



## Is Dirty Data Sabotaging Your Marketing Results?

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### *Drive Greater Results from B2B Marketing Programs with the QuickStart Data Refreshing Methodology*

Is incomplete or inaccurate data hampering your campaign results, driving up costs, and damaging your company's reputation? Are you running dirty data through expensive marketing automation products and compounding your problems?

Bad data—whether purchased, gathered via download offers or stored in your internal database—costs companies billions every year in wasted resources and lost productivity. In fact, the Data Warehousing Institute estimates that data quality problems cost U.S. businesses over \$600 billion a year. This is only the tip of the iceberg.

While an enterprise-wide data refreshing initiative is beyond the scope of this paper, the QuickStart Data Refreshing Methodology presented here provides a guide to rapidly cleansing and augmenting your marketing and sales database in three phases. By following this methodology, you will:

- Quickly identify your data cleansing requirements
- Clean and augment only the data you need, when you need it
- Implement techniques and processes for keeping your data accurate and up-to-date
- Align your marketing strategy with your data refreshing and collection processes
- Produce better results from your marketing programs
- Risk-proof your marketing automation investments
- Drive greater revenue

## Is Dirty Data Sabotaging Your Marketing Results?

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"Garbage in, garbage out," so the old saying goes. When it comes to marketing programs, nothing could be more accurate. In fact, the increased efficiencies enabled by marketing automation systems will mean more garbage in and more garbage out. Just like the damage today's landfills inflict upon the environment, the garbage produced by feeding marketing programs dirty data can exact a heavy toll on your marketing budget, sales productivity, your reputation and your company's brand image.

### **The Impact of Dirty Data**

Industry experts and B2B Marketers alike agree that data quality problems are universal, costly, and not getting any better. A survey conducted by IBM's Global data management division reports that 75% of U.S. marketers face challenges based on the poor quality of data and more than 50 percent are incurring extra costs due to dirty data. A Data Warehousing Institute study puts those costs at more than \$600 billion a year for US businesses.

It's not just the easily quantifiable costs that are taking their toll on a company's profitability. B2B Marketers may never be able to calculate the lost revenue associated with missed or botched opportunities to deliver the right message to buyers. A recent research study, titled "The Impact Poor Data Has on Your Organization" produced by Dynamic Markets, reports that 77% of those U.S. businesses responding admitted shortcomings in data quality hurt their bottom line. Those same businesses admitted to losing 7.3% of revenue due to data management issues.

The problem continues to get worse. Today's mobile workforce is changing jobs faster than ever before. According to Gartner, 30 million of the 138 million workers in the US will switch jobs in the next 12 months. With employee turnover at an all time high, data expires faster than ever. It's not just job change that is eroding the quality of your data, a new research study from KnowledgeStorm and MarketingSherpa finds that nearly half of the respondents to B2B marketing campaigns DON'T give valid contact information. Less than 40% provide accurate phone numbers. No wonder your sales representatives are frustrated!

If you are basing your marketing programs on purchased title-based databases, list rentals, leads from e-marketing campaigns (PPC and banner advertising) or even an in-house database that has not been updated and validated within the last six months, you are likely squandering marketing dollars and incurring costs you may not have considered. Some of these include:

- Lost revenue
- Wasted resources
- Lower productivity
- Damage to your credibility
- Risk of failure for marketing automation initiatives
- Fines due to compliance issues

