

Focusing on Data Quality to Convert Audience Development

From a Cost Center
to a Profit Center



Table of Contents

The Challenge

[Start by Focusing on Your Data](#)

[Data Decay in the Era of COVID-19](#)

[The Cost of Bad Data](#)

[The Importance of Investing in Data Accuracy and Marketing in an Economic Downturn](#)

The Solution Step 1: Good Data Practices

[Defining Good Data](#)

[Eight Steps Publishers Take to Achieve Good Data Practices](#)

[The Clear Benefits to Investing in Data Cleanup](#)

[Revenue Opportunities With Good Data](#)

The Solution Step 2: Lead Generation

[Data Maintenance Design as a New Profit Center for Publishers](#)

The Financial Opportunity

[Data Maintenance Through a Telemarketing Provider Can Be Converted to a New Profit Center](#)

Conclusion

The Challenge

Most publishers think of their audience development as a necessary evil and a large cost center. Establishing a process enabling audience development to create new profits for the organization will solve this challenge.

The main challenge preventing publishers from achieving this goal is lack of direction and a disconnect between the audience department and the sales/marketing department. The fact that publishers are not implementing lead generation throughout their organization is a lost opportunity.

This white paper demonstrates how to convert the audience development efforts to a new profit center and secure the most accurate, complete and up-to-date database in the process.

Start by Focusing on Your Data

The publishing world runs on data. From print publications to digital resources, the results of delivery to the wrong address or contact are crippling costs and loss of opportunities. In a normally competitive market, the need for clean data is critical.

Every year, the urgency around data cleanup and enhancement is highlighted by the gradual decay that naturally occurs as organizations make changes and individuals move on to new positions. Experts estimate that the regular rate of annual decline in data accuracy and quality is between 10% and 20% (based on industry).

In 2020, the introduction of COVID-19 and its effects on the economy has deepened the impact of data errors. From unemployment and job changes, to an upheaval in how and where employees work, COVID-19 is serving as a catalyst for an exponential decline in data quality.

Data Decay in the Era of COVID-19

According to the Wall Street Journal, by May 14 over 36 million Americans had filed initial unemployment claims. The COVID-19 pandemic is putting a new and unprecedented level of pressure on data cleanup efforts because as work conditions shift for so many, it results in multiplying inaccuracies.

Even for employees that remain in their jobs, the setting of their work may have drastically changed. They may be reachable by cell phone, rather than through a corporate phone system, or they may be making decisions with a smaller budget or a different team of decision-makers. They may also be consuming content differently than they have in the past.

All these factors play into a need for accurate data. As publishers push to retain a competitive edge in a struggling economy, the accuracy of their data will play an important role in helping them advance in lead generation and conversion strategies.

The Cost of Bad Data

While there is a significant global toll on the economy resulting from bad data, the numbers may be more staggering when examined at the individual business level:

Inefficiency: This is the impact of a bad or wrong phone number, the wrong email or wrong demographic information. Harvard Business Review estimates that data professionals spend 50% of their time tracking down and correcting data errors.

A Drain on the Budget: It costs more to compensate for bad data than it does to maintain a clean database.

Poor Prospect and Customer Relationships: The loss of new sales opportunities, as well as lost opportunities with existing customers, are a side effect of incorrect data. The total revenue of a company may be negatively impacted by as much as 25%.

Low Morale: From database managers to B2B sales reps, it is frustrating for employees to be forced to rely on inaccurate information. Database managers become weary of inaccuracies, while sales teams resent practices that deny them commission opportunities.

A Problem That Only Multiplies: This is just the beginning. Marketing departments make bad decisions based on incomplete or inaccurate data. Customers and leads react negatively to bad data, unsubscribing to emails that do not seem to apply to them or even complaining on social media about a company that seems out of touch with who they are.

The Importance of Investing in Data Accuracy and Marketing in an Economic Downturn

As COVID-19 continues to make an impact on global commerce, many company executives are asking whether it may be a good time to pull back on marketing efforts and conserve resources. Not only are companies asking whether it makes sense to invest in data cleanup, many are debating whether to trim broader marketing budgets.

