B2B RESEARCH

B2B Marketing™

Are you unlocking the power of your data?

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Are you unlocking the power of your data?

INTRODUCTION

Across the B2B marketing sector, everyone understands that data is important – but is that knowledge translating into action? Will Green, content writer for B2B Marketing, reports on attitudes to data across the industry and examines where marketers are still struggling to keep up.

In the modern B2B environment, acquiring good data, managing it properly and using it well can often be the difference between a company succeeding or falling behind. We teamed up with database marketing company Marketscan to get a picture of where marketers feel they are with regards to data, whether it is at the forefront of their company strategy and what level of confidence there is about its use moving forward into an increasingly data-driven age.

This report reveals a distinctly mixed bag with some marketers full of optimism while others are extremely concerned about skills gaps in data management and analytics. The report also shows considerable variance in how data is being managed and used across the industry, with some marketers relishing the innovations that good data can bring while others remain frustrated.

Along with the analysis, you will also find comment on the research from Marketscan, a 'how to' guide for generating better leads, and a deeper investigation into some of the results of our survey.

"Understanding that data is important and knowing how to collect quality data, manage it efficiently and use it to its fullest potential are very different things."

ARE YOU UNLOCKING THE POWER OF YOUR DATA?

How important is data regarded as being within your marketing team?

Very important	
Important	
Unimportant	
Very unimportant	
Don't know	

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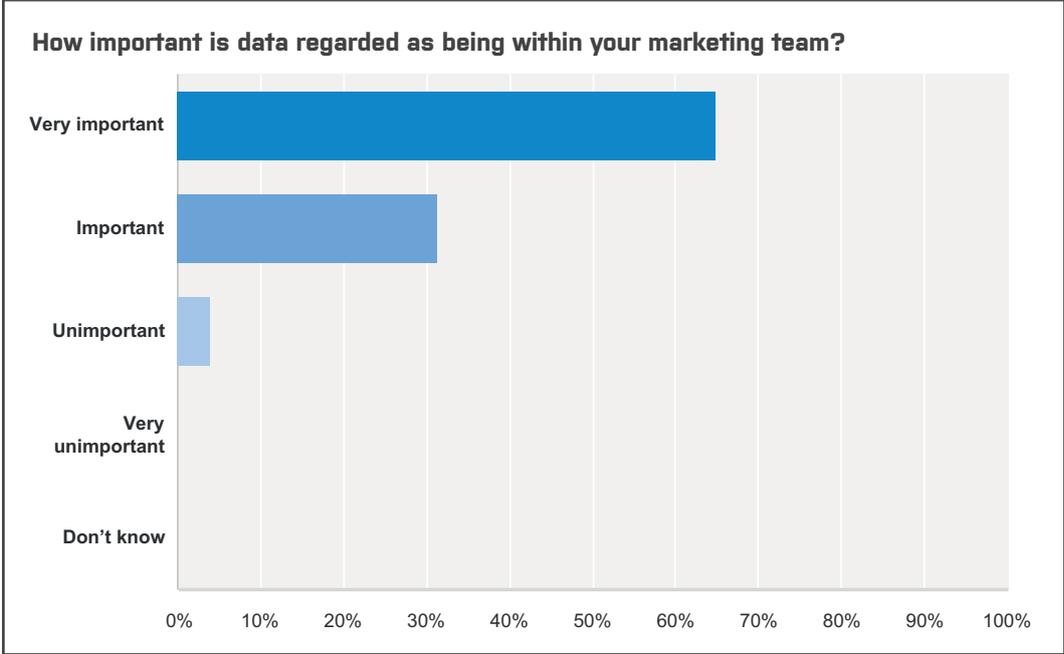
From the smallest start-ups to the largest multinationals, companies know that they need to collect and utilise data to gather information, adapt to different and changeable customer needs and, ultimately, deliver higher sales.

But understanding that data is important and knowing how to collect quality data, manage it efficiently and use it to its fullest potential are very different things. While the broad consensus that data is essential for operating in the modern business world is a good start, that agreement hasn't necessarily translated into the investment of resources and top-down strategy to make it pay dividends.

Is data the source of all strategic thinking? Are marketers confident in data accuracy? Are they well equipped to use their data in innovative ways? Above all, we wanted to find out what marketers see as the main challenges facing the industry with regards to data, and highlight that it's up to marketing specialists to lead the charge in pushing data to the front of the agenda and ensure it's making its fullest impact.

Data matters
When it comes to assessing the importance of data, our results are unequivocal. Ninety-six per cent of our respondents said that data was regarded as 'important' or 'very important' within their marketing team, and that 90 per cent of senior management felt the same way. This should come as no surprise at all. In fact, probably the most shocking factor is that both figures weren't 100 per cent. Technology is totally embedded into the working lives of customers, and data is the key to allowing customer preference trends to emerge. B2B brands are abundantly conscious of the need to access this data, identify these patterns, and translate this into delivering coherent and tailored messages.

When it comes to using data practically though, our respondents still identify some reluctance.

Less than one third of respondents said that data was at the heart of their strategic decision making. And while 50 per cent did say that data was 'sometimes' used, that still leaves the majority of B2B businesses relying – to some extent – on more nebulous methods to devise their strategies rather than thinking 'data first'. Gut-feelings based on previous experiences certainly have their place, but in strategy terms this may also lead to stale approaches and repeated mistakes.

Is your organisation getting the most out of its database?
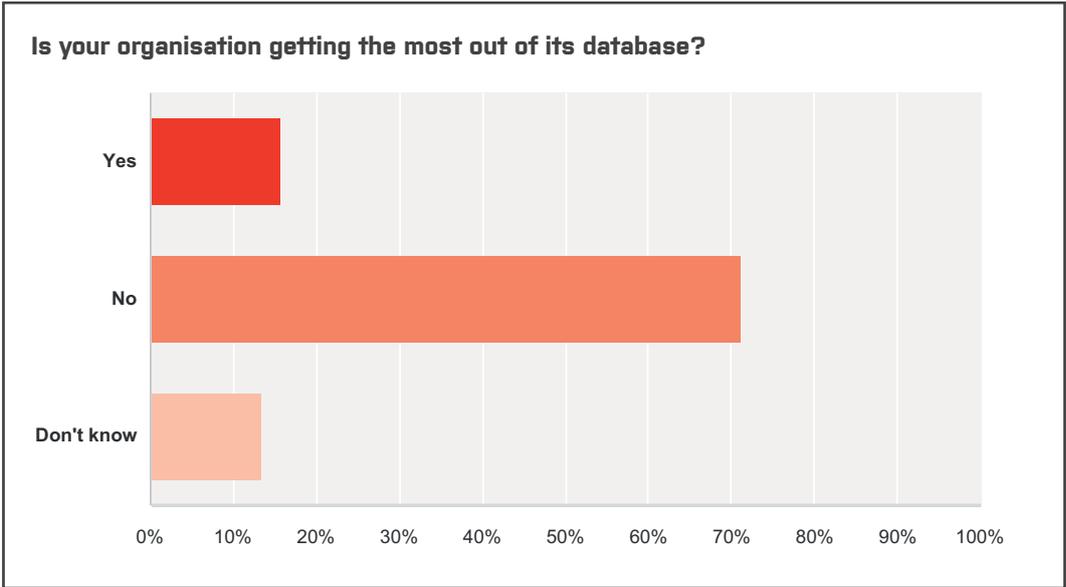
Industry challenges

