Bad Contact Data Guarantees Poor Results

By

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The Obvious – What We Know

As B2B marketers we deal with many things, but the one that bedevils us the most is bad contact data. Yes, firmographic data is also important but, stating the obvious in the B2B market, we sell people – not companies. If the right decision maker or influencer isn't engaged, the likelihood of a sale decreases greatly.

Whether you are a marketer or agency, the problem with missing or wrong contact data can damage if not sink the marketing ship!

So why is contact data bad? Here are the 4 most common reasons.

1. The initial input data on the individual was wrong – i.e., incorrect business title.
2. The information on the individual was incomplete – i.e., no email address.
3. The data changed before it could be corrected – data decay happens fast.
4. The updating process altered the data, but the updated data was wrong – outside data can also be bad.

So why do we care?

- Bad contact data leads to poor and/or sub-optimized marketing results and lost sales.
- The wrong contact data may prevent your email or mail from being delivered.
- Personalization is important today, but poor data can result in a communication being negative as the individual may then feel - you don't know me! The opposite of personalization!
- Passing bad contact data to other groups, particularly sales, can turn into a loss of credibility.
- It also might call into question your competency and/or your firm's capability.

This white paper will tackle the contact data problem while also offering some tips and techniques to improve the accuracy and completeness of your contact data. By following these suggestions your marketing results will improve and just might save a client relationship and even your job!

B2B Contact Data Fields:

Primary Fields:

Name
Title
Company
Address – company and/or home
Phone – direct and/or company
E-mail – company and/or personal

Due to the work-from-home trend several more personal fields are now included.

Secondary fields

- Level of position – i.e., C-level, executive, manager, etc.
- Area of responsibility – i.e., production, accounting
- Responsibility for decisions – i.e., make, influence, user, etc.
- LinkedIn profile if available
- Twitter handle, Facebook page, TikTok page – if appropriate

At times unique fields are added, which are related to the selling situation. They are usually technical, such as the type of engineer.

THREE SOURCES OF CONTACT DATA

1. **First-party data – internal and audience sources:**

   First-party data is what you collect from your audience directly or from internal sources such as sales, business development or customer service groups. Unfortunately, for most B2B companies, contact data is inputted into an array of software systems that are frequently not integrated. So, an individual might well be listed in two or more databases with different contact data. Suffice it to say these siloed databases need to be merged in a customer data platform (CDP) with duplicates eliminated and the correct data added.

   - **Internally inputted contact data**

     Most companies assign the primary responsibility to input contact data to sales or other customer-facing groups. That makes sense but has its problems, which are mostly routed due to:

     - Human input errors – spelling, typing mistakes, inaccurate input, falsified input, or the user neglected to input the information. Two stories:
       - I once had a very senior salesperson tell me that she didn't input the information for the best opportunities as she didn't want to get pressured by sales management. And when one converted, she would claim it was her selling ability that sped up the sale.
       - In another situation, a salesperson admitted to me that he didn't input his prior customers who were in his current territory as he felt they were his customers and not his new employer's. This happens in competitive industries where salespeople jump around.
     - The attitude that inputting data is not my job -- For salespeople this is common as they are paid to sell, not input data. No successful salesperson will be fired or penalized if their CRM data is wrong.

       There are a host of statistics on how salespeople spend time on non-selling activities and data input pops up frequently. In one article, a salesperson was quoted that he would rather clean the company's bathrooms than update his CRM data. Their time is more valuable to the company than inputting or updating data.

- **Recommendations to fix**
  - Sell internally the importance of data to results, sales, and profits. Become an evangelist for contact data and its importance.
  - Demonstrate how bad data impacts commission, bonus, and potentially promotions.
  - Institute a monthly database cleaning and updating process with a trusted data partner (see the following section on Finding a Data Partner)
  - Develop a contest for good data – give money or other rewards to the winners.
  - Take the responsibility for updating data away from these groups and assign it to another person or function such as a database manager.

- **Audience provided data**
  The most common sources of first-party data come from individuals who register for webinars, fill out forms to access content on the website, sign up for blogs, visit trade show booths or call in to obtain information or help. There are a few issues here:

  - **The individual doesn't want to disclose the information requested** due to:
    - Desiring not to be contacted or identified as a potential opportunity, and as a result, under-reports sales volume, position, or readiness to buy.

    - Or the reverse – wants to appear more important either as a decision maker or because of the company size. This is less frequent than not wanting to be identified.

