

DEALING WITH DATA

How to give your campaigns the best chance of success

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INTRODUCTION

Never has the phrase 'knowledge is power' been so applicable to the way the world works.

It is one of a handful of sayings that we can truly say has stood the test of time – coined by English lawyer, statesman and philosopher Sir Francis Bacon in 1597, these powerful words have been routinely adopted by prominent figures in society ever since.

America's third president Thomas Jefferson, for example, cited the phrase on at least four occasions in connection with the establishment of a state university in Virginia.



“This last establishment will probably be within a mile of Charlottesville, and four from Monticello, if the system should be adopted at all by our legislature who meet within a week from this time.

My hopes however are kept in check by the ordinary character of our state legislatures, the members of which do not generally possess information enough to perceive the important truths, that knowledge is power, that knowledge is safety, and that knowledge is happiness.” – Thomas Jefferson, 1817.

Jefferson, a Founding Father of the United States, clearly identifies knowledge and the ability to obtain information as a central tenet of a flourishing society.

Few would argue with the wisdom of those words written in 1817, for the saying knowledge is power still sticks with us today, arguably more so than in the early days of the United States thanks to the sheer volume of and ease of access to information that we all benefit from more than 200 years later.

Jefferson's reference to information is what we refer to as data in the modern world. It is defined by Cambridge Dictionary as:

“information, especially facts or numbers, collected to be examined and considered and used to help decision-making, or information in an electronic form that can be stored and used by a computer”

And there is a lot of it out there. According to the [*International Data Corporation*](#), the digital universe is expected to have surpassed 59 zettabytes in 2020, a figure which, if correct, means there are around 50 times more bytes than there are stars in the observable universe.

To put the enormity of the number in context, a gigabyte is one billion bytes, and a zettabyte is the equivalent of a trillion gigabytes.

The explosion of data created, captured, copied and consumed shows no sign of easing up:

- More data will be created in the next three years than the previous 30.
- More than three times the amount of data will be created in the next five years than the previous five.

In real-world terms, this means there is more information for humans to learn and exploit than there ever before – an unimaginable amount to fathom even for those forward thinkers in Jefferson's time.

Data informs almost every decision we make in our personal and working lives, its importance reflected by the fact it has become its own enormous industry in its own right.

Indeed, research published by [*MarketsandMarkets*](#) suggests the global big data market will grow from a value of \$138.9 billion in 2020 to \$229.4 billion by 2025, increasing at a compound annual growth rate of around 10.5%.

If data were a country, its economy would be growing seven times faster than that of the UK (based on 2019 figures).

Alongside this is a strong uptick in data centre infrastructure spend. With such enormous volumes of information at our fingertips, its accessibility does boil down to the fact it has to be stored on a physical server somewhere in the world. These servers, staggeringly, account for approximately [*1% of global electricity use*](#).

[*Gartner predicts worldwide data centre infrastructure expenditure to grow by 6% in 2021*](#), reaching a value of \$200 billion and representing a recovery from the 2020 slump brought about by the COVID-19 pandemic which decimated industrial activity the world over.



“The priority for most companies in 2020 is keeping the lights on, so data centre growth is generally being pushed back until the market enters the recovery period.”

Gartner expects larger enterprise data centres sites to hit pause temporarily and then resume expansion plans later this year or early next. However, hyperscalers will continue with their global expansion plans due to continued investments in public cloud.”

In general, the factors driving growth in data use include the increasing awareness of Internet of Things (IoT) devices among organisations, increasing availability of data across organisations to gain deeper insights to remain competitive, and growing government investments in various regions for enhancing digital technologies.



Big data = big business

The global market and demand for data is only getting bigger as companies realise the value it can bring to their organisations both in terms of front office and back office functions...

- Netflix saves **\$1 billion a year** on customer retention by using data
- Big data analytics in banking is expected to grow at a rate of **22.97% per year until 2026**
- Big data analytics in healthcare could be worth **\$67.8 billion by 2025**
- In a 2018 survey, **97.2% of business leaders** said they are investing in building or launching big data and AI initiatives
- The overall big data market is forecast to be worth almost **\$230 billion by 2025**

In other words, businesses and governing authorities are realising the value of information to their success – that knowledge is power.

