

Annual B2B Marketing Data Benchmark Report

2015

**THE STATE OF
MARKETING DATA**

dun & bradstreet
NETPROSPEX

Growth of B2B Records Analyzed through Workbench

2013 **7M** RECORDS ANALYZED

2014 **61M** RECORDS ANALYZED

2015 **223M** RECORDS ANALYZED

Every Year the Data Tells a **SCARY STORY**

62%

of companies' email deliverability rank as "Questionable" at best.



41%

of contacts lacked a working phone number.



More than
66%

of records were missing revenue and industry data, two critical components of lead scoring.





Introduction from Michael Bird

Welcome to the third annual B2B Marketing Data Benchmark Report from NetProspex – with a special footnote this year: We are now officially Dun & Bradstreet NetProspex.

And I couldn't be happier about bringing the combined technology and data assets of our two organizations to B2B marketers globally. As you will see further on in this report, 2014 was a banner year for the marketing technology space. B2B marketers everywhere leaned in to embrace these technologies and continue the evolution towards data-driven marketing principles. I saw it with our customers – and with our own internal marketing practices. Simply put: data and technology are now key drivers for all of our revenue goals. And continuing to tune the machine is absolutely critical for our ongoing success.

The marketing database sits at the heart of this machine and now has an inextricable linkage to your success in building interest, driving engagement and ultimately creating revenue. While enhanced analytics are increasingly seen as a key tool to identifying new sales opportunities and improving efficiency, so much of your success as marketers still boils down to how well your contact and company data is maintained, and how well it aligns with your go-to-market strategy. More than ever, you are measured by your ability to serve up content that helps customers prioritize and accelerate through the buyer journey. But you have to make sure there is a good fit for your offerings and a valid person on the other end of the line. Your relationship with your sales teams and your CEO depends on it.

Throughout 2014 we continued to help marketers make smarter decisions based on a foundation of better data. With NetProspex Workbench and our free Data HealthScan, we put the power of cloud-based marketing data management in the hands of companies everywhere. And as we have done for the past 3 years, this report is built as a read-out from what we saw as the data spun around our data factory. We're happy to report that this year's results – based on over 223 million analyzed records – shows an overall improvement in the quality of marketing data compared with last year's study. So we're making progress, but there is still a great deal of work to be done.

As you read through the results of this year's study, I hope they will serve to emphasize the importance of complete records and good data hygiene. I believe those are the keys to driving more (and better) revenue for your company, improving your consistency in doing so, and ensuring you get the highest return on investment from the automation and digital marketing technologies that make your team efficient across your marketing mix. Remember, great marketing starts with great data.

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Michael Bird
General Manager
Dun & Bradstreet NetProspex

The Nuts and Bolts

NetProspex has a long history in data. We've been managing B2B contact and company data on a massive scale for almost a decade now. It has been our mission to leverage that experience to help our customers understand more about the data that lives in their marketing and CRM databases.

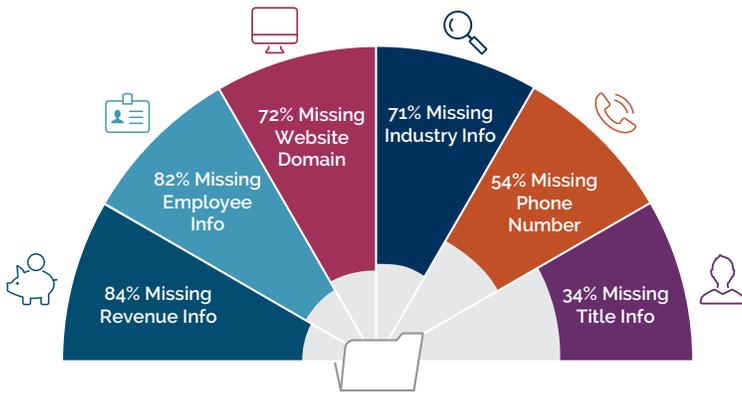
In 2012, we launched a free tool to help marketers analyze the current state of their data. No contracts, no requirements other than a desire to get more out of their current database. Through Workbench, we provide a look into four sections, which make up the best practice areas of this report: email deliverability, record completeness, phone connectability, and duplicates. At the end of each year, we aggregate that data and turn it into this report.