When the economy dips, the gut reaction by most is to cut costs everywhere possible throughout the organization. Marketing departments often see the first and deepest cuts. That, as history tells us, is a huge mistake.

The advice to continue investing in marketing is backed up by decades of research. Brands that continue to advertise during an economic downturn outpace their competitors.

As far back as 1927, an advertising executive named Roland Vaile published a report in the *Harvard Business Review* that detailed the outcomes for companies who advertised during the 1923 recession, and those who ceased investing in marketing. Those who continued advertising experienced 20% growth, while those who cut back finished the recession 7% behind their pre-recession levels.

Following the 1980s recession, a study by McGraw-Hill found that of 600 businesses examined, those that advertised during 1980 to 1982 were 256% ahead of those that did not.



How should publishers decide where to invest those precious marketing and advertising dollars? Companies need to evaluate what they are doing and keep investing based on measurable results:

- > Focus on core products and services
- > Tailor messaging for specific audiences
- > Learn more about your customer
- > Balance short-term and long-term needs
- > Do something good to help the local community

At the core of every marketing investment is the data. When resources are scarce, the answer is not to cut marketing investments; the answer is to be sure that the marketing investment is resting on quality data.

The Solution Step 1: Good Data Practices

Defining Good Data

Publishers often don't realize that they have a data problem, or understand the cost and implication of bad data on their files, in part because they don't have a set of metrics for defining the standards that data must meet. In any data cleanup and enhancement efforts, data must be analyzed with metrics that pursue the following qualities:

Accuracy

- The contact's information is accurate, including their role and title, address, phone, and email.
- Demographic information on file accurately describes the company and contact.

Quality

- The contact's demographic information matches the target audience that the sales and marketing teams are prioritizing.

Existence, Completeness and Relevance

- The data set must contain the information necessary to serve the sales and marketing teams.
- The data is appropriate to serve business goals.

Consistency and Timeliness

- When the data is stored across different locations and systems, the records all show the same values.
- Data is regularly updated to accommodate changing business objectives.

Eight Steps Publishers Take to Achieve Good Data Practices

Adopting good data practices is within reach for publishers that want to achieve these types of cost savings and revenue opportunities. Implementing the following steps can deliver measurable results in a short amount of time and with minimal upfront investment:

1. Acknowledge the scope of the problem, including a cost analysis of bad data's impact on the organization.
2. Invest in the necessary resources to identify the sources and reasons for bad data.
3. Appoint a point person who will be responsible for data quality and accuracy. Consider a person with a background in IT or marketing that has skills and experience in strategic approaches to solving business challenges.
4. Include data quality in strategic priorities for the company.
5. Rank data importance to prioritize update and enhancement projects.
6. Calculate the expected return on investment for improving data quality versus the cost of inaction.
7. Identify the key changes required to drive improvement.
8. Develop an ongoing data quality program.

Between 2015 and 2019, the average number of data points grew by 50%.

The amount of new data sources is constantly growing and at a rapid pace. Between 2015 and 2019, the average number of data points grew by 50%, which makes maintaining quality data an increasingly complicated challenge for publishers.

A survey we conducted this year revealed an alarming result. Most publishers do not know, nor have they studied the actual cost of bad data on their business. Moreover, many publishers do not know the growth potential they will experience when they address bad data.

Revenue Opportunities With Good Data

There are many ways in which publishers create a competitive edge and open new revenue streams with quality data:

Increase Revenue: Reliable data enables the company to improve decision-making, because it is based on up-to-date, accurate information.

Save Money: Companies stop wasting money on campaigns that target the wrong people and companies or people who no longer work at a company or act as an influencer in their industry.

Improve Customer Satisfaction: Companies deliver the right messages at the right time and may even equip them to provide specific customer recommendations in terms of products and services and content.

Save Time: Less time is spent remedying data errors and tracking down the right information.

Improve ROI: Companies receive a greater return on investment (ROI) for their marketing dollars.