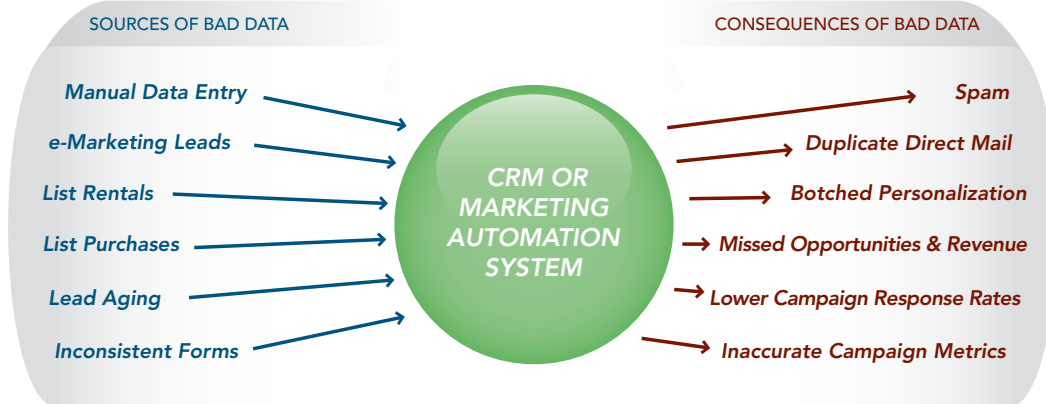


Figure 1. Diagram of Data Quality Issues

## Marketing Systems Complicate a Very Costly Issue

When it comes to the problem of dirty data, deploying an expensive marketing automation or CRM system without a solid strategy for both cleansing and maintaining your data will most certainly have damaging side effects. Marketing automation systems enable Marketers to conduct more powerful, high impact campaigns by leveraging automation, personalization and multi-modal marketing techniques. They also provide a rich set of metrics that show the results you are generating with your marketing programs.

Feeding purchased lists or a dirty in-house database into a marketing automation or CRM system will have a multiplier effect on your dirty data problems and risk derailing your success by:

- Delivering the wrong message to the wrong person
- Annoying customers and prospects with redundant messages
- Losing credibility due to botched attempts at personalized communications
- Failing to leverage multi-modal marketing capabilities
- Misinterpreting campaign success metrics

Ultimately, bad data will restrict your ability to demonstrate the value of your marketing automation investment because you will be unable to accurately demonstrate increased return from marketing programs. Metrics that prove increased efficiencies, greater marketing program success rates, lower costs per lead and other key performance indicators will all be negatively skewed. And, you won't be able to leverage the personalization and multi-modal marketing capabilities enabled by the system to increase return rates and lower your costs.

## Roadblocks to Data Cleansing and Profitability

The answer is clear. As B2B Marketers, we must base our programs on clean and comprehensive data, right? Not so fast. Even with so much at stake, tackling data cleanup issues is a daunting proposition so fraught with risk, complications and uncertainty that many marketers choose not to do it. Most Marketers are overwhelmed by a customer or prospect database with hundreds of thousands of duplicate entries, old data, inaccurate contact details and countless records in myriad states of completeness. This existing data has likely been gathered by many different individuals over multiple years. It is often too difficult to know where to begin or how to make sure that once it's clean, it stays clean.

Consider this: Do you really need to funnel 200,000, 100,000 or even 50,000 contacts through your marketing engine to get the results that you need from your marketing programs? If you were to “boil the ocean” and clean up hundreds of thousands of contacts all at once would your marketing programs and then sales team be set up to touch and do proper follow up with all of the potential buyers before the data becomes stale again?

It is possible that, as B2B Marketers, we have pursued the holy grail of data quality in the wrong way, taking a Consumer-marketing broad market coverage approach to a fundamental B2B problem. Perhaps it makes more sense to identify, clean and augment only the data that will make a real difference in your marketing programs and your company's bottom line.

### Jumpstart Data Quality with the QuickStart Data Refreshing Methodology

The QuickStart Data Refreshing Methodology was not designed for enterprise-wide data integration and cleansing initiatives. Such a broad effort is not necessary for more than 90% of B2B Marketers who are hampered by data quality issues. Rather, it was designed to enable B2B Marketers to build a single database of accurate, consistent and comprehensive role-based data used for multi-modal, segmented marketing programs. Follow this proven three phased framework for using both in-house and outsourced resources to quickly improve your data quality in the fastest, most efficient way possible, this methodology will prepare you as a B2B Marketer to execute better, more focused campaigns to your target prospects and ultimately driving more sales conversions.



Figure 2. Three Phase QuickStart Data Refreshing Methodology

**Phase 1. Establish Requirements [In-house]** - Analyze your marketing and sales pipeline to define your data cleansing and augmentation requirements.

Just as a thorough understanding of your target markets and buyer profiles is fundamental to designing successful marketing programs, it is a critical first step in your data cleansing and augmentation initiatives. By understanding your best target markets and profiling their common characteristics, you can identify similar prospects in the same market segment, as well as additional market segments in which you have a higher propensity to sell more, faster.

Before you undertake any data cleaning, segmentation, or augmentation initiative, you should first profile your top performing market segments, identify your best target markets, and determine key qualifying characteristics and buyer roles. This analysis will help you determine where to find your best buyers and then profile the characteristics of these buyers. Regardless of the techniques you use, here are a few considerations for your analysis:

- a) Start with a review of your pipeline including wins and open opportunities to identify your top market segments. Make sure you answer the following questions:
  - In which market segments am I closing the most deals?
  - In which market segments are deals closing the fastest?
  - What are the common characteristics of companies in those market segments?
  - What other market segments share those common characteristics?
- b) Use the data you've gathered to build a profile of your best customers.
  - Do you close more deals with Fortune 1000-size enterprises or are you moving more deals with Small and Medium-size businesses?
  - Is the number of employees of an organization a critical success factor or is a global, distributed environment more important?
  - Are there key trends you can identify in certain industries that are driving the need for your product or service?