In the commercial sphere, the sort of data collected covers many categories and serves many purposes.

From shining a light on customer habits and monitoring machine performance to gathering intelligence on key market trends and preparing financial presentations, data underpins almost every critical function of a business.

LEAD RESEARCH FUEL

DATA = LEAD RESEARCH FUEL

One critical business function underpinned by data is lead generation. The action or process of identifying and cultivating potential customers for an organisation's products or services, lead generation helps to create a pipeline of prospective clients from which a company can generate revenue from.

Rather than wait for business to arrive at your door, this is a proactive and highly specialised means of finding customers.

It is a growing priority (and challenge) for corporations. *Some 53% of marketers spend at least half their budget* on lead generation, an observation backed up by a report from *HubSpot* which reveals more than six in 10 rank lead generation as their greatest challenge.



Fast facts

- Companies which nurture leads generate 50% more sales at 33% lower costs.
- Increasing lead quality is the top priority for 68% of B2B professionals.
- Outsourced lead generation generates 43% better results than in-house lead generation.

What's more, another report from HubSpot finds that medium and large companies on average generate around 1,800 qualified leads a month, an extremely small number which suggests an enormous opportunity lies in waiting for those who master the process properly.

Why it pays to have (quality) data

Lead generation, by its very nature, relies on data.

Indeed, data is the fuel which powers such sales and marketing strategies – without it, you would have no means of compiling and contacting leads, and would know very little or nothing about them.

The latter point is especially important. Yes, to be successful, all companies require a steady stream of new leads coming into their pipeline – but such leads also need to be compatible with your business if they are to provide value.

Part 1

There are a series of questions you should ask yourself before setting out on a lead research and generation exercise:

- What type of companies are your ideal buyers?
- Which companies fit the mould?
- What are they buying? Where are they buying it? What are they spending? What other products or services might they be using?
- Who is making the decisions, using the product or service, or making the payment?
- How big is the company and what does their corporate structure look like?

All these crucial questions, and more, can be answered by quality data.

Acting as the solid foundation of a scalable, predictable sales pipeline, data makes it easy for salespeople and marketers to identify leads, segment their audience, execute targeted communication and guide customers through the sales funnel.

It is by no means a coincidence that companies with data-driven sales strategies boast better productivity and profitability.

According to research conducted by [McKinsey, data-driven organisations are 23 times more likely to acquire customers.](#) Further still, they are six times as likely to retain customers and 19 times more likely to operate at a profit – such companies on average, [according to BARC, cut their costs by 10% and generate 8% more profit.](#)

Perhaps most ominous of all is a [prediction from Forrester that by 2021 'insight-driven' enterprises will take \\$1.8 trillion of business annually from their less-informed competitors.](#)

While data-driven lead generation may take considerable amounts of time, planning and effort, it is essential for providing insight into potential buyers, and filling your pipeline with high-quality leads.

There is no better time to invest in data

In today's hyper-connected world, there has never been a better time to leverage the data needed to find the right target clients and customers for your business:

- Statista estimates that there were 22 billion [Internet of Things \(IoT\) connected devices](#) in the world by the end of 2018, a figure which is set to rise to 50 billion by 2030.
- [Google](#) processes over 40,000 search queries a second, equating to more than 3.5 billion searches a day, up from around 10,000 daily searches in 1998.
- [WhatsApp](#) users exchange up to 65 billion messages per day, with five million companies leveraging its business app to connect directly with their customers.
- [306 billion emails are sent each day](#), a figure which Statista predicts will hit more than 376 billion by 2025.

Part 1

The COVID-19 pandemic has added an extra dimension to this. In response to the immense public health challenges the virus posed when it swept across the world through the course of 2020, governments took unprecedented decisions to impose lockdown measures and drastically change life as we knew it.

Businesses, if they were able to, moved to remote working models in order to minimise physical contact, a shift which for many office-based firms looks like becoming permanent to some extent. *COVID-19 has, according to Deloitte, created an increased demand for connectivity tools* with ramped up online activity also witnessed in the e-commerce, education and entertainment sectors.