The data came from records supplied by a broad range of organizations – large and small – from the full spectrum of industries engaged in B2B marketing. What we discovered is that despite the essential role that data plays in today's B2B marketing world, the quality, when analyzed on the basis of the four key best practice areas outlined in this report, is often less than ideal. Since its inception, the response to this benchmark report has been overwhelming and makes it abundantly clear that the subject continues to require attention and discussion with B2B marketers.

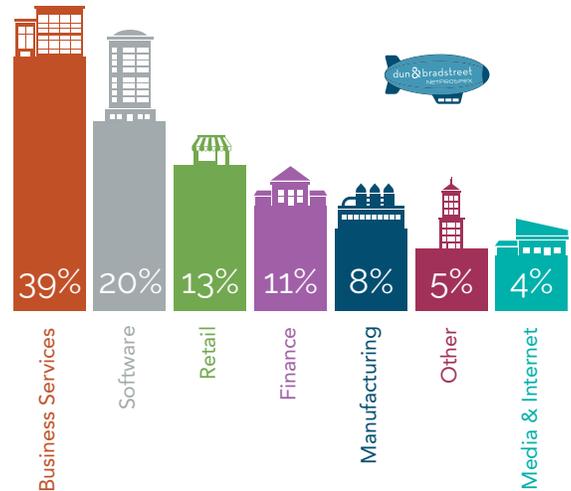
The report took another massive step forward in 2014 in terms of the breadth of data utilized in benchmarking the industry with a 265% increase in the volume of records processed through Workbench over the previous year. This dramatic increase in volume not only points directly to the fact that B2B marketers continue to seek out ways to understand the quality of their marketing data, but also to the importance of tools that allow them to quantify the impact of their data quality on their demand generating activities.

A View from the Top

DO YOU KNOW WHERE YOUR DATA IS?

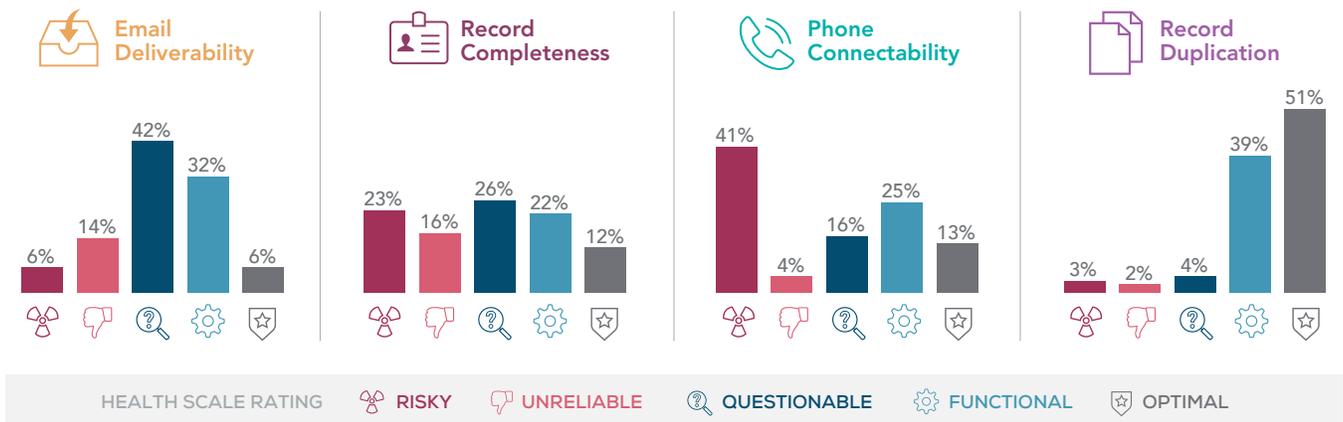


TOP INDUSTRIES REPRESENTED



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AVERAGE HEALTH SCALE RATING BY BEST PRACTICE AREA



The Net Result



It's Time to Invest in a Marketing Data Strategy

We may look back on 2014 as the Dawning of the Age of the Marketing Technologist. While it certainly wasn't the first time the term was used, it definitely took center stage this past year, and for good reason. Scott Brinker's ongoing research on chiefmartech.com unveiled a marketing technology landscape that nearly doubled over the prior year's study – **growing from 947 different companies to 1,876 companies, representing almost \$22B** in investments pouring into this white-hot market to date.