The most telling statistic to emerge from our survey is that over 70 per cent of B2B marketers do not feel they are getting the most out of their database.

In unpicking this number, it's worth breaking the issue down into three categories: data confidence, data management and data strategy.

Clearly, for marketers to use data effectively they must be confident in its quality, its depth and in its usability. Unless they know that information is reliable, far-reaching and easy to use, businesses will naturally shy away from making it central to their planning. From our study, this does not seem to be the problem: most of our respondents feel generally confident about their data with regards to accuracy, depth and usability, broadly ranking their company's data between six and nine out of 10 across these categories. Such positivity does not represent the whole story, however. We will return to this issue later in the analysis.

How confident are you that you are getting the most out of your CRM system?
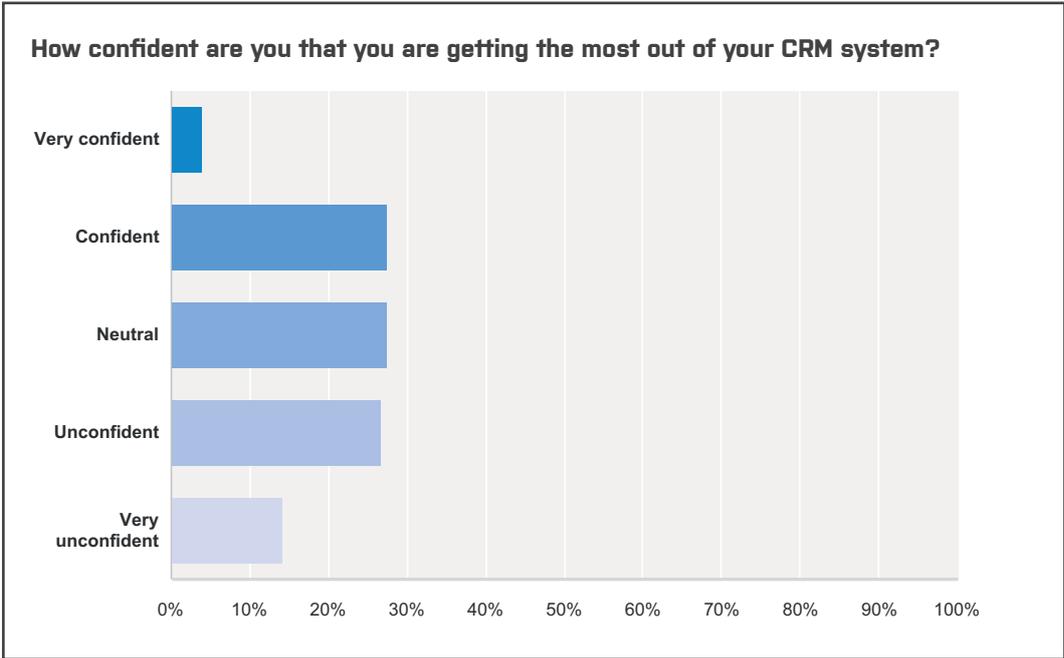
In terms of data management, there is considerably more variance. Only 32 per cent of respondents reported they were confident they were getting the most out of their CRM system. There are a wide range of CRM systems available and, while Salesforce dominates the industry with 32 per cent of businesses using its platform, there are many other providers offering different functions for various company sizes and industries. Perhaps a relatively easy first step in addressing data confidence would be for companies to invest some time into shopping around for the CRM system that best fits their needs. The technology you invest in should make your life easier, after all.

Our survey also flagged other notable areas of data inefficiency. For example, a rather lofty 40 per cent of respondents stated their company used different CRM systems for managing their marketing and customer databases. Examining and affecting structural transformations in the way data is managed to maximise efficiency is another important step that companies need to take in order to increase their data productivity. Of course, making these far-reaching cultural changes in the way a business uses technology is an incredibly tough thing to do; a challenge that grows exponentially with the size of the organisation. But for any company serious about unlocking the power of its data, a root-and-branch audit of data inputs, data flow and data management practices should be a priority.