All of this creates data trails, which to lead generation professionals represents a gold mine of opportunities to find customers.

Typically, lead generation feeds off the input of numerous types of data. These include the name, job title, email address, and phone number of contacts, ideally those of key decision makers who are able to sanction spending.

Other forms of useful data that can be collected are business addresses (both local and international offices), annual revenue, procurement expenditure, job functions and organisational structure, as well as product and service lines, and where and who these are sold to.

The basic aim should be to create a clear and insightful picture of the contact and their business as possible – information which will not only help you decide if the lead is worth pursuing, but also how they can be targeted.



How to collect data

There are many data collection tools and techniques you can adopt. Among them are:

- **Data collection forms:** A physical or digital form filled out by customers – these can track spending habits, capture customer contact details, and help with market research.
- **Gated content and sign-up forms:** Provision of contact details enables user access to a particular piece of content, for example a white paper.
- **Polls:** Quick, mini forms filled in by users who vote for a particular option in response to a question.
- **Questionnaires:** These can be used to find out key customer preferences and habits, and can involve a mix of qualitative and quantitative questions.
- **LinkedIn:** One of the most effective ways of finding key decision makers at companies is to use networking site LinkedIn. Companies and their employees can be searched easily, and there are a number of automation tools which can assist this process.
- **Social media:** Generating sales leads on social media helps businesses to identify people who are interested in them. Facebook, Twitter and LinkedIn offer lead generation adverts which allow marketers to collect direct leads via targeted marketing.
- **Promotions:** Piquing the interest of potential customers with promotions, offers and giveaways can be an effective way of generating new data.

Part 1

Another consideration organisations should make is whether to outsource lead generation to an external provider.

Doing so can offer immediate advantages, such as freeing up your in-house marketing and sales teams to concentrate on their key strengths. According to research by [Fearless Competitor](#), outsourcing lead generation can improve results by up to 43%.

You may decide that the best people to drive data collection and lead generation exercises are your own staff, as they already have intimate knowledge of your existing customer base, products and services, but outsourcing is an effective way to solve data-centric challenges.

Whether managed in-house or outsourced, data-driven lead generation is a critical component to any successful sales strategy.

A bountiful pipeline of rich data will pay dividends when combined with an effective sales campaign, creating a slick and seamless machine that will deliver returns. One cannot function without the other – sales campaigns rely on quality data to fuel them, while data is worthless unless it is leveraged properly.

No matter how faultless your pipeline and input may be, data requires constant nurturing if it is to remain valuable to your organisation. Part 2 of this white paper explores the threat of data erosion.



DATA EROSION

THE DANGERS OF DATA EROSION

Data erosion – also known as data degradation, decay or rot – is an unavoidable challenge facing even the most data savvy of organisations.

It is not a reflection of any specific database or practices. A business may deploy the most stringent quality control practices, sourcing entirely accurate and comprehensive information using a variety of reference points, only to find that 12, six or even three months down the line that much of that information is no longer accurate.



Key definitions

- **Mechanical data erosion:** Data erosion related to IT processes. Defined as the gradual loss of data or its integrity through a natural evolution of software or corruption of hardware, resulting in data that is no longer readable or understandable.
- **Logical data erosion:** Data erosion related to time sensitivity. Defined as the gradual loss of accurate data including company information, personal details and contact information as it becomes outdated and invalid.

Why is this?

Well, there a multitude of contributing factors that are out of the control of any company.

People change jobs, move home and receive promotions. Companies relocate, rebrand and liquidate. They might transfer ownership, or merge with another firm. And as a result, job titles, email addresses, company names, website domains and other useful data points are all subject to change.

These changes are known as logical data erosion. Without exception, personal, company and contact information is time sensitive, and data will therefore decay over time.

It's a frustrating reality. Marketers, lead generators and sales teams alike put significant time, effort and money into collecting data, and it would make life much easier if this was job done at the first time of asking. Indeed, *research from BrightTALK shows that 53% of marketers spend at least of their budget on lead generation.*

Yet the very moment that data is captured and stored in places such as customer relationship management (CRM) systems, email databases and customer profiles, it becomes subject to change.