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As multi-channel marketing continues to expand and the technologies used to manage those different interactions grow more numerous, it's more important than ever for marketers to ensure consistency of messaging while maintaining laser focus on their target audience. While technology is meant to drive efficiency in how you go to market, increasingly marketers are required to be more effective in generating results. This requires a better understanding of their target market(s) and a data strategy that supports accessing those markets to drive engagement.

The findings in this report clearly detail some of the significant challenges that B2B demand generation teams face. However, it represents a point in time. We also wanted to know how we got here.

In digging into the forces behind our data observations in the B2B marketing industry, we identified a few important drivers that are accentuating the need for an improved data strategy.

DRIVING FACTOR 1

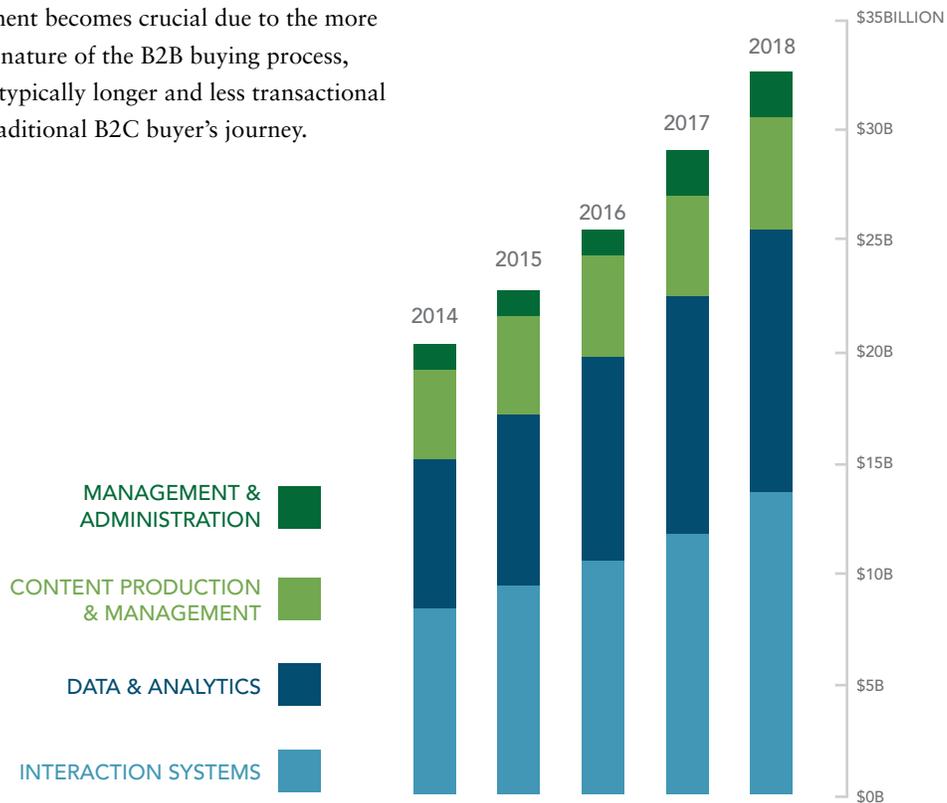
B2B organizations are investing in marketing technology at an accelerating rate

CMOs influence on technology spend has dramatically increased, expanding beyond CRM and marketing automation and into Data & Analytics, Content Production & Management as well as Management and Administrative applications. IDC predicts that CMOs will drive up to \$32.3B in marketing technology spend by 2018 (a 12.4% CAGR). Previously, much of this investment was made in the B2C market, but increasingly this spend is coming from B2B. As more businesses waded into this space, the importance of process measurement and data management becomes crucial due to the more complex nature of the B2B buying process, which is typically longer and less transactional than a traditional B2C buyer's journey.

IDC Predicts CMOs will Drive

\$32.3B

in Marketing Technology Spend by 2018



FUTURE VIEW
Marketing Technology Map Revenue (\$B)

SOURCE: IDC

DRIVING FACTOR 2

Demand generation teams are focusing more on quality than quantity

Marketers don't always need more data. More often than not they just need less, better data to produce stronger results. Demand Gen's 2015 benchmark study "What's Working in Demand Generation" reported that 74% of B2B marketers surveyed consider "lead quality over lead quantity" as their primary focus for 2015. In order to achieve that, they recognize the need to do a better job managing their marketing data. 59% of those respondents ranked "Improving the depth and accuracy of our database" as a top 2015 priority for demand generation activities. Clearly, marketers need to be more strategic (and selective) with the information they collect and analyze in order to avoid getting overwhelmed in a tsunami of big data. Investment in Data & Analytics solutions will help companies cut through the chafe and find the best leads faster.