For which two of the following purposes is your data used most?
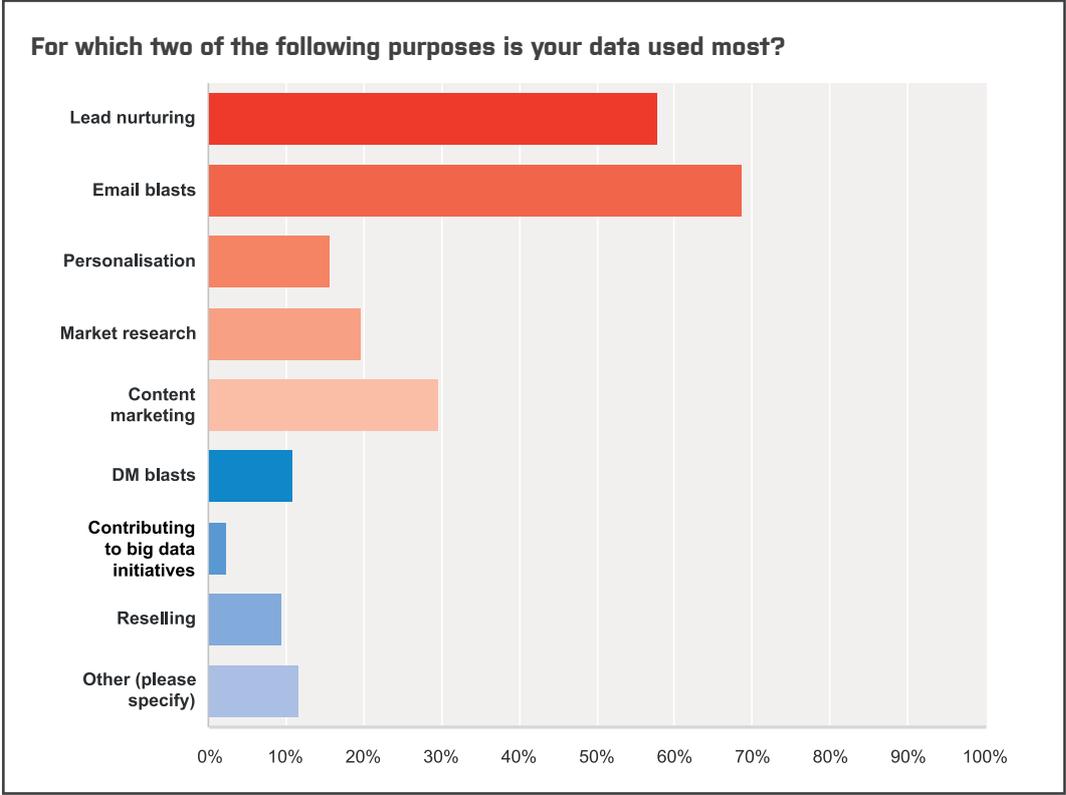
For many marketers, however, the area of most concern is data strategy. Even when working with top quality data sets, there remains a lack of confidence in using the necessary technologies and innovations to optimise its value. This is demonstrated time and again in our survey, not least when we asked our respondents to identify the main purpose their data is used for. By far and away the most dominant response was email blasts, a useful marketing tool in some circumstances but also potentially far less targeted than more nuanced approaches. In an increasingly data-driven world, marketers need to use data in more concentrated and innovative ways, broadening their data use to include strategies such as lead nurturing, personalisation and market research.

To emphasise this point, only half of our respondents had used their company's data to create prospect or customer personas. Building personas based on a combination of quality data and industry experience is a fantastic way for businesses to increase their customer centricity.

Customer centricity has been gathering lots of attention in recent times, but at its heart it's really a way of describing old marketing best practice: listen to customers, pay attention to their needs, ensure they are met and try to anticipate future need. But whereas in the pre-digital era, communications were much slower and, therefore, more predictable, in the modern marketing context, they can change every minute across multiple platforms. Things happen too quickly for marketers to keep up: the new goal is to be ahead of customers. Smart management of data and a clear focus on using that data to make marketing more customer-centric is the way to achieve this.

Which department has overall responsibility for the upkeep and quality of your data?
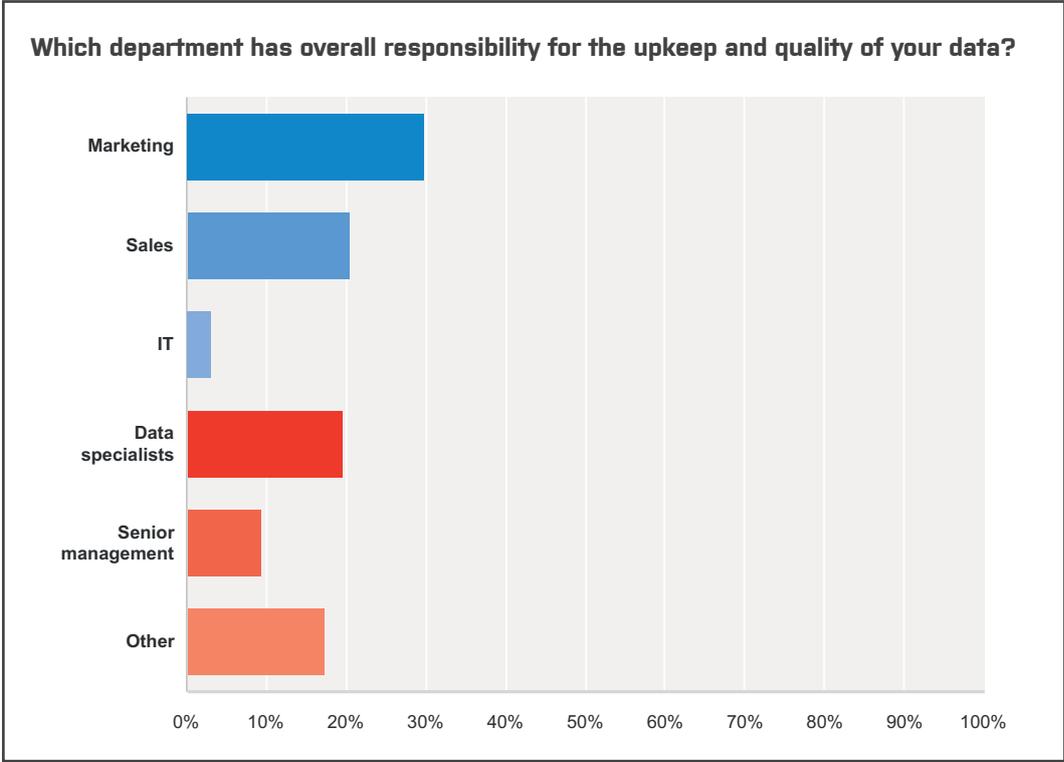
Unlocking the power of data

From an industry-wide perspective, it is revealing to look at which teams within organisations are responsible for handling company data. In our survey, only a third of respondents said that the quality and upkeep of data was under the remit of marketing, with the majority of remaining respondents placing the role variously with sales, data specialists, senior management, or IT.

Marketers are often best placed to understand the challenges data poses and the solutions that would be most effective. But even in organisations where they are not given primary responsibility for data strategy, they should recognise the opportunities for using data to align different departments. To build a complete 360 degree customer profile, marketers would ideally need information from finance, customer service, HR, IT, and sales. Where marketers are not in control of company data, therefore, they can still drive forward changes by working with other departments to establish guidelines on what data is needed by who, agree on expiry dates, de-duplicate systems to stop customers being spammed, and breakdown information silos that prevent knowledge sharing. While this might not be easy, it is worth striving for. The collation and effective reorganising of data sets so they are available and useful to all departments will mean everyone is a winner.