Part 2

How quickly does data erode?

As we've seen in the introduction to this white paper, data is essential to the success of marketing and sales operations. That said, keeping data up to date is easier said than done because of the speed at which it erodes.

Indeed, this speed can vary. While one key decision maker might remain in the same job for 20 years, another might move on after 20 weeks. It makes tracking change all the more difficult, yet there is a general acceptance that data erodes faster than we would like.

Gartner

Gartner states data decays 3% every month.

HubSpot

HubSpot states data decays 2.1% every month.

NETPROSPEX

NetProspex states data decays 2% every month.

Forbes

Forbes states data decays at 70% per year.

Let's consider some scenarios based on these rates of decay.

Scenario 1:

800 contacts, data decay rate of 2% a month

• Accuracy of data after 6 months:	88.6%	709 contacts
• Accuracy of data after 1 year:	78.5%	628 contacts
• Accuracy of data after 2 year:	61.6%	493 contacts

Scenario 2:

5,000 contacts, data decay rate of 2.1% a month

• Accuracy of data after 6 months:	88.0%	4,402 contacts
• Accuracy of data after 1 year:	77.5%	3,876 contacts
• Accuracy of data after 2 year:	60.1%	3,004 contacts

Scenario 3:

30,000 contacts, data decay rate of 3% a month

• Accuracy of data after 6 months:	83.3%	24,989 contacts
• Accuracy of data after 1 year:	69.4%	20,815 contacts
• Accuracy of data after 2 year:	48.1%	14,443 contacts

Even in the best case, data will lose well over a third of its accuracy after two years. If we use Gartner's prediction of 3% monthly decay, however, then less than half of data will retain its integrity during this same time period.

Part 2



Every year...

- 30% of people change jobs
- 24% of companies change their names
- 43% of phone numbers change
- 34% of people's titles and roles change
- 37% of email addresses change

Source: Growthonics "How to Optimise your Outbound Strategy"

Costs of data erosion

Data erosion is not a minor nuisance that can be ignored. If not corrected properly and regularly, it can have a profound impact on the success of your organisation.

It is near impossible to measure the overall ROI of having accurate and complete customer data. Many successful marketing and sales techniques rely on it.

It is often cited that for every dollar you spend on email marketing, an activity driven by the use of accurate contact information, you will deliver \$44 in return – an ROI of 4,400%. That said, data can have a tremendous impact on a company's bottom line in numerous other ways.

A well-refined customer data set can be used to inform product development decisions and identify potentially lucrative target audiences of markets. It can be the holy grail in delivering tailored promotions and sales and receiving insightful feedback.

Allowing a dataset to decay under your nose is, therefore, not an option. If data is neglected, it will erode. And if data erodes, the cost of missed opportunities are significant.

- According to Gartner, the average financial impact of poor-quality data on organisations is \$9.7 million a year.
- According to IBM, businesses in the US alone lose \$3.1 trillion annually due to poor quality data.



Part 2

If a sales agent calls a prospect and the phone number doesn't work, it's a waste of time. Further, if they call a prospect and get through, only to find that the person they thought they were dialling isn't on the other end of the phone, this again wastes time.

A sales representative could try to contact a person five or 10 times before realising such data is inaccurate. Likewise, if the call is answered but the information on file – their location, job title, or other data – is no longer in date, wrong assumptions might be made that can greatly hamper sales processes and have an impact on brand reputation.

In email or other digital campaigns, it can be even more difficult to identify faulty data, resulting in even more significant costs.

Customer email unsubscribes could rise significantly due to ill-informed contact segmentation; bounce rates could increase as a result of invalid email IDs; revenue could drop from the provision of irrelevant marketing content; and a sales teams' ability to build, nurture and maintain relationships properly through timely follow ups could be undermined.



Fast facts

- 50-75% of the success of a B2B marketing campaign is down to the accuracy of the data available.
- UK businesses waste £220 million sending mail to the wrong people every year.
- 40% of all B2B sales leads contain bad data.
- 42% of companies have struggled with inaccurate data.
- 43% of companies had seen data-led projects fail.
- 19% of companies had lost a customer by using inaccurate or incomplete information.