  - **The registration form is too long or intrusive** and the individual does not complete it. In my experience, the phone number is the most falsified field. The reason behind this is the individual wants to avoid being called. The email given is usually accurate since the webinar or content is not available unless provided.
    - Several years ago, when consulting with a chip manufacturer, the product manager had designed a registration form to obtain a sample DSP chip. There were over 15 fields of data and very few website visitors were filling out the form. Sample requests were therefore low. As a test we reduced the fields to only the 7 that were really needed at this stage of the buying process and the registration rate almost tripled. Lesson learned!

  - **Phony registrations** are a potential as some individuals will falsify information just to get the content with no intention to buy. Also, in highly competitive markets competitors will register under false names. Depending on how concerned your firm is about allowing competitors to obtain content, this false registration should be detected. The most common way to uncover phony records is to double check both the individual's name and company manually. This is a laborious process but will defeat the competitor from obtaining sensitive information.

- **Recommendations to fix**
  - Use progressive profiling, which is to ask for the information needed at each stage of the buying process. As the relationship and communication progress, additional data can be requested and likely will be provided.
  - For as long as cookies still exist, pre-populate forms with the individual's data and ask for any updates. Most individuals will correct information on themselves.
  - Use the email to send the content vs. an instant download.
  - Include copy on the form that tells the individual why you want the information and what you will do with it – sort of straight talk. Once someone knows the why and what, they will likely fill out all the fields accurately. At times you might even say – "no calls if you provide the phone number." If so stated, do the right thing and don't call!

2. **Second-party data**

   Simply put, second-party data comes from other firms or sources who have first-party data and are willing to sell or share it to you in return for your data or something else of equal value. This data is infrequently obtained, but it **may be a valuable source** when it fits the situation and your data needs.

   This **works best when both parties are targeting the same industry** and sell non-competitive products or services. By exchanging data between firms, an expansion of the number of contacts and depth of information on each contact will result.

   When data exchanges are executed, an **outside data vendor normally does the work.** This protects the proprietary aspect of each database. The resulting merged database is then shared with each party.

   This has worked well in the industrial distribution market. The data exchange is usually between the distributor and the OEMs of the product(s) being distributed. As an example, Granger would be the distributor and Black & Decker the OEM.

   Obviously, the same problems exist with second-party data as with first-party data, so a candid discussion on the status of each party's data is needed.

3. **Third-party data**

   While the current trend is toward first-party data, **there will always be a need for good third-party data.** Here are just two reasons why – increased market reach and a deeper contact database.

   Fortunately, the **landscape of data vendors has greatly expanded in the last 10-15 years** as firms have recognized the B2B data opportunity - and that's also the problem.

I get an email or LinkedIn invitation from a new vendor several times a month. Some are scraping data from the internet or white labeling the data and should be avoided, in my opinion.

If you are considering a new data source, due diligence is strongly recommended. For that screening process I turned to Paula Chiocchi, President of Outward Media https://outwardmedia.com/. I have worked with Paula for years and trust her when it comes to B2B data. She recommends asking the following questions of a new data vendor:

- Length of time in business?
- What is their data collection and continual updating process?
- Does the list vendor offer data update/replacement services?
- Do they offer references or testimonials from known sources?
- Does the list vendor provide a quality guarantee?
- Is data scraped using website monitoring technology? If so, this could violate Can-Spam and CCPA so be careful when using it.
- Does the list vendor offer samples for analysis?
- Upon request, will the vendor offer email delivery receipts?

This may seem like too much to ask of a data vendor but having to clean up their bad data is worse, so it's worth the up-front effort. The answers will then allow you to evaluate whether to purchase from a new vendor or not.

A word about third-party data for Account Based Marketing (ABM). I'll assume you're familiar with ABM and are likely already using this strategy for new business and/or deepening customer relationships. When executing ABM many individuals need to be identified. Typically, the buying or customer group is between 5-10 contacts or even more. Therefore, the data vendor needs to have in-depth contact data and not just relating to the senior executives.

My recommendation is to select several of your larger company targets and ask how many contacts are in their database for each of those companies. This will give you an idea if their data depth is sufficient for your ABM program.

B2B DATA DECAY – IT'S WORSE THAN YOU THINK!