What is the single biggest challenge your organisation faces in relation to data?
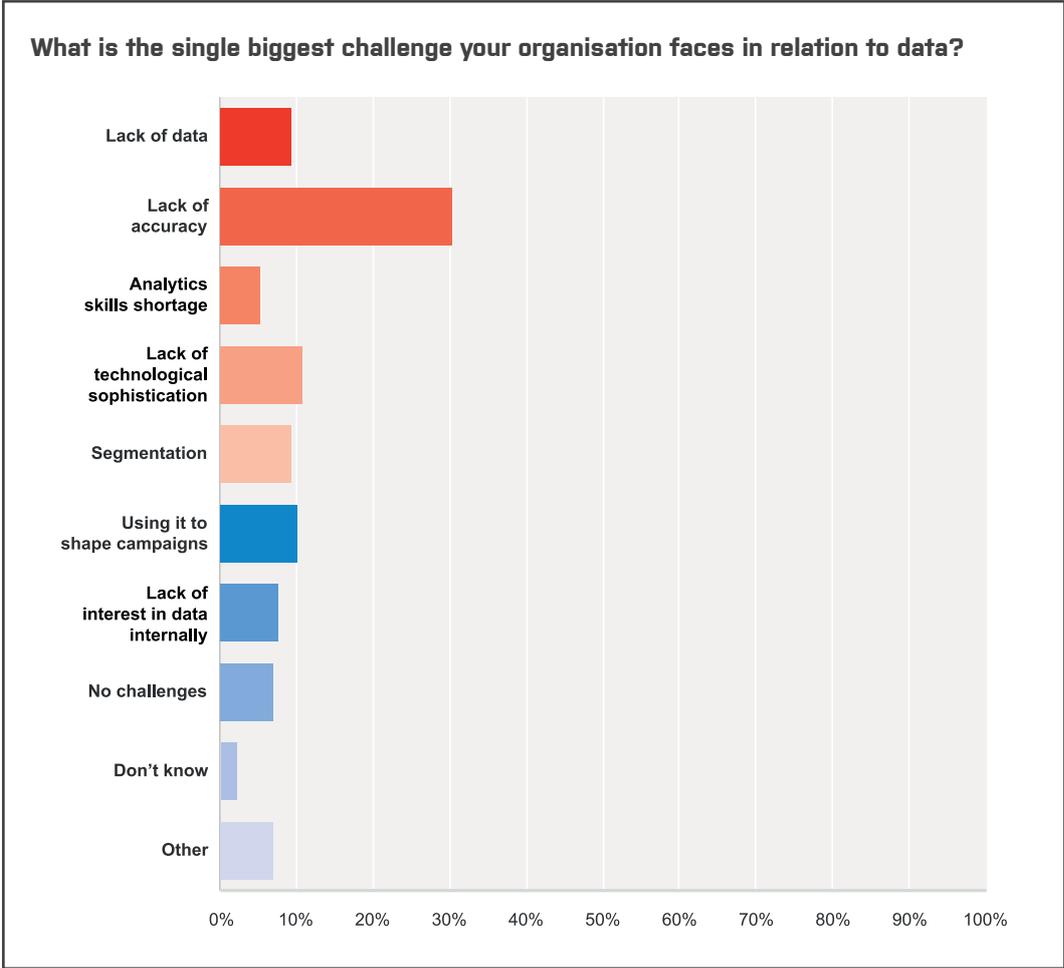
Despite being largely positive regarding data quality in their organisations, when asked about the single biggest challenge their companies faced in relation to data, our respondents' standout concern was accuracy.

This does not necessarily contradict the satisfaction expressed earlier: there are companies who are evidently still struggling to obtain quality data. But even for the companies that are generally happy with data quality, accuracy can still be a major concern in terms of the resources required to acquire and maintain it, and the ability to use it effectively. There is little doubt that accuracy is a hugely important factor in data use. It pays to constantly evaluate and re-evaluate the quality of the data your business is using.

What single data-related change would make the biggest difference to your organisation?

Increasing your database size	
Improving your targeting	
Addressing data skills gaps	
A data audit	
Improving segmentation	
Data being made more of a priority internally	

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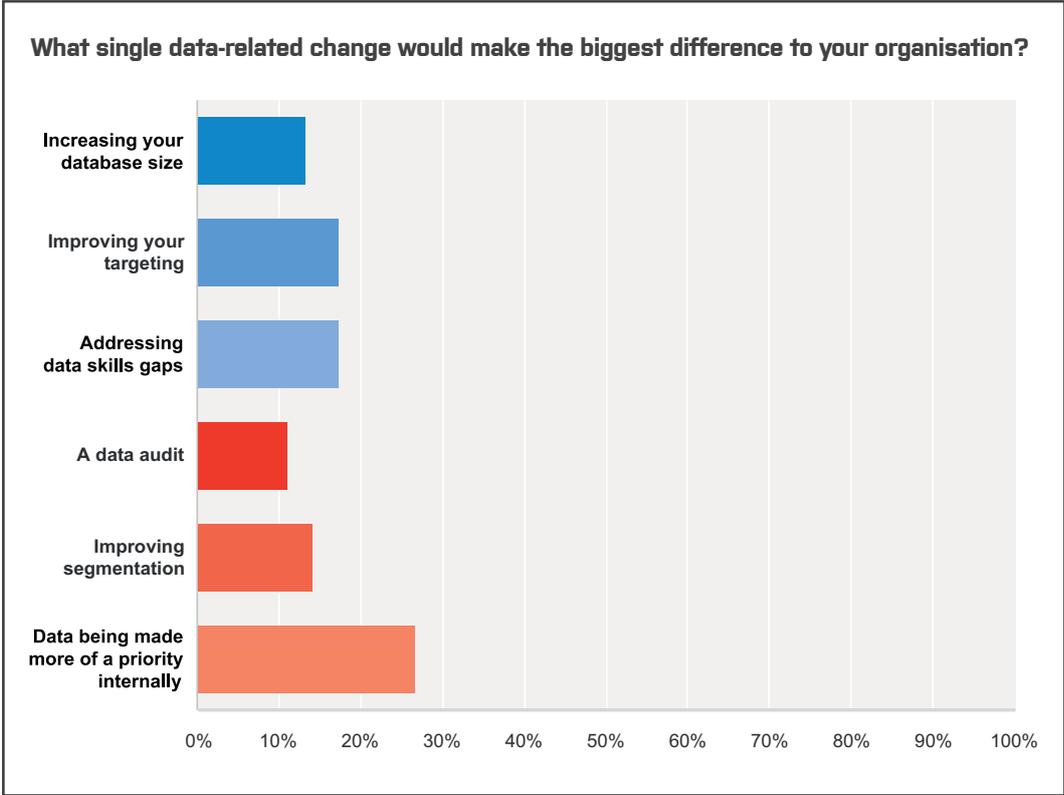
The future

Around 60 per cent of B2B marketers feel that there is a data skills gap in their company, both in terms of management and analytics. And when asked what single data-related change would make the biggest difference to their organisation, the most selected response was 'data being made more of an internal priority'.