“As organisations accelerate their digital business efforts, poor data quality is a major contributor to a crisis in information trust and business value, negatively impacting financial performance.”

– Ted Friedman, Vice President of Research, Gartner



Part 3

KEEPING YOUR DATA CLEAN

There are, fortunately, solutions to data erosion – let's consider some of the best practices.

First and foremost, it is important that you collect the right data, from the right sources, in the right way.

In Part 1 of this white paper, we touched upon the different kinds of data available, and the ways in which it could be collected. But collection needs to be driven by a core purpose.

You can have all the data in the world, but without a sound strategy, sales teams can be left feeling like they're sailing a vast ocean without a compass.

Tip: Make sure you are only collecting data that adds value. While you may need to know the job title, email address and geographical location of an individual, it may not be necessary to know their middle name or age. Data points vary in their usefulness, so consider what you really need to know. Collecting information that does not add value will simply create unnecessary costs for your business.

In our alternative white paper, [*How to Optimise your Outbound Strategy*](#), we touch upon the four key steps to collecting data effectively:

Account-Based Profiling

Works by analysis buying trends, previous purchases and industries' long-standing partnerships. It's a process which requires extensive knowledge of B2B industry processes but is an extremely effective way to identify which companies to target.

Contact filter segmentation

Filters the key decision makers within the list of companies according to your business offering and the buying motives which might bring a person to you.

Contact information research & verification

Ensures you have all the information you need for the individual decision makers and key influencers within your targeted companies.

Double verification

Rigid quality assurance is paramount, so make sure you take the time to double verify all information.

By following these steps, you will ensure that your data will always be as complete and accurate as possible in the first instance. **Why is this important?** If your data is only 90% accurate and complete to begin with, then you will suffer from the same detrimental effects as those seen with data erosion. Ensuring it is as close to 100% accuracy and completeness as possible during the collection phases will maximise overall opportunity.

Part 3

Data cleansing

As data erodes, it will lose its accuracy and completeness.

In order to mitigate some of the costs associated with inaccurate and incomplete data over time, data cleansing is required.



Key definition

- **Data cleansing**

The process of detecting and correcting incomplete, incorrect, inaccurate or outdated data. Clean data is highly complete, highly accurate pieces of information.

Let's consider the 1-10-100 rule – a principle generally accepted among sales and marketing communities:

- It costs \$1 to validate data as it is entered.
- It costs \$10 to cleanse a bad record from your database.
- It costs \$100 per incorrect customer that is never corrected.

The 1-10-100 rule carries a simple, albeit costly message: It makes more sense to incur a cost of \$10 from cleansing data than an opportunity cost of \$100 from a failure to correct it.

Data cleansing, therefore, mustn't be ignored. The success of modern sales is highly reliant on intelligence, and sales intelligence derives from context and accuracy – two things that may both be achieved from data cleansing.

Indeed, just as data collection isn't a case of job done at the first time of asking, cleansing is not a one-time or one-off process. Given the rate that data decays (discussed at length in the previous section) cleansing needs to be an ongoing, evolving activity.

Here are some data cleansing best practices to follow:

- Make data health checks a regular part of your marketing routine.
- Use data visualisation tools that can give you a bird's eye view of the data.
- Remove hard bounces and suppress inactive email subscribers.
- Use a CRM that provides last contact reports to give an indication of likelihood of erosion.
- Verify all data ideally immediately before use.

Keeping data clean provides confidence. Not only will it tip the balance away from the costs associated with data erosion and towards greater revenue opportunities, but it will also allow you to interact with prospects and clients more creatively with personalised approaches.

Part 3



Fast facts

- 51% of consumers expect companies will anticipate their needs and also make relevant suggestions before they make contact
- Personalised promotional emails produce 29% higher unique open rates and 41% higher click-through rates
- 72% of consumers only engage with personalised messaging

Data enrichment

Data enrichment is an additional layer that can be added to your overall data hygiene strategy to further increase the accuracy and usefulness of your data.