Once you've built a profile of common denominators or qualifying criteria for your target market, you can begin to not only identify your top priority prospects as documented in Phase 2 of this methodology, but you will also have the criteria to use in standardizing your data collection requirements.

- c) Next, complete a decision making unit profile to identify the types of buyers involved in the buying process and the roles of these buyers both in the buying cycle and their role within the organization. It is vital to understand the responsibilities for each of your buyers and which organizational role typically corresponds with the role in the buying cycle. With this information, you will be able to refine your augmentation program and standardize data collection requirements for more targeted marketing programs.

*A Professional Services software company illustrates how to develop an enterprise buying profile. For that company's target market the following people and roles were defined.*

- **End User** - identified as the person who was responsible for entering hours dedicated to various clients' projects.
- **Influencer** - identified as the Program Manager responsible for tracking the hours of Consultants on each individual project.
- **Decision-maker** - Vice President of Professional Services responsible for ensuring Consultant productivity and growing Professional Services revenues.
- **Economic Buyer** - Chief Financial Officer responsible for timely and accurate revenue recognition.

**Phase 2. Select Data for Cleansing and Augmentation [In-house]** - *Assess your real data cleansing requirements and produce a clean data set.*

With a complete and documented profile of your top market segments and buyers, you can now begin the process of identifying the data you need to clean, update and augment. Complete the following steps to identify the companies in your key market segment to which you have not sold, as well as the contacts who correspond to the individual roles in each phase of the buying cycle.

- a) First, identify a list of target companies that meet the criteria you've documented in Phase 1 of this methodology. While these companies have not yet purchased from you, they share many of the same characteristics of your best customers. This group will likely have a higher propensity to purchase your products or services. These target companies will become your highest priority Target Accounts for data cleansing and augmentation.

You should plan to systematically cleanse and build out your database for each target segment over time-as your marketing and sales organizations can consume the data-before tackling subsequent cleansing initiatives.

- b) Next, pull a list of pre-existing contacts, if any, that correspond to your Target Accounts so you can begin the process of de-duping, identifying missing fields such as addresses or contact details, and identifying gaps such as key buyers, roles and other relevant details.

Two of the most frequently missing elements are the role of the contact in the buying cycle and within the organization. If you are one of the top 5% of B2B Marketers who already have contact records tagged with this information, then you will be able to easily identify gaps in your data. If not, outsource the discovery of role data as part of the contact discovery and validation phase of this methodology.

**Phase 3. Conduct Data Discovery and Validation [Outsource]** - *Fill in gaps in enterprise buyer roles and validate accuracy of roles and contact information.*

Now that you have a subset of your database identified, the marketing analysts at Sirius Decisions recommend that you turn the project over to a third-party contact discovery firm for faster and more efficient cleansing and augmentation. This will also help you avoid using your scarce internal resources for time-consuming research and cleanup activities.

Don't waste time and money on telemarketing organizations that call to verify address information. Make sure your partner is focused on more than just checking contact information and titles. Go with a vendor with experience in capturing and validating role-based information since a critical part of the data augmentation process will entail the discovery of the right individuals in the buying process.

Often job titles can be vague or deceiving, and gathering the wrong individual with the right title is a recipe for disaster when it comes to marketing automation and personalization. Imagine sending an email about Network Management software to a Marketing Communications professional with the title Communications Analyst.

Your project should include contact discovery and phone verification for the following components:

- a) **Target Account** - The analysis conducted in Phase 1 of this methodology will govern the types of data you will collect in this Discovery phase. Depending upon your marketing Strategy, you may want to collect and validate the full address and phone number for the company's headquarters, or you may be more interested in branch offices. You may also want to append your Target Account records with industry SIC codes, revenues, and number of employees. Regardless, ensure you collect enough data to align with your marketing Strategy and execute segment-based marketing campaigns using this data.
- b) **Target Roles and Contact Data** - The analysis conducted in Phase 1 of this methodology will also govern the roles to be gathered and validated. In addition to various forms of contact data, focus on discovering the contact's role in the organization and role in the buying cycle. Ensure you capture all forms of contact information so you can execute multi-modal campaigns using your marketing automation system. Enrich your data with information on decision-drivers and trigger events. With this information you can use your marketing automation system to initiate targeted communications throughout the entire buying cycle.

