

Data Quality & Procurement:

4.1 | Key to B2B Marketing



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| Introduction

If you want your business to business marketing to be a breath of fresh air, you need oxygen...and that's what data is, the oxygen of B2B marketing. Too many beautifully crafted campaigns fail because the data is poor. Bad quality data reflects negatively on the content of your touchpoints and can alienate your best prospects.

Most common problems for a failed campaign...20% of the sample wanted to see better personalization and 13% would be happier if their correct name was used!

All this means is data hygiene is an essential factor affecting success. In data, as in so many things, you get what you pay for. Garbage in, garbage out!

There has been a significant expansion in the number of sources to procure B2B data — demographic, firmographic, social footprint, etc. Some (list brokers, managers and agencies) are intermediaries for the data owners themselves. A list broker should give you “best advice” on what data to use.

Brokers keep up-to-date information on all lists in the market. However, they are unlikely to deal in small quantities, or have intimate knowledge of a specialist market in terms of market structures and issues. In any case, many list owners apply a minimum order size.

| Targeting Your Campaigns

If you are new to using external data marketing campaigns you will need to decide, in advance, who you want to target. Do this in the context of your product or service and do not forget the overall business demographics of your 'ideal' customer.

Remember to look at your in-house data first. Of course, you want to target customers who look like your most profitable accounts but do you really know enough about your customers? Some data providers can offer a service which appends key demographic and firmographic information to your in-house data set. You may be surprised to know that you have clusters of customers by company size, type and location. This profile can be used to give you information on your penetration levels; the data providers will also be able to tell you what opportunities there are in similar or related areas.

While it is tempting to select only individuals with job titles that precisely match your products, you should be aware of the decision trees which exist in many larger organizations. If the offer requires high capital outlay, the Purchasing Manager is likely to be an influencer as well as the Engineering or Plant Manager, but it might be a Business Owner or a Vice-President of Marketing or Sales that might be a decision-maker. **All of these individuals — influencers and decision-makers — could be relevant targets for your marketing efforts.**

| How to Buy Good Data

The proof of any data source (your own or external) is the level of response and conversion it drives. You want return on investment. However, ask any data provider what the likely response rate will be, and you will not get a precise answer. It is hugely difficult to predict response rates, so much depends on the attractiveness of the offer and the competitive landscape.

Here are some helpful hints you should bear in mind when buying data:

▶ Don't buy the same list twice.

Lists are now sold through a variety of channels — via the Web, direct from the list owner and via list brokers, managers or agencies. If using more than one channel, make sure that you do not inadvertently buy the same list twice.

Check who the originator of the list is and how it is compiled. Also check if the list is available as part of another merged database as you may buy the same data twice should you use a merged database as a source too.

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► **Remember all charges when calculating a cost per thousand.**

Some data is sold without additional selection charges. However, many list owners state a low base price and high selection charges, which can make the cost per thousand names significantly higher. Common selection charges are for type or size of company, as well as additional contact information such as a phone or fax number. All these can mount up so make sure you are comparing like with like before committing to purchase.

► **Don't measure success on gross response rates.**

It is very tempting to return to a list which gives excellent up-front response before the "back end" yield can be calculated. Gross response rates can be misleading if free offers or incentives are involved. Allow time for analysis before committing to roll-out.

► **Check the accuracy of the data you are buying.**

Because of the rate of business change (up to 40% of data can "decay" in a single year) you need to know how and how often the list owner updates their information. Keeping a large database up to date is expensive and some list owners allow names to remain current for up to two years. Remember to ask for the most recent names when making your selections.

► **Be prepared to widen the net.**

If the counts you are receiving are smaller than you had in mind, be prepared to loosen your selection criteria. By reducing company size parameters or adding related SIC codes, you will add prospects. The same is true of job titles and job function based selections, it will improve numbers without negatively affecting response rates.

► **Negotiate usage in advance.**

If you think that you may want to use the data more than once, or to follow up a mailing with a telephone call or additional emails, it is prudent to negotiate the additional usage in advance as multiple use prices are often cheaper than single use rates. The data will contain seeds or dummy addresses so that the list owner can track usage.

