *Anyone who has downloaded loss leaders/freebies in exchange for their contact information.*
- *Anyone who has signed up for your email marketing or newsletter.*
- *Anyone who has visited your dealership's service center for maintenance or repairs on an ATV or other powersports vehicle.*

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Why are existing customers and those who have already expressed an interest in what you offer or have visited your dealership in the past more important than new customers? In the wake of COVID-19, you must realize that no matter what happens now, things out of your control can put your store in jeopardy. **Your existing customers are what will get you through**, not cold leads or those who have never heard of your dealership before.

That's why one of the most critical things for you to do is build your database. Think of it as your playbook – it contains all the vital strategies and solutions to help you win big. In this case, those strategies are your existing customers and anyone else who has given you their contact information.

Remember this: **It costs five times as much to recruit a new customer as it does to retain a current customer.** Plus, in instances like the global pandemic, there may be no way to reach new customers. This sentiment is embodied in an old saying, "Make new friends, but keep the old. One is silver, the other gold."

Of course, in order to benefit from those existing customers, you must be able to reach them. You must have a central repository where you store information, names, and other important data. That's a clue – the solution is right in the name. We're talking about your database.

Your customer database is an invaluable asset that provides you with traction, the ability to call, email, or send snail mail to existing customers and others you have connected with over time. However, many dealerships struggle when it comes to building their database and then maintaining it over time. In this eBook, we will walk you through building your database, maintaining it with proper hygiene, and more to ensure that you're leveraging this asset to its fullest extent.



CHAPTER ONE: WHERE IS YOUR DATA AND WHAT IN THE WORLD IS DATA HYGIENE?

How do you keep track of your customers? What about the people who visit your service department? Where is the information on email-opt-ins stored?

If your answer is anything other than “in our database”, it’s incorrect. Your customer database is absolutely critical and if you aren’t taking strategic steps to store, safeguard, and ensure that you have access to it, you’re missing out on an invaluable asset.

Where Is Your Data?

If you don’t have a defined database, then your customer information is probably spread across the entire dealership.

YOU’LL FIND IT LOCKED AWAY IN THE FOLLOWING DEPARTMENTS:

- Sales
- Service
- Marketing
- Website subscriptions

Now, you might think that this is fine. After all, that information is still in your dealership. **You’re not really missing out, are you?** Sadly, you are. Here are just a few of the problems with this distributed/disorganized method of customer information storage.

1. SILOS

One of the most challenging aspects to distributed customer information is that it tends to aggregate into silos. Each department hoards the data they have come into possession of, regardless of what that data could be useful to other departments.

For instance, your marketing department probably doesn’t share its data with sales or service. Sales doesn’t always share customer information with service or marketing, your Internet marketing team may not share subscriber information with your marketing or sales teams.

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What happens here is that customer information collects in what are called silos. It becomes locked in, walled off, and thought of as the property of the department that harvested it. In short, it becomes largely useless to the wider business.

2. DISORGANIZED

Another challenge with distributed/departmental storage of customer data is that it becomes very disorganized. There is no one single entity responsible for ensuring that data is entered the same way each time. This becomes very challenging over time as you collect more and more customer information.

For instance, in the marketing department, the team might create records using the customer's first name, middle initial, and last name. In the service department, they might use the customer's last name and first and middle initials. It becomes very easy to create duplicate customer entries without realizing it. Storage and access also become increasingly difficult to manage effectively.

3. ERRORS AND ISSUES

When you do not store your customer information in a central database, there is an increasing likelihood of errors and inaccuracies to grow. Consider the following:

- *Who is responsible for ensuring there are no duplicate customer records?*
- *Who is responsible for checking the accuracy of contact information?*
- *Who is responsible for checking and correcting spelling errors and typos?*
- *Who is responsible for removing old, outdated, and incorrect information?*

As you can see, there are plenty of reasons that you need to store your customer information in a central database. However, it is just as important that you practice good data hygiene. What does that mean? Actually, we've already touched on it, but it does bear further exploration.

What Is Data Hygiene?

Data hygiene sounds like a complicated, challenging thing, but it's actually very simple. It's nothing more than ensuring that the information you have within your database is accurate and clean. **Inaccurate, erroneous information actually costs companies across the US billions of dollars each year.** Taking the time necessary to ensure that your data is accurate, clean, and usable ensures that you can put it to work on your dealership's behalf.