## Six Tips for Keeping Your Data Clean and Relevant

After investing so much time, effort and budget to ensure that your data is correct, standardized and verified, it is vital that you have a strategy for keeping your data clean and relevant. Relevancy is key here. The more relevant the data is that feeds your marketing programs or automation systems, the better and more powerful the results will be. To ensure you are achieving and reporting the best possible marketing program ROI, follow these tips for managing your data as it is introduced into and flows through your CRM and marketing automation systems:

1. **Assign a data steward.** Fragmented responsibility for data management is not just a productivity issue; it is one of the leading contributors to incomplete and inconsistent data. Dedicate a data steward whose job it is to oversee data collection and administration according to the guidelines you've established in your data cleansing exercise.
2. **Standardize and automate data entry.** Standardize data entry formats and requirements companywide to ensure critical fields are complete and formats are consistent. Empower your data steward to enforce these requirements and automate data entry points where possible when introducing data into your CRM and marketing automation systems.
3. **Don't pollute the well with title based list buys or rentals.** Never indiscriminately dump purchased lists or introduce the leads from list rentals into your CRM or marketing automation system without having a 3rd party validate the quality of each record. According to a 2006 study by MarketingSherpa, list rentals are one of the worst performing marketing techniques, so it is best to avoid renting or purchasing lists to eliminate the risk of marketing programs waste or blunders.
4. **Multiply your data entry headcount exponentially.** Enlist your customers and prospects to clean and update their own data by using lead nurturing techniques. This isn't as unpleasant as it might sound. By incenting prospects to give you accurate data in steps, you can quickly and cost-effectively capture more accurate data for your marketing programs.
5. **Monitor trends in your pipeline to identify opportunities for augmenting your data.** It is important to monitor trends in your pipeline at least quarterly to identify market segments that present the best opportunities for revenue. This analysis will reveal areas in which you may need additional data to fuel marketing programs.

6. **Outsource periodic data cleansing and augmentation.** With today's highly mobile workforce and employee churn at an all-time high, data gets stale quickly. But you don't want to waste your in-house talent to clean data. Partner with a reliable outsourcer to not only cleanse your data but to validate, augment, and refresh data periodically.

### Start Reaping the Benefits of Great Data

Poor data quality is a growing strategic issue within today's companies. This inaccurate, incomplete data drives up costs, hampers productivity, damages brand image, and can cripple a company's competitive edge. However, a massive data cleanup is not required to get the results you need from your marketing programs and marketing automation systems. With the pragmatic QuickStart Data Refreshing Methodology presented in this paper, B2B Marketers can make major strides in improving data quality and begin reaping far-reaching benefits including:

- Better and more accurate marketing programs results
- Increased marketing and sales productivity
- Stronger pipeline and increased revenues
- Greater profitability
- Improved employee morale and confidence
- Increased customer satisfaction and loyalty

#### What else is at stake?

- Your budget: 79% of B2B firms use sales revenue figures to determine marketing budgets<sup>1</sup>.
- Your credibility: When data is clean, salespeople are far more likely to follow up on leads<sup>2</sup>.
- Your needs: 50+% of data warehouse initiatives will fail because of poor data quality<sup>3</sup>.
- Your customers: With data privacy such a concern, information like opt-ins must be accurate<sup>4</sup>.

<sup>1</sup> The DMA 2005 Customer Prospect and Retention Report

<sup>2</sup> Mopping Up Dirty Data, Baseline Magazine, 12.1.03

<sup>3</sup> Gartner, CIO Update: Data Quality "Firewall" Enhances the Value of the Data Warehouse, 4.21.04

<sup>4</sup> Gartner, Supplier Information Management is the First Foundation of Spend Analysis, 5.23.06

ReachForce delivers cost-effective Deliberate Marketing and Contact Discovery solutions that help companies such as NPD Group, Eloqua, Netsimplicity, CrownPeak, NetQoS, Pavilion Technologies, Orchestra, and Fiserv improve their Funnelnomics to drive growth and profitability. By efficiently capturing and delivering comprehensive intelligence and up-to-date contact information on the right Buyers, ReachForce enables customers to concentrate sales efforts on only the most qualified prospects. This has enabled ReachForce customers to achieve an ROI on their marketing programs that is 20 to 30 times better than average results.

To contact ReachForce, please visit [www.reachforce.com](http://www.reachforce.com) or call 512-327-9000 x 7117