We've all had similar experiences – we email or call a prospect or customers only to be met with a bounced email or wrong phone number recording. Obviously, something has changed with this contact. Either when working from your database or an outside list, the thought might also have crossed your mind – **Hmm, wonder how many more of these records are also wrong?**

Several years ago, we performed an independent survey (which was most recently verified in November of 2018) of 1,025 businesspeople. Our process was rather simple. When giving seminars (I spoke a lot before Covid) the audience was asked to pull out their business card and check any data element on their card that had changed in the last 12 months. All cards (with or without changes) were collected in return for the results of the survey. I also promised them no calls from me and that helped cooperation. Here's a summary of the survey results:

- **70.8% of the cards had one or more changes in the last 12-months. Yikes!**
- Here's the breakdown:

- **3.8%** name change (women may change their name upon marriage/divorce)
- **65.8%** title and/or job function change (same title/different assignment or new company and job)
- **34.2%** company name change (most changed jobs and thus companies)
- **41.9%** address change (changed jobs or company relocation)
- **42.9%** phone number change (same)
- **37.3%** email address change (some had a G-mail address so no change)

We didn't include fax numbers as many business cards didn't have fax numbers listed.

Upon further analysis we were able to gather a few more data decay statistics. They are:

- **29.6%** of individuals changed companies (new job)
- **4.6%** of the companies changed their name (merger or rebranding)
- **12.3%** of companies or individuals moved locations, but same company
- **41.2%** of the individuals did not change companies, but something else changed within the company such as title or job responsibility, company name or address

Surprised - shocked? We were, and so is everybody else that has seen these results.

So, What About European and Chinese Data?

When giving a seminar in London a few years ago there were about 100 people in the audience. I asked the same question, but before doing so I foolishly predicted that the change rate should be much lower in England since "you English are much more stable than us Americans" – muffled laughter (they are more reserved). Well, the hands went up, and to everyone's surprise and shock it was exactly 70% - the same as in the US! I guess they aren't as stable over there as we think, and this was just before both Brexit and Covid.

On the other hand, in a Shanghai seminar four years ago, with only 50 people in the group, the change rate was only 45%. Most of the changes were fueled by growth. That will certainly change post Covid-19.

Several years ago, the Computer Intelligence division of Harte-Hanks (now Aberdeen) reported a change rate in contact level data of just over 60% in managers working in a mid-to-large sized company's technology departments. This is another validation of the B2B data decay rate.

FINDING A DATA PARTNER

Many of the well-known B2B data vendors have an updating service. They import your database of contacts and companies and match it against their data. Then they update and/or correct your contact and firmographic data from their database. Assuming their database is accurate, the updates will be flagged upon return of the file. Obviously, let's hope that their data is more accurate than yours.

In addition, these firms will likely have more firmographic and demographic data on the companies and individuals than you do, and if requested, will enhance your file with additional data. This may also be true for contacts and, depending on the titles and functions involved in your buying decision and/or customer data profile, they will add additional contacts as well.

Here's a short list of some of the well-known data vendors who offer this service.

- InfoGroup (now Data Axle) https://www.data-axle.com/
- ZoomInfo https://www.zoominfo.com/
- SalesIntel https://salesintel.io/
- MNI https://www.mni.net
- Alteryx https://www.alteryx.com/
- Outward Media Inc. (OMI) https://outwardmedia.com/

There are others but start with this list.

What Might Happen Post Covid?

As we know, the great post-Covid resignation period is upon us. Some recruiters postulate that job security will be paramount, and people will stay put while others are leaving. I think it depends on whether the company and/or industry was significantly affected by the pandemic. Recently, I had a conversation with a data firm that said the contact decay rate post-Covid went up from 5-6% per month to 8-9%. **If you're selling to one of these companies and/or industries, double down on contact data updating!**

TO SUM UP

The message is clear in B2B:

- B2B contact data decays 3-5% per month, which is higher than most businesses realize. In order to protect your company assets and prove yourself a "rock star," your database should be audited and cleansed on a regular basis.
- ROI from various use cases indicate spending internal company resources (time and money) on the best lists and highest quality data possible will generate the greatest payback.
- Find a third-party data vendor to cleanse and support your database efforts both in the short and long term.
- The expected return on accurate and complete B2B contact data is high, while losing only a few deals due to poor quality data can be a significant loss in both revenue and margin.

With the proliferation of digital marketing and ever-advancing technology surrounding marketing, AKA the "technology stack," data accuracy and completeness becomes increasingly important and critical to success. The platforms and technologies are only as good as the data being fed into them. Nobody debates this, not even the technology stack vendors themselves.

As a best practice, you should have existing data governance procedures for updating your database and double check them often. If you have merged your disparate sets of data across departments into one unified database, possibly on a CDP, your most important task is continual verification and updating of the contact and company records – a very tough and important job! Do it well and ascend that corporate ladder – do it poorly and maybe risk your job!

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