Consider **lead quality over lead quantity** as their primary focus for 2015.



Ranked improving the **depth and accuracy** of our databases a top 2015 priority.

DRIVING FACTOR 3

In order to better own the customer experience, marketers increasingly turn to personas

A recent report from *The Economist* found that 75% of the 478 global CMOs and senior marketing executives surveyed expect that over the next 3-5 years, marketing will be responsible for the end-to-end customer experience.¹ Marketing already has direct influence on more than half of the buying process. SiriusDecisions reports that 67% of the buyer's journey is now done digitally.² To establish and maintain that engagement over the extended length of typical B2B buying cycles,

67% Of the buyer's journey now happens **online**.

marketers need to deliver content and messages that continually break through the clutter and engage their target buyers at the right time.

Right now, more than 80% of enterprise B2B businesses are utilizing buyer personas (or planning to), in order to help achieve these goals.³ Marketers who are effective at this level of customer insight combine engaging content with company and contact level data points to customize the buyer's journey for maximum impact. This leads to increased lifetime value of their customers, reduces acquisition costs, and shortens the buying cycle – marketers who don't follow this model will quickly fall behind.



Enterprise B2B businesses utilizing **buyer personas** in their demand generation programs and activities.

DRIVING FACTOR **4**

Marketers are using multiple channels to engage their target buyers

B2B CONTENT MARKETING USAGE (BY TACTIC)



SOURCE: Content Marketing Institute / MarketingProfs

The increasing volume and variety of communication channels now available to marketing organizations can be dizzying at times. B2B marketers on average use 13 different content marketing tactics.⁴

Demand generation campaigns and content marketing strategies now rely not only on email, but also Twitter, Slideshare, Facebook, LinkedIn, YouTube, etc. to ensure the widest capture of their target audience. Developing and distributing content with a consistent message across a myriad of media channels presents challenges in its own right, but is further complicated when contact records are outdated, inaccurate or incomplete. An increasing number of organizations recognize this pain and

are taking steps to assess the health of their data and implement pragmatic approaches to improving their data quality.

The adoption of Marketing Technology is key to increasing efficiency and B2B marketers are responding

with significant investment. The number of marketing channels continues to expand, increasing the importance of highly personalized and relevant messages and offers. Marketers must take the time to revisit and revalidate assumptions on target markets and market penetration. Implementation of a sound data strategy that enables you to focus on the markets and buying centers that matter most to your business will enable you to scale your demand generation activities and distance yourself from your competition.

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What We Analyze

- ✓ Email Deliverability
- ✓ Record Completeness
- ✓ Phone Connectability
- ✓ Record Duplication

DEFINING BEST PRACTICES

Email Deliverability

THE ISSUE

87% of B2B marketers cite email as one of their top methods for driving leads through the funnel.⁵ In order for your target audience to actually see your offer or continue to engage in a nurturing campaign, you need to be relevant – and present in their inbox. However, for most B2B marketers today, contact databases have been developed over several years and from a wide variety of sources. Many of those records haven't been validated regularly and as SiriusDecisions has stated, marketing data degrades at up to 3% per month. Given those two factors, almost all campaign metrics will suffer from inefficient email maintenance.



87% of B2B marketers cite email for driving leads through the funnel.

Email marketing remains one of the top marketing communication channels for customers and prospects.

THE RISK

Outdated and incorrect email addresses are impassable roadblocks to the success of outbound marketing campaigns and can interfere with the nurturing of prospects and existing customer relationships. Undeliverable emails affect both the top and bottom line of a business: wasted marketing spend, poor resource allocation, missed campaign goals and increased costs in storage of inaccurate records and remediation efforts. Additionally, a sender's reputation, brand perception and customer service can also suffer when messages are sent repeatedly to outdated addresses. Such activity may even lead to the sender's address being flagged, shutting down the demand generation engine for extended periods of time.

