

The Real Impact of B2B Data Accuracy
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Ever received a business mailing in which your name was spelled incorrectly? Or where the company name or address was incorrect? Worse yet, were you ever forwarded office mail for a person who's been gone for 4 years? Bad for business? You bet!

The accuracy of business lists is much more difficult to maintain than consumer lists. USPS and the Direct Marketing Association (DMA) report that business data becomes inaccurate at the rate of up to 1% per week. In many cases, this relates to just the company name and address. Consider the changes to contact names, titles and email addresses and your database can be as much as 50-75% wrong. John M. Coe, President of Database Marketing Associates, Inc. states in his White Paper entitled *How to Build Your Company's B2B Database*: "Based on research our firm has done continually over the last 8 years, 62% of business people have one or more changes in their situation (business card) in the last 12-month period. It splits down the middle as one half (or 31%) change companies and the other half change jobs or locations within the same company. If accuracy of the contact name is critical to your sales, then this data element needs updating on an ongoing basis." Or as B2B Magazine reported from a study conducted by the Sales and Marketing Institute in their 7/15/02 issue, "70.8% of all business people change one or more elements of their business cards each year."

Data Accuracy Defined!

There are many terms used to define clean data: data quality, data hygiene, data cleansing, database updating, data scrubbing, data integrity, etc. There are also many ways of measuring the cleanliness of data: company address deliverability, electronic matching of company name and address, phone number appending, senior-level executive name appending, parent-child relationships, etc.

However, if you want to make a good impression on your prospect you simply need to have the following accurate information: Contact First and Last Name, Company Name, Address, Phone Number and Email!

Garbage In ... Garbage Out

So you say, what's the big deal with a few incorrect names or addresses? Inaccurate data impacts more than the marketing group. It also affects the sales team, who invest time in attempting to contact incorrect decision-makers. Mailrooms will invest unnecessary resources in assembling and shipping more mailings than needed. With today's CRM systems, any person that comes in contact with incorrect information on a prospect wastes their time. The financial impact is felt in the finance group and the boardroom, and can impact future budget dollars allocated for marketing over both the short and long-term. Add to that the waste (and cost) of unnecessary paper, printing, postage and labor in the distribution process and the costs skyrocket.

"Inaccurate and low-quality data costs U.S. businesses \$611 billion each year in bad mailings and staff overhead alone", according to a report by The Data Warehousing Institute.

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Is My Brand Really Impacted?

Receiving a mailing from you is often the *first impression* your brand makes on that prospect. Consider the importance marketers place upon positive brand impressions. If you are fortunate enough to get your marketing piece in the hands of the correct decision maker, using an incorrect name and/or company information will result in the challenge of reversing a negative brand impression for your company and your strategic marketing message. A negative brand impression will also adversely affect follow-up call results in business development by your sales reps.

The Financial Side and ROI Impact

Working with accurate data in a CRM system is proven to produce significant positive ROI impacts of up to 100:1 and higher. The most serious impact of inaccurate data is financial! When measured, most databases are found to have inaccuracies amounting to 50%, 60% or even 70% or more. The obvious financial impacts are wasted collateral and mailing costs. But there is an even greater lost opportunity financial impact associated with the incremental revenue and margin that could have been gained by identifying and mailing to the *correct* decision-maker. Many companies avoid the process of cleaning their database because of the costs involved in the updating process.

An Accurate Marketing Database – The New Corporate Asset

“Quality Data is a Perishable Asset”, states John Ripa, Product Leader, InfoBase eProducts, Acxiom Corporation to the Minnesota American Marketing Association in February of 2003.

“The daunting challenge of maintaining accurate B2B data is probably the single most important factor in marketing products and services to a particular population” says Bernice Grossman, President of database marketing consultancy DMRS Group Inc. and Chair Emeritus of the Direct Marketing Association’s (DMA) B-to-B Council in B2B magazine 7/15/02.

“Accurate and relevant information is one of the most valuable assets of any organization. Clean and up-to-date data, as well as properly maintained customer profile information, enable an organization to make more informed business decisions, market more effectively, increase return on investment, build brand loyalty and prevent customer alienation,” says Lynne Bolen, VP-Marketing Services, One to One Interactive.

If maintained on an ongoing basis, an accurate marketing database will be a profit center. This properly maintained investment will appreciate in value over time and become invaluable for sales and marketing as well as operations and finance.

The VMA databaseNow! and updateNow! services assist marketing and sales departments in efforts to build and maintain accurate databases as corporate assets. If you would like more information about how VMA can help you and your team enhance your database accuracy, visit us at www.volkartmay.com.