DATA HYGIENE STEPS: AS SIMPLE AS 1-2-3

Again, ensuring that your data is clean and protected doesn't have to be a drawn-out, arduous process. It can actually be relatively simple. You do need to know what's involved, though. Here are just a few of the things you need to watch for to ensure that's the case:

Check for duplicate information. You will need to dive deep to ensure that you can double-check all fields, including address, email address, name, phone number, etc. Any duplicate entries should be bumped against one another to determine if:

- *It is actually a duplicate entry OR*
- *It is an erroneous entry that needs to be corrected OR*
- *It is a different customer within the same household*

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Check for inaccurate information. Inaccuracies can manifest in any number of ways, including:

- *Typos*
- *Missing information*
- *Partial information*
- *Incorrect information*
- *Outdated information*

Create a schedule for your information to be audited regularly. Auditing should check for duplication, errors, incorrect information, and more. It should also include correcting any incorrect information and/or removing entries that are no longer valid or usable.

Create Rules and Constraints

First, understand that no matter what you do, some errors will always sneak into your data. You will need to regularly conduct audits and correct issues. You'll need to rinse and repeat.

However, with the right steps now, you can minimize the time and effort required for data hygiene. A few basic rules and constraints will help ensure that data entered into the database is more accurate to begin with.

So, what should you do? What rules and limitations should you impose? It's not all that difficult, and can actually be pretty flexible.

HERE ARE A FEW TIPS TO GET YOU MOVING IN THE RIGHT DIRECTION.

- *All phone numbers should be entered the same way*
- *All customer names should be formatted the same way*
- *All addresses should be entered the same way*
- *All email addresses should be entered the same way*
- *Case sensitivity should be eliminated unless it is absolutely necessary*
- *Abbreviations should be standardized for all entries*
- *Insist on either using abbreviations or not (such as Parkway or Pkwy, for instance)*

With a few basic rules and requirements applied across your dealership, as well as the insistence on customer data being entered into your main database, rather than stored in departmental silos, it is possible to build a strong, accurate database. However, this is not the end of things. You need to be able to segment that database in order to use it effectively. Not sure how to do that or what it entails? We'll explore it in the next chapter.



37% OF EMAIL ADDRESSES change annually

30% OF ORGANIZATIONS
currently have no strategy to update
inaccurate or complete records

15% OF LEADS
contained duplicated data

80% OF COMPANIES
say they have "risky" phone contact records

40% OF LEADS contain bad data





CHAPTER TWO: WHY SEGMENT YOUR CUSTOMERS?

It's tempting to think of your audience as one, single homogenous group. After all, they all own or want to own powersports equipment, right? However, that's not the case at all. Not even remotely. That customer base is made up of individuals with specific needs, lifestyles, budgets, interests, passions, and requirements.

That makes sense, but why does it matter when it comes to your marketing? Simply put, you can't just put all your customers on blast. You can't "set it and forget it". Why? Because the same marketing message isn't going to work with every part of your audience. You need to segment your audience and then customize your message in order to get the most value and traction out of your database.

What Is Customer Segmentation?

First, let's define customer segmentation. According to eCommerce giant Shopify, it is "the process of dividing customers into groups based on common characteristics so companies can market to each group effectively and appropriately".

There are two key points to that definition we need to explore – effectively and appropriately. In fact, they are interrelated.

EFFECTIVE AND APPROPRIATE MARKETING

To delve into the definition above and apply it to your powersports dealership audience, we need to discuss effective, appropriate marketing. Not all types of marketing to all audience segments is appropriate, which limits its effectiveness. Therefore, the more appropriate the marketing, the more effective it will be. There are benefits for both you and the customer here, too.

With effective, appropriate marketing, you get to save marketing money that would otherwise be thrown down the drain on less than effective outreach efforts. You also get a higher return on your investment, sell more equipment and accessories, and forge stronger, longer-lasting relationships with your customers.

For customers, they get more relevant offers and information. They see you as an answer to their challenges or the supplier of their needs, rather than "just another salesperson". Customers also spend less time searching for an appropriate answer to their challenge.

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LET'S CONSIDER AN EXAMPLE:

Suppose you're marketing a new ATV. It's got a 686cc liquid-cooled SOHC 4-stroke, 4-valve engine, fuel injection, a 5-speed reverse with a multiplate clutch, and is 2-wheel drive. Now, obviously, this ATV will work for a wide range of customers, but simply throwing out an image with some specs is hardly going to get the eyeballs you need to your marketing collateral.

You need to tell a **story**. You need to show your customers how that ATV will fit their lifestyle, how it will solve their needs, or how it will benefit them.