As the people in B2B businesses that can gain the most from high-quality data, marketers need to lead the change when it comes to data, acting as internal champions within their organisations, pressing for the innovations that will make the collection and management of data more efficient, more personalised and more customer-centric.

While there are elements of uncertainty and frustration among marketers with regards to data, the outlook is not all bleak. The majority of marketers feel well prepared for a future that increasingly relies on data-driven business decisions – only eight per cent feel they are very unprepared. And, undoubtedly, there are some companies who are already leading the way in terms of efficient data management and innovative data use.

For those who feel their businesses are lagging behind when it comes to data, however, the time to act is now. Investing in data quality and analytics and giving marketers the tools they need to be flexible, responsive and informed will only become more important in a business environment where unlocking the power of data is key to staying ahead.

STILL WORK TO BE DONE

The saying that a company's database is one of its greatest assets is probably truer today than it's ever been. Storage limitations are a thing of the past and there are a vast range of analytical, editing and selection tools available, which correctly applied can turn a simple collection of data into a sales generating dream.

It might be surprising, therefore, that some 70 per cent of our respondents felt they are not getting the most from their database and one of the main reasons given for this is lack of accuracy.

A customer database is built over a long period at considerable cost and like many assets, will depreciate fast, whereas this is one asset that if well maintained and nurtured should actually appreciate.

The survey shows that there are almost as many companies keeping their sales and marketing databases separate as there are holding a single combined database. Although the holding of separate databases might be desirable for many companies, special attention needs paying to activities such as record de-duplication, updating and the selection of common analytical methods.

By a large margin, the main database usage is directed towards lead nurturing and generation and it is in this area, where many of the new techniques such as customer profiling, market segmentation and modelling can play a vital role in the improvement of response.

For the majority of respondents, it appears that data is used only sometimes or not at all in the strategic decision-making process. This bias may be linked to other factors, such as a perceived gap in data management, analytics and technology skills.

It is clear that the unassuming marketing database is playing a key role in the development of a company's growth; however, it is equally clear that there is much that can still be done to encourage the database to give up its powerful secrets.

ROGER DAWSON
CHAIRMAN
MARKETSCAN

"It is clear that the unassuming marketing database is playing a key role in the development of a company's growth"

HOW TO: GENERATE BETTER QUALITY LEADS

Get on top of your lead generation activity with advice from Daryl Jay, business development director at Marketscan

Lead generation has always been an essential marketing task. However, recent changes in the buying process, increased digitisation and an ever more demanding market mean a strategic approach to lead generation and lead nurturing has never been more important.

But how do you go about prioritising where to focus your efforts in your bid to build leads that have a greater likelihood of converting? It can seem a complicated procedure involving cross-departmental collaboration, the overhauling of work processes and reassigning KPI measures, but it's important to recognise the opportunity rather than focus on the challenge.

This five-step guide allows you to go back-to-basics, highlighting five areas to focus on if you want to deliver better leads.

1. Prioritise data quality
The starting point of any worthwhile lead generation exercise always has to be data. Your dataset is your business, and it pays to ensure it is as well organised as possible. Common barriers to success include incomplete records, duplication, out of date data and a lack of process for members of staff charged with maintaining and adding to records. It pays to assign data integrity responsibility to specified internal champions. They can then lead the process, advocating the value associated with ensuring data is well maintained and well respected. There are no prizes for burying your head in the sand with data.

It can also be tempting to try and ensure your database is as large as possible but quality and quantity are rarely synonymous, and lead data is no exception. Be strict when segmenting your data. Allow only fully verified, complete records into your main active database. There's no point addressing 50,000 people if you only really know a fraction of them.

2. Work with sales
The old marketing versus sales model is dead. The companies performing best in the era of digital marketing are the ones that have managed to renegotiate the battle lines. Indeed, it's hard to see how any serious business can expect to move forward without its marketing and sales teams pulling in the same direction.

When it comes to generating, nurturing and – ultimately – passing over the highest quality usable leads, this cross-departmental collaboration is absolutely essential. Although team structures differ from business to business, it is possible to follow best practice steps that should be applicable in most organisations.

"The starting point of any worthwhile lead generation exercise always has to be data"

First of all it's preferable if buy-in is secured from both sides. Once that's in place it's essential to document exactly what marketing thinks a lead looks like and what sales thinks a lead looks like. Nurturing and lead scoring are your friends here. With an effective agreement in place it will mean leads are only passed to sales when they are ready, and that more of them will convert.

3. Think people, not leads

When discussing leads there's a real danger of forgetting that the records being generated and pushed through your funnel are actually the names of real people. They are people with unique objectives and challenges, needs and requirements. Treat them as such when planning the content that will form the core of your demand generation and lead work.

Before you start penning your content, commissioning copywriters and thinking about design and delivery, make sure you know exactly who you're hoping to engage and what they want to consume. Get under the skin of the challenges they face. Creating personas is a relatively easy way to ensure your messages are being crafted in a way that means they're likely to resonate with their intended recipients.

If you can become a trusted content partner and source of inspiration for your prospects, they will happily make their own way down the funnel.

4. Integrate everything

There's little doubt that inbound marketing has breathed much needed new life into B2B lead and demand generation. Many companies have been able to add real value to the markets in which they operate by following best practice content marketing advice. And, as mentioned above, that's a great way to build solid leads.

However, focusing on inbound marketing at the expense of more traditional methods isn't necessarily going to bear fruit when it comes to lead generation. Email, DM and even telemarketing all still have their place when it comes to generating quality leads. Once again, it all comes down to the individual people you're trying to reach.

The most sensible way to approach lead generation is to adopt an integrated model. Only when all your marketing efforts dovetail and direct people to the right messages, as and when they want them, can you regard your efforts as being entirely efficient. Know what works where, and never do anything for the sake of it.