While data cleansing is the process of identifying if your contact data is still correct and valid, contact enrichment (also known as contact appending) is the process of adding additional information to your existing contacts for a more complete dataset.

Essentially, data enrichment is used to enhance the data that a company already possesses so that it may make increasingly informed decisions. By adding even more comprehensive data from a third party, companies can gain rich insights into their customers' lives, persuasions and preferences.



Fast facts

- **Data enrichment**

The process of bringing together internal data and authoritative external data to enhance and refine raw data.

Data enrichment can...

- Save data validation costs in the first instance
- Help to foster meaningful customer relationships
- Maximise customer nurturing through informed segmentation and personalised marketing
- Lead to greater sales
- Improve customer experience

Two common examples of data enrichment are demographic data enrichment and geographical data enrichment.

Demographic data enrichment: Data that allows you to more accurately define users by specific traits. Marital status, income levels and credit ratings are all examples of demographic data.

Geographic data enrichment: Data related to the location of your user. This might include ZIP or postal codes, home addresses, businesses address and similar.

Tip: Accurate data provides 360-degree insight into your buyers habits and preferences. Without it, intelligent decision making is at best severely hampered, and at worst impossible.



CONCLUSION



For a word comprised of just four letters, data means a lot. It is the source of immense opportunities and challenges; profit and costs. For companies that get it right, data can be an oasis in what has been a turbulent economic climate.

- Clean, quality data can transform **marketing campaigns** through personalisation, driving up campaign ROI.
- It can provide **sales teams with the confidence** to reliably contact customers efficiently and effectively.
- High quality, clean data can **drive better insights and decisions** in everything from product development to internal process optimisation.
- **Clean data will protect your brand and improve your reputation**, allowing you to contact the right people, in the right way, at the right time.
- It can **increase overall profit margins and revenue** – many of the statistics cited in this white paper reflect the monetary potential that data brings.
- Data best practices can **ensure compliance with GDPR** and other data protection regulations, ensuring penalties are avoided.

For those companies that ignore data hygiene, however, the future could look much less kind. Just as good data provides the foundations for good business, bad data leads to – you guessed it – bad business.

For those companies that ignore data hygiene, however, the future could look much less kind. Just as good data provides the foundations for good business, bad data leads to – you guessed it – bad business.

- **According to Gartner, organisations believe poor quality data** to be responsible for an average of \$15 million in lost earnings every year.
- Companies that **don't employ consistent data hygiene create 700% less inquiries** and 400% less leads than those who do.
- **Inaccurate B2B contact data wastes 27.3% of a sales' rep's time.**
- **Inaccurate data has an impact on the bottom line of 88% of businesses,** with an average company losing 12% of its revenue as a result.

It is vital for companies to tip the balance in their favour and end up on the right side of data practices. By not only recognising the potential of data, but equally taking the right steps to ensure proper collection, cleansing, mitigation of erosion, enrichment, data can and will pay dividends.

TAKE AWAYS

KEY TAKE-AWAYS

✓ *Data = lead research fuel*

- Ask yourself a series of questions before setting out on lead research and generation – what do you need to know?
- Data can make it easy to identify leads, segment audiences, and guide customer through the sales funnel.
- Use data to create a clear and insightful picture of a contact and their business as possible.
- Decide whether it may be more useful and cost effective to out-source data-driven lead generation activities.

✓ *The dangers of data erosion*

- Data erosion is unavoidable. Personal, company and contact information is time sensitive, and will always decay over time.
- Data typically erodes at a rate of between two and three percent every month – potentially more than 50% a year.
- Don't ignore data erosion – it can have a profound impact on any company's bottom line. Sales, marketing and many other functions are highly reliant on accurate data.

✓ *Key take-away*

✓ *Keeping your data clean*

- Follow four key steps to collect data as effectively as possible in the first instance: account-based profiling; contact filter segmentation; contact information research and verification; and double verification.
- Mitigate the effects of data erosion with routine data cleansing.
- Leverage data enrichment to increase the overall accuracy and usefulness of your data, providing additional insights which can create additional opportunities.