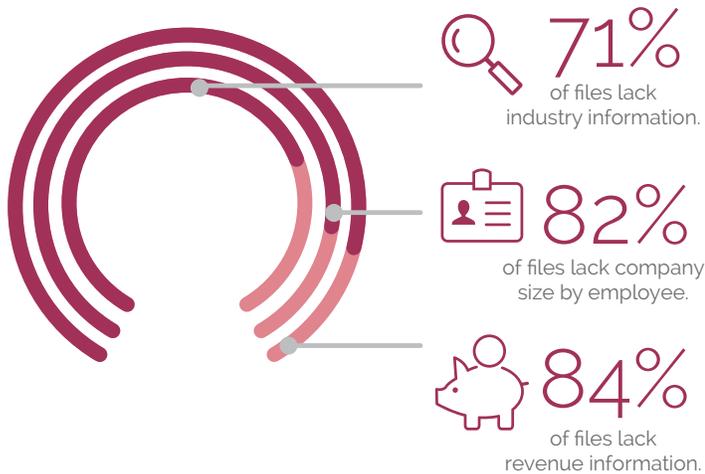


THE CURRENT STATE OF EMAIL DELIVERABILITY

Based on our findings, email deliverability rates continue to introduce unnecessary risk into email marketing programs. While there is an overall trend of improvement over the past three years, the average company database deliverability was still less than optimal, with a Health Scale Rating of 3.2. Email marketing remains one of the top (if not the top – depending on what research you look at) marketing communication channels for customers and prospects. If marketers want to avoid unpredictable program results, missed opportunities and declining Sender Scores, they must address this issue – and fast!



Record Completeness



THE ISSUE

Lead scoring, lead routing, effective content personalization and web customization are all highly dependent on having actionable information about each prospect or customer. Unfortunately, multichannel marketing and its reliance on short-form interactions and limited data capture means that acquiring complete data

Organizations lacking a complete and consistent view of their customers run the risk of misaligned messaging, leading to poor conversion rates from email campaigns.

on target audiences can be challenging. Gaining a complete picture of a contact typically takes multiple touch points over an extended time period. Most marketers don't want to wait that long to identify their best leads.

THE RISK

B2B companies are increasing their investment in time, resources and planning to improve the effectiveness of the content they develop to attract new customers and retain existing ones. The hallmark of good content is that it speaks directly to the intended audience. Organizations lacking a complete and consistent view of their contacts run the risk of poor conversion rates due to misaligned messaging that relies on broad-brush targeting and ineffective segmentation. Without complete data records, achieving insight and efficiencies through segmentation and automated marketing becomes difficult, if not impossible.

THE CURRENT STATE OF RECORD COMPLETENESS

Record Completeness continues to be an area where most B2B organizations struggle, with an average Health Scale Rating of 2.9, or "Unreliable". While the three-year trend for the overall average is encouraging (2.5 in 2013 and 2.7 in last year's report), a closer look at the key segmentation fields like industry (1.8), revenue (1.6), and company size (1.6), still highlights significant risk to accurate segmentation. Given this poor state of record completion, it's no wonder 58% of B2B Enterprise respondents to a recent survey feel that their demand generation programs/campaigns are "not effective" at achieving their primary goals.⁶



DEFINING BEST PRACTICES

Phone Connectability

THE ISSUE

When it comes to improving the demand generation funnel, the ability to reach buyers by phone is fundamental to closing the loop between sales and marketing – and keeping that relationship as healthy as possible. Yet, all too often, marketing databases are filled with inaccurate telephone numbers – or no numbers at all.



Conversion rates of marketing qualified leads to sales qualified leads can decline when leads are sent with bad phone numbers.

THE RISK

Conversion rates of marketing qualified leads to sales qualified leads – where pipeline is typically associated with an opportunity – can decline when leads are sent with bad phone numbers. This is one of the worst places for leads to fall out of the funnel. Leads that are on the cusp of converting into the qualified pipeline are often the pivot between demand marketing and sales. Requiring your sales teams to spend time and effort sourcing phone numbers creates huge inefficiencies in the system, and does even worse things for marketing-sales alignment.

THE CURRENT STATE OF PHONE CONNECTABILITY

Phone connectability saw a sharp decline year-over-year in our study – dropping from 3.4 to a current Health Scale Rating of 2.7 – downgrading it from “Questionable” to “Unreliable”. When more than half of the records analyzed don’t include phone numbers, there are systemic issues at play. We postulate that this decline may have been caused by a disproportionate amount of prospect data versus customer data (where there is a reasonable expectation of complete contact information) being analyzed through Workbench.