5. Have patience

As any good salesman knows, nothing is likely to scare off a potential sale quicker than a lack of patience. The same is true for lead generation and nurturing. Quite simply, people will only be ready to buy – or even move in the direction of purchase – when they are good and ready, and this is especially true in B2B markets where you are potentially asking people to put a great deal of money and their professional reputation on the line.

The imperative to hit KPIs, lead targets and revenue figures in any given quarter can sometimes feel all encompassing. But patience is a virtue, and the best leads – the ones that convert and come back for more – are very rarely created overnight.

ADDITIONAL INSIGHT

**As well as the main findings of our report, the survey also provided additional insight into how marketers are using data.**

What level of opt-in process does your organisation follow?
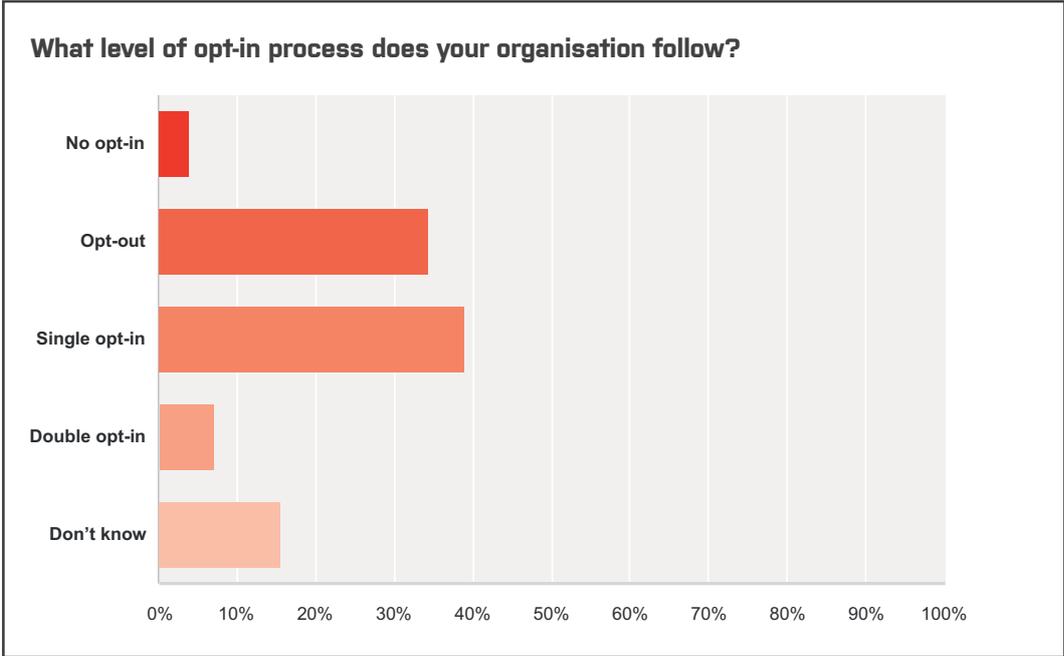
The vast majority of respondents use either opt-out or single opt-in systems: but given that quality rather than quantity is increasingly the watchword when it comes to data, more companies might consider single or double opt-in systems to ensure they are gathering good data.

From where do you get the majority of your data?
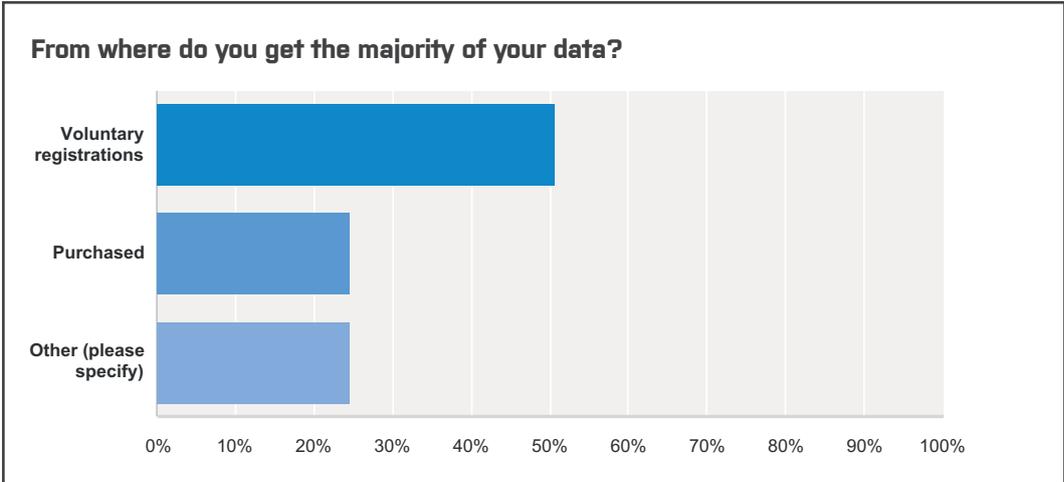
Over half of all data is received through voluntary registration. Companies need to be aware of this to ensure their sign-up systems are efficient. There's nothing to be gained by making it hard for your prospects.

Which CRM system does your organisation use?

System	Percentage
Salesforce	~33%
Oracle	~3%
Microsoft	~16%
Sugar	~4%
Sage	~5%
Other (please specify)	~41%
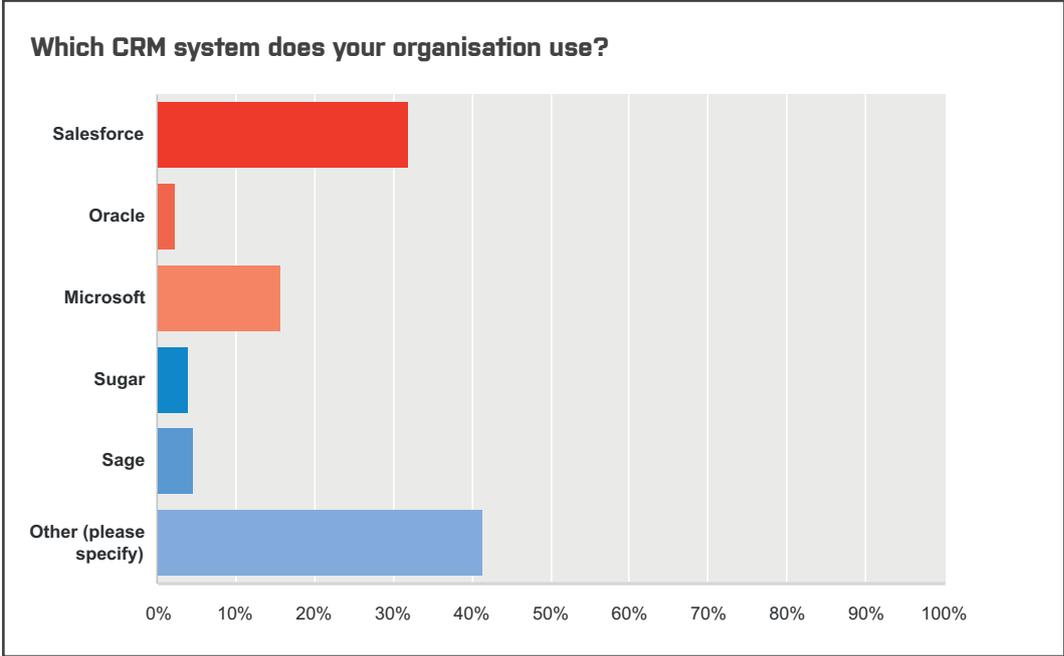
Salesforce is the largest single provider, but there are a wide range of options. Over 40 per cent of respondents are potentially using more niche providers to deliver their CRM needs.