► **Look for the quality guarantees.**

No list owner can guarantee response rates but it is worth checking their accreditation. Membership of the Direct Marketing Association means that list owners have to abide by strict rules when selling data. Few lists have formal audits of the data, but owners should be able to give you an indication of the volume of gone-aways you should expect. Buy back/credit policies for gone-aways should also be ascertained.

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| Keeping It Clean

Research shows B2B buyers are becoming increasingly sensitive to personalization or a lack thereof. The higher the level of personalization, the better the engagement rates. Hence, the more information the partner provides you per record, the higher the likelihood of the campaigns justifying the ROI. Making sure that external data suppliers are keeping up with these changes is important, but many companies fail to apply the same levels of cleanliness to their in-house resources.

This flexibility to a level of personalization is important, especially in a complex B2B sales cycle that consists of a myriad of influencers and decision-maker(s). Each job function may have disparate motivation factors and hence, the served content needs to resonate with each job function appropriately. Personalization is the key to generating resonating campaigns which in turn lead to a higher engagement level. This is a critical factor in generating a consistent lead flow for the sales pipeline.

It is important to ensure the demographic and firmographic information is derived from recognized, audited sources of B2B data.

| The Future of the Business Data Market

As soon as you dip your toe into the data pond, you will realize it is a very competitive market. Suppliers of external B2B data are constantly innovating to ensure that response rates are maintained. If you are lucky enough to rent names which are new to the market, your response is bound to be higher. However, the proliferation of suppliers has created a buyer's market where price negotiation is now the norm.

As in any procurement, volume and spend will attract the highest discounts. This may result in a straight reduction of the price per thousand or in other areas, such as free selections or favorable "net name" deals where you pay a reduced cost for names which already appear on your house lists or other rented files.

While competition is good for any market (especially for the buyers!), the cost of acquiring and maintaining quality data is escalating. Cheap deals may lead to cost cutting and, poor campaign results, and eventually business failure.

It is always good marketing practice to test smaller quantities before committing to 'roll out' into a large volume from an external data pool. Testing competing sources is also a good idea and data suppliers must be measured not only on their data hygiene practices but also on their customer service and your industry knowledge.

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Privacy and permission are buzz words in the B2B data arena as much as they are for consumer marketing. Permission-based data collection models are migrating from B2C into B2B, producing smaller but supposedly more responsive pools of data, particularly in email data supply.

As these developments change the shape of the data market — there will be winners and losers. Companies will need to increase the sophistication of their buying to match the profiling which has been commonplace in consumer marketing for some time.

Getting the basics right — good targeting, optimal segmentation and accurate personalization — is the ticket to the game these days. Recognizing data decay and working to reduce gone-aways is also essential. **But choosing the right data suppliers, and not buying solely on price, is probably the key element in ensuring that your response rates stay above the industry average and give you the return on investment you need.**

| Summary

As the old saying goes, garbage in, garbage out. Same goes for data. Building a proper database and focusing on continuous data hygiene are the lifeblood of any marketing effort. Always make sure you consider all aspects of data acquisition — from costs to usage terms to quality guarantees. Proper acquisition considerations, data maintenance and continuous management will definitely lead to greater response and conversion in your marketing campaigns.

| About StratMarketing Group (StratMG)

With 95%+ in customer satisfaction ratings and 100s of projects, our proven methodology has successfully generated more than \$100M+ in sales for our industrial manufacturing customers. We help build deep and meaningful relationships with their prospects and customers which in turn is a catalyst to organic sales growth.


We consistently exceed objectives by leveraging complex technologies and analytic methodologies to deliver simplified sales, faster. Our methodology breaks the process into three main categories:

- ▶ Make Customers
- ▶ Manage Customers
- ▶ Monetize Customers

| Specialties

Demand Generation | Marketing Automation | Go-to-Market Strategy | Marketing Operations
Marketing Services | Marketing Strategy | Lead Management | Lead Nurture
Database Marketing | Sales-Marketing Alignment | Lead Qualification

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