However, if this is true, then the greatest risk to marketers is inefficient demand generation funnels where leads are stuck in a pre-MQL stage or don’t advance past sales accepted (SAL) due to a lack of actionable phone numbers.



DEFINING BEST PRACTICES

Record Duplication

THE ISSUE

When the increasing volume and velocity of data combines with the multichannel efforts of modern marketers today, it creates a situation ripe for duplication of contact and company data in marketing automation platforms and customer relationship management systems.

THE RISK

Duplicate records pose significant risks externally and internally to your marketing success. Externally, brand reputation, customer goodwill, Sender Score and email response rates all suffer from duplication of contact and company data. Internally, record duplication hinders effective marketing attribution and ROI analysis, increases storage and maintenance costs and decreases effectiveness of lead scoring.

For the third year in a row duplicate data achieved the highest average score of our best practices areas.



THE CURRENT STATE OF RECORD DUPLICATION

For the third year in a row duplicate data achieved the highest average score of our best practices areas, with an average Health Scale Rating of 4.3, or “Functional”, up from 4.2 last year. We continue to believe that the wider adoption of marketing automation technologies and the growing ecosystem of data service providers for those platforms are easing the management of duplicate data for B2B marketing teams. While duplication remains a common problem for growing B2B businesses, marketers seem to recognize the importance of a single view of a customer and prospect and are taking actionable steps to remediate duplicate records in the marketing databases.



The wider adoption of marketing automation technologies and the growing ecosystem of data service providers for those platforms are easing the management of duplicate data.



Meet the Marketing Data Hero

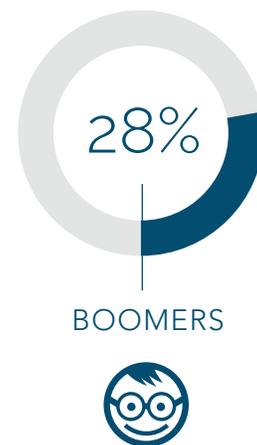
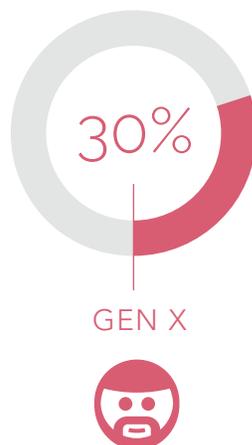
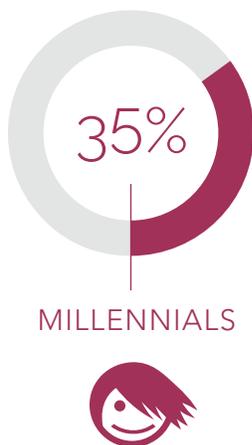


Who is actually managing marketing data within B2B organizations today? Here at NetProspex we always say, “technology doesn’t manage data... people do”.

While technology is meant to facilitate this process, it’s the people in the sales and marketing organizations that have to care if that data is good or bad, and ultimately need to make a call on what data they want to move forward with. They are the ones putting in the time to make sure their demand centers have the highest quality data possible. And to us, they are heroes.