What percentage of your organisation's employees have access to your database?

Range	Percentage
1-25%	~30%
26-50%	~21%
51-75%	~18%
76-100%	~30%
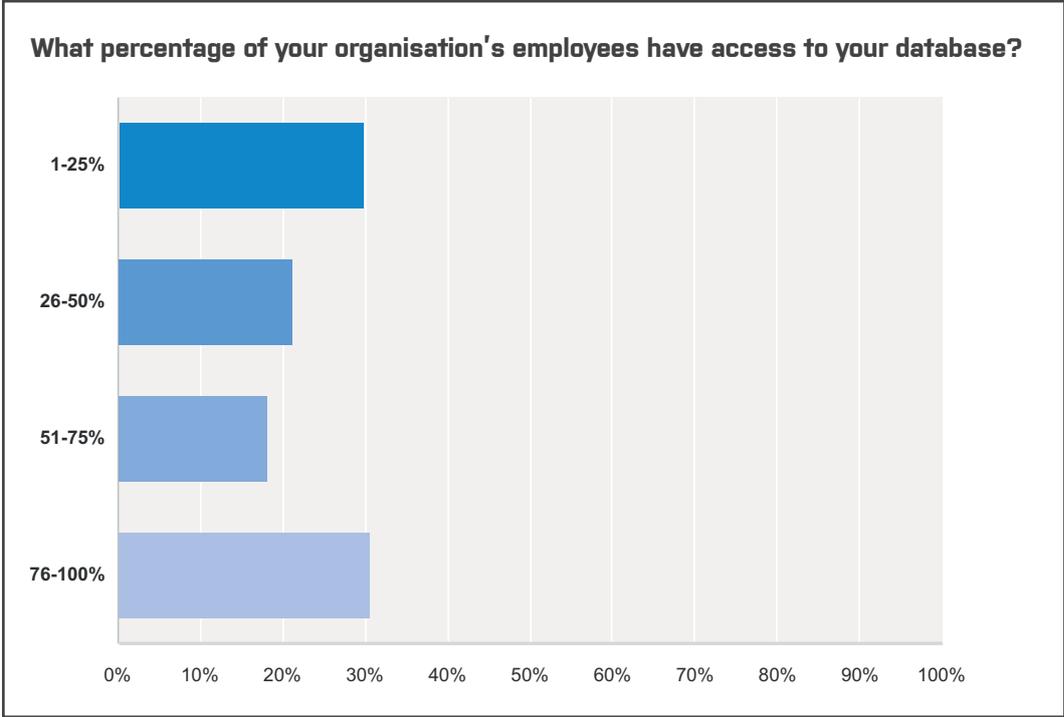
The spread of answers here suggests different companies have different strategies for who should be able to access the database. As we suggest in our main analysis, using data to align different departments may lead to changing strategies for who has access to company data.

What percentage of your employees have permission to edit your database?
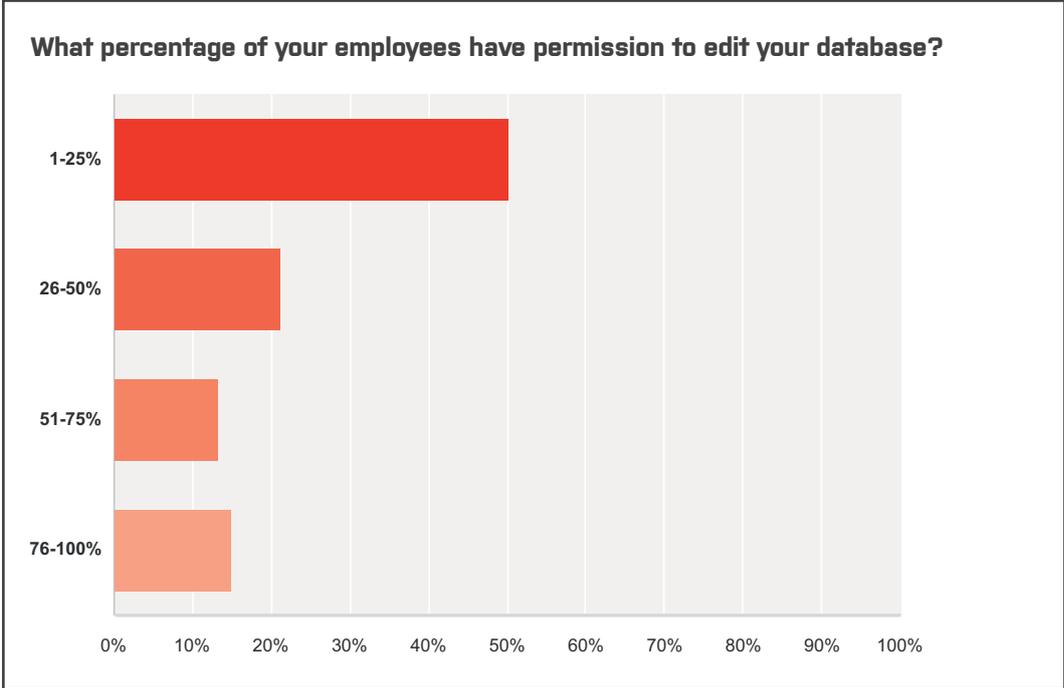
The fact that a half of all respondents indicated that their firms allowed more than a quarter of their employees to edit their database suggests that there are still lots of businesses exposing themselves to the risk of duplicated or otherwise contaminated data.