Here's the thing — different parts of your audience will perceive that ATV differently so your story must be tailored to those differences. You can't market the ATV we just discussed as a great hunting accessory to someone who doesn't hunt and instead wants the ATV for use exploring the dunes at their local beach. You can't market the ATV as being racing-related to someone who primarily wants it for getting to their hunting blind and then carrying their game out of the woods at the end of the day.

It's your job to take that ATV's specs, style, design, and potential range of uses and tell multiple stories, each of which is suited to one particular segment of your audience. Doing so helps customers within each segment see themselves using the ATV, netting you a greater ROI and building stronger sales.

Additional Benefits of Audience Segmentation

Of course, the benefits of audience segmentation go deeper than what we've touched on so far. In fact, the full list includes the following:

- *The opportunity to upsell and cross-sell additional products or services offered by your powersports dealership*
- *The ability to create a stronger, more direct relationship with each customer*
- *The chance to test different pricing strategies with different audience segments*
- *The ability to focus on those customers who deliver more profitability*
- *The chance to choose the ideal communication medium for each customer, whether that's social media, email, snail mail, or something else*
- *The chance to improve your customer service*

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How to Segment Your Audience

The information above clearly shows that audience segmentation is vital, but how do you do it? The first thing to do is to decide which metrics you'll use, and then collect that information. What metrics do you use to separate an audience into smaller pieces, though? Some of the obvious answers include the following:

- *Age*
- *Life stage – married, retired, divorced, etc.*
- *Income level*
- *Gender*

However, those are pretty basic options, and don't really tell you that much about a person and what interests them about your powersports equipment. Is that 35-year-old entrepreneur interested in an ATV for hunting or racing? Is that 60-year-old retiree interested in a cruiser or a sport bike? What sort of power does brand hold for a particular customer. To drill down into those questions, you'll need to gather information about things such as:

- *Hobbies*
- *Interests*
- *Pastimes*
- *Activity level*

So, how do you gain access to that information, though? You can do it in any number of ways, including surveys, questionnaires, investigations into responses to particular types of emails or social media posts, and more.

Of course, once you have that information, you need to put it to use. This is called data enhancement and understanding its value to your powersports dealership is **critical**.



CHAPTER THREE:

HOW DOES DATA ENHANCEMENT HELP MY DEALERSHIP?

Data enhancement – it's a fancy way of saying “adding new information to an existing record”. For instance, if you learn that Bob not only likes to ride motorcycles, but is an avid hunter, you can add that information to his customer record. That's data enhancement in a nutshell. It's nothing more or less than adding critical details to help flesh out your image of a customer or audience segment. How does that help you, though?

Better Segmentation

First and perhaps most obviously, data enhancement helps provide you with better audience segmentation. After all, the more information you have about a particular customer, **the easier it will be to determine what segment they fit within, or even to create a new segment based on personal information.**

Better Targeting

Data enhancement also gives you the ability to hone your targeting and increase its effectiveness. Rather than sending out an email message that might get the attention of a few recipients, you can be sure that your message is tailored to exactly what that audience segment values or is interested in. That in turn bolsters your efficiency and expands the reach of each ad.

Better Channel Optimization

With more information about your audience segments, you can begin to make better use of the various marketing channels open to you. For instance, you might find that some segments of your audience respond better to social posts than they do to email messages. Others might prefer SMS marketing, while others may prefer something else entirely. With data enhancement, you begin the journey toward a more cohesive marketing strategy overall that maximizes channel optimization and value.

Better Customer Experience

With more information about their preferences, habits, likes and dislikes, and all the rest, you are able to provide a better experience to your customers. This ensures that you're able to keep those you've already earned, which is the key to weathering future storms. **Remember that when the situation is out of your control, it is your existing customer base that will get you through.** By delivering a great experience with every interaction, you strengthen the bond between you and your customers.

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Better Control Over Marketing Spend

Finally, data enhancement helps ensure that you're making smart, informed decisions with your marketing budget. It reduces waste and cuts needless expenditures. Rather than dumping money into a campaign that will see little in the way of response, you can create multiple micro-campaigns that net massive ROI and help you build stronger relationships with those who matter most to you. Not only can you save money, but this also ensures that you're able to reduce wasted time and effort, ensuring that your team can focus on what they do best, and what will generate the most return.

Conclusion

In the end, your database is perhaps the **single most powerful marketing tool at your disposal**. However, this isn't *Field of Dreams*. Building it isn't the end. You need to continually refine and sort, enhance, and expand your database. It's critical that your database is clean and organized, that errors and issues are remedied quickly, that the information is available to people throughout your dealership, and that you enhance your data with additional information that allows you to refine your marketing efforts and drive greater success.

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