DEMOGRAPHIC BREAKDOWN

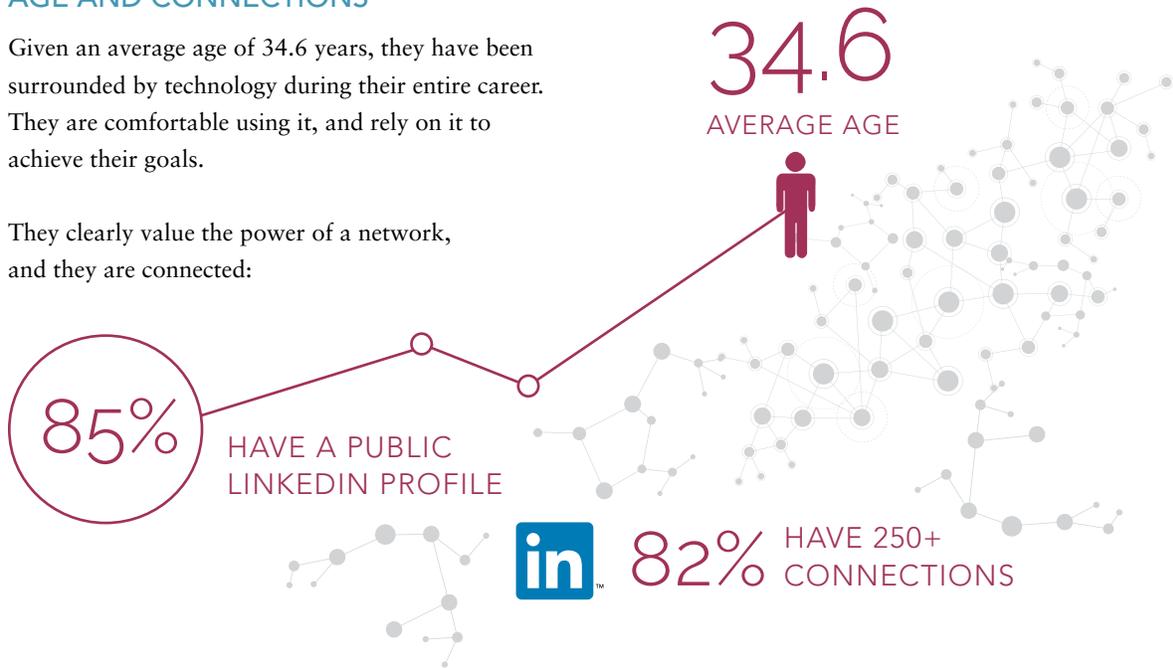
We wanted to “remove the mask” on the people who champion against data villains, so we did some analysis around a random sample of Workbench users. Here’s what we found.



AGE AND CONNECTIONS

Given an average age of 34.6 years, they have been surrounded by technology during their entire career. They are comfortable using it, and rely on it to achieve their goals.

They clearly value the power of a network, and they are connected:

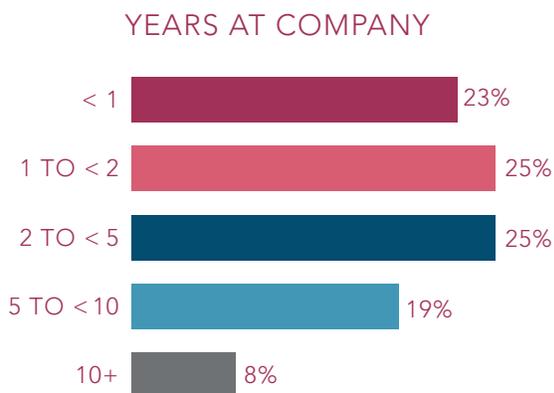


MEDIAN TIME
AT COMPANY

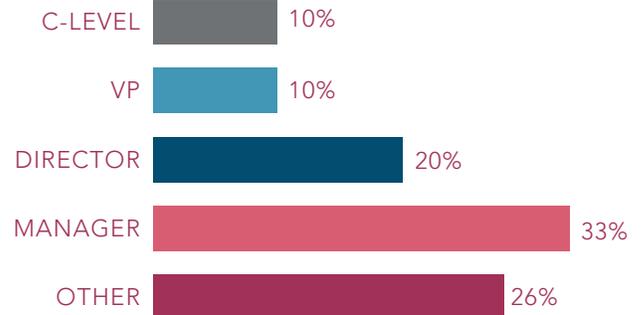
2.2 YEARS

YEARS AT COMPANY

They have invested enough time in their organizations to know what is going on (but not too much to be cemented in the status quo), and many of them have influence to make change happen:



JOB LEVEL



Conclusion

There are data-driven organizations – and everyone else. Now more than ever.

According to SiriusDecisions, companies that regularly maintain their database can realize 66% higher conversions to revenue compared to those that do not. The fact that a wealth of data is now flowing from a far more diverse range of channels makes achieving this goal both more attainable and more problematic at the same time. Marketers and their businesses will benefit greatly by establishing a standardized, ongoing approach for processing and managing data throughout its lifecycle.

The increasing adoption of a wide variety of marketing technologies only serves to emphasize the need for a regular, repeatable data management strategy. Despite the critical role data plays in marketing success, our benchmark report clearly shows that companies continue to struggle with accurately reflecting their target markets and key personas in their databases. And, the basic elements required for interacting and nurturing leads effectively continue to lag significantly behind needs and expectations. This points to a significant lack of ongoing data governance.

For marketing programs to yield positive results, and deliver the return you expect from such a major investment, there needs to be an ongoing commitment to data management. The availability of strategies and services that can be immediately deployed to address this “garbage in, garbage out” issue are more approachable and more affordable than ever. Marketing data management has officially moved into the “early majority” phase of technology adoption. Those that fail to take action now run the risk of becoming laggards to their peers.