HOW TO: CREATE THE PERFECT CUSTOMER PROFILE

As discussed in our research analysis, everyone understands the importance of data, but not everyone is using it effectively. One of the most rewarding uses of data – in terms of both strategy and ROI – is the creation of customer profiles.

Why bother with customer profiles?

Creating customer and prospect profiles – or personas – can offer invaluable insights into:

- Who to target your marketing campaigns towards.

- What tone-of-voice and design elements you should use to engage with each persona.

- What problems your potential customers face on a day-to-day basis that your products or services can help solve.

The key to unlocking the true identity of these personas is already in your existing database.

Go direct to the source

The first step in building successful customer profiles is to analyse your existing database by creating segmented lists featuring existing, lapsed and potential customers.

From your existing customer list, you can determine what type of customer will be most attracted to your products and services based on their job title, market sector, business size, location etc. Via such research, you can then uncover common themes that can be used to draw up your basic list of personas.

Just as important, you can find out which customer types are not engaging with you based on the trends in your lapsed customer list. You can then either choose to remove them – or better still, unearth why your messaging isn't working for them and refocus your marketing strategy accordingly.

Focus on your data, not on what you and your team think are the right personas. Your customer profiles must be backed up by real-world data, not just gut instinct.

Hire a data provider

Many large companies have internal data analysts to manage their data. But even for small and medium-sized organisations, bringing in a fresh pair of critical eyes by employing a data analyst can be an extremely worthwhile means of analysing your existing database. A good data analyst will:

- Strip out bad data.

- Update and flesh out existing entries and suggest new leads from their own extensive data lists.

- Spot potential customer profiles based on your past performance, plus identify emerging persona trends that can be exploited by your campaign.

- Take you through the process if you are not fully versed in database management.

Hone your persona list by fleshing it out with more pertinent information

Once these broader issues are clarified, the next step is to add more specific information. There are two main methods for doing this: both are useful for different reasons.

Interviews
Identify three existing recent customers who best reflect a particular persona. Interview them – ideally face-to-face – over 10-15 minutes about their business pains. Key questions to ask include:

- What is their demographic?

- What is their job and their seniority?

- What does a normal day look like for them?

- What are their pain points?

- What are their goals?

- Where do they go for information?

- Which social networks are they active on?

At the same time, you should also contact lapsed customers and find out what turned them off about your product/service: was it the product or your marketing campaign or something else? The views of lapsed or disengaged customers could prove to be invaluable – and asking these questions openly and honestly is a good starting point in turning them back into current customers.

Surveys

For a wider sampling, send out surveys to other customers in your database or post them on your site. Use the feedback to further feed into your persona creation programme.

To increase response rates, offer incentives such as cash rewards to encourage people to take part in surveys.

Finalising your personas

With the reorganisation of your original database, along with the specific feedback of existing and lapsed customers, you can draw together your final customer personas. These will be broad outlines of the kind of people you will be directing your marketing towards. The major elements should include:

Persona picture (an illustration/photo of your imagined persona)
This puts a human face to the persona, not just a name.

Company profile
This will document their market sector, job role and business size.

Values/goals
What matters to them in the workplace? What are they looking for? What do they need? What motivates and challenges them?

Tone of voice
What words would they use to search for your product? What language do they use in meetings? What's the best way to get them to open an email, and read it?

These are just the basic levels – for each company there will be other factors that a customer profile needs to contain.

Final word

When creating your customer personas, always remember:

- Creating personas offers invaluable insight into the mindsets of potential customers.

- Personas allow you to create targeted campaigns that will appeal to each persona, talking to them in their own language and appealing to their specific needs and wants.

- A data provider (including data cleansing companies) are a proven ally, able to offer expert advice and a fresh pair of eyes to drill down into your database.

B2B Marketing

Are you unlocking the power of your data?

B2B Marketing and Marketscan joined forces to find out about marketers' attitudes to data, where they think the greatest challenges lie and what can be done to improve efficiency in this key area. Here are some of the key findings from the research report:

71% of marketers are not getting the most out of their databases

Only a third of marketers think 'data first'

- 50%
- 32%
- 13%
- 5%

Data is at the heart of everything we do | Data is used sometimes | We rely more on experience than data | We do not use data at all

The responsibility for data management is split between different departments

- 30% Marketing
- 20% Sales
- 3% IT
- 20% Data specialists
- 10% Senior management
- 17% Other

What single data-related change would make the biggest difference to your business?

- Increasing your database size 14%
- Improving your targeting 17%
- Addressing data skills gaps 17%
- A data audit 11%
- Improving segmentation 14%
- Data being made more of a priority internally 27%

Biggest data-related challenges

1. Lack of data accuracy
2. Lack of technological sophistication
3. Using it to shape campaigns

Yes 56% | No 29% | Don't know 15%

Is there a data management skills gap in your organisation?

Most marketers feel prepared for a data-driven future – but there's still work to be done

- Prepared 45%
- Unprepared 33%
- Very prepared 8%
- Very unprepared 9%
- Don't know 5%

In association with **marketscan**

About B2B Marketing

B2B Marketing is the comprehensive information resource for B2B marketers. Its mission is to provide practitioners with the information they need to perform better and achieve more, whatever sector of the B2B space they are operating in.

Launched in 2004 as *B2B Marketing* magazine, it has since evolved into a multi-faceted resource, delivering a broad range of content in a variety of different forms and formats. Its key products are:

- Online community
- Magazine
- Awards
- Research
- Reports
- Training
- Events
- Membership

For more information on any of these products or services go to b2bmarketing.net or call +44 (0) 20 7438 1370

About Marketscan

If your data provider cares enough to really understand your goals, you're halfway there. Match this understanding with 30 years' experience and unrivalled service and you will start to see why Marketscan is the most 'outstanding B2B data provider' available.

We understand that your campaign needs to reach the right people or it's simply not cost-effective. Our independence is our strength. Because we are not tied to any vendors, we can focus on getting the best data solution for each and every one of our clients. Our data is unique and comes from a blend of sources that are not available anywhere else as a single file.

Data. It's more than just numbers and letters to us – it's about people. The right data contains huge potential for your business: it provides a direct path to the customers you're trying to find.

For more information go to marketscan.co.uk or call +44 [0]1243 786711