Marketers and their business will benefit greatly by establishing a standardized, ongoing approach for processing and managing data throughout its lifecycle.



Understanding the Health Scale Rating System

The health scale is a standardized five-point scale with ratings from “1,” which indicates a “Risky” status, and escalating to “5,” which is defined as “Optimal.” The scale itself was determined by evaluating the results of assessments, known as the NetProspex Data HealthScan, completed to date and then statistically determining ranges based on the data.

	 RISKY	 UNRELIABLE	 QUESTIONABLE	 FUNCTIONAL	 OPTIMAL
Email Deliverability	Email deliverability less than 60% is likely to lead to sender reputation damage.	Email deliverability of 60-70% increases likelihood of sender reputation damage and affects ability to predict outcomes of email marketing.	Email deliverability of 70-80% introduces some chance of difficulty with sender reputation, ability to forecast outcomes of email programs is variable.	Email deliverability of 80-90% makes for predictable outcomes of email marketing programs and improves likelihood that emails will reach intended audience.	Email deliverability of 90% or better is best-in-class, eliminating risk to sender reputation and allowing for highest predictability and performance of email marketing programs.
Record Completeness	0-50% of records are complete, presenting a significant impairment related to lead scoring, routing and segmentation.	50-65% of records are complete, presenting impairment related to lead scoring, routing and segmentation.	65-80% of records are complete, impacting lead scoring, routing and segmentation.	80-90% of records are complete, allowing for consistency in lead scoring, routing and segmentation.	90-100% of records are complete, allowing for optimal lead scoring, routing and segmentation.
Phone Connectivity	Phone connectivity less than 50% introduces considerable inefficiency in the calling process.	Phone connectivity between 50-60% wastes valuable sales resources on wrong dials.	Phone connectivity between 60-70% increases the amount of research necessary to reach prospects by phone.	Phone connectivity between 70-80% makes it more likely that prospects can be reached via phone.	Phone connectivity above 80% maximizes sales efficiency.
Record Duplication	More than 30% of records are duplicative, increasing costs associated with storage and redundancy in marketing efforts.	Duplicate records compromise 20-30% of overall database, presenting increased risk of unnecessary storage costs or redundancy in marketing efforts.	Duplicate records compromise 10-20% of overall database, presenting some risk of unnecessary storage costs or redundancy in marketing efforts.	Duplicate records are between 0-10%, significantly reducing the risk of unnecessary storage costs or redundancy in marketing efforts.	Duplicate records are at 0%, eliminating the risk of unnecessary storage costs or redundancy in marketing efforts.

Has this report inspired questions regarding your company's B2B marketing database competency?



Now you have the opportunity to evaluate your database and compare your performance against others across these four best practice areas.

Visit our website at www.netprospex.com/dhs for more information on the complimentary NetProspex Data HealthScan, or contact us today at datahealthscan@netprospex.com to arrange your assessment.

ABOUT DUN & BRADSTREET NETPROSPEX

Dun & Bradstreet NetProspex is the premiere cloud-based B2B marketing data management services and solution provider, committed to helping customers unlock maximum value from their relationships – between data points, between businesses and between people. We help thousands of B2B marketing and sales organizations optimize their revenue impact by increasing the quality and effectiveness of their marketing database through better segmentation, targeting and communication with their ideal customers. Tightly integrated with Dun & Bradstreet's proprietary global business data and analytics, Dun & Bradstreet NetProspex offers a suite of data services that make marketing databases accurate, targeted, and actionable. Dun & Bradstreet NetProspex is headquartered in Waltham, MA. For more information visit www.netprospex.com and follow the company on Twitter at @NetProspex.

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1. The Economist Intelligence Unit, "The rise of the marketer: Driving engagement, experience and revenue," 2015
 2. SiriusDecisions, "Three Myths of the 67% Statistic," July 3, 2013
 3. "2014 B2B Enterprise Demand Generation Survey," Annuitas
 4. "B2B Content Marketing 2014: Benchmarks, Budgets, and Trends – North America," 2014, Content Marketing Institute & MarketingProfs
 5. 2015 Demand Gen Report Benchmark Study: What's Working in Demand Generation, January 2015; Demand Gen Report & Marketo
 6. "2014 B2B Enterprise Demand Generation Survey," Annuitas



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