The Clear Benefits to Investing in Data Cleanup

- > Increase gross revenue and profit margins.
- > Increase employee trust and eliminate frustration.
- > Improve strategic and operational decision making.
- > Improve collaboration between departments.
- > Improve operational efficiency.
- > Increase customer satisfaction and trust.
- > Strengthen the brand.

Successful publishers take this even further by leveraging data with a strategic perspective. Those who most effectively manage their data generate the greatest revenue with the best ROI from it. They save money by using fewer resources with their sales and marketing efforts, and they experience the highest customer satisfaction level.

This becomes more of a challenge for publishers every year, and particularly in the face of COVID-19. Each year there are new marketing channels, making it possible to establish additional points of contact with customers. Publishers also must deal with fragmentation and collect data from different sources, all with unique data structures.

The Solution Step 2: Lead Generation

Data Maintenance Design as a New Profit Center for Publishers

For publishers looking for an on-going data maintenance program, the following is a real-life example of a successful campaign design that not only achieved the highest data quality and accuracy, but also generated a new stream of revenue.

Using telemarketing, each call to either a requalification or new contact includes questions used to identify the potential for new leads or opportunities for one or more advertisers, an invitation to attend a live event, or webinar, or a request to complete a survey. Each call can be followed up with an email to expand brand recognition, to provide a call to action and to move the contact to the next step in a sales process.

The key is that the telemarketing channel is used as a touchpoint (a qualified engagement if you are BPA audited) several times throughout the year and creates new revenue for the publisher. In effect, the data maintenance program becomes a profit source.

The program can be designed so that calls are aligned with the company's audit cycle and integrated with audience

development projects. In addition, telemarketing can be used as an ongoing tool to identify new business opportunities and qualify leads. These activities may include not only generating leads, but also, more importantly, qualifying actionable leads.

A simple project will identify interest level to consuming content (i.e. case study, white paper, eBook), but it may also be in pursuit of a higher level of engagement or conversion:

First level qualification: Establish product needs and interest, with the goal of scheduling a follow-up contact in phone or in person.

Second level qualification: Identify product need and interest, as well as decision-making process and timeline, budget availability and a scheduling of a follow-up.

This process may also include inviting the contact to a live event or webinar, as well as a few simple survey questions to gather critical information.

The program continues, with telemarketing utilized several times a year to create more business opportunities, generate new sources of revenue and ensure the highest level of data accuracy for internal marketing and sales departments.

The Financial Opportunity

Data Maintenance Through a Telemarketing Provider Can Be Converted to a New Profit Center

Instead of looking at the audience department as a cost center, a publisher can start treating it as a profit center. Below is an example from a confidential client demonstrating the opportunity for 400% return on investment when telemarketing is utilized.

45,000 – Total number of print subscribers on file.

(As a result of this program the publisher can report 100% one -year file on their BPA 3b statement).

5,000 (11%) – Estimated number of new subscribers the publisher adds/qualifies each year to replace those who were removed from the files for one reason or another.

120,000 – Total number of individuals the publisher engaged with. The publisher is using different channels of communications, mostly digital. The publisher promotes their products (digital content, webinars, events, educational and more) as well as the products and services offered by their clients, most are advertisers.

\$3.00/sub – The publisher invests about \$3 per requalified subscriber (RQ) to maintain their Print circulation at 45,000.

\$4.50/sub – The publisher invests about \$4.50 per qualified subscriber (NN) to add new print subscribers each year to maintain their circulation at 45,000.

\$142,500 – Total annual telemarketing campaign investments for RQ and NN campaigns (\$120,000 + \$22,500)

In addition to the cost associated with the RQ and NN project, the telemarketing company bills the client for qualified leads.

- > Simple projects (all subs)\$1
- > Simple projects (limited subset).....\$2
- > First level qualification\$3
- > Second level qualification\$5
- > Survey (average)\$10

The publisher is billing their clients for leads based on three distinct levels.

- > Simple projects (all subs).....\$15
- > Simple projects (limited subset)\$25
- > First level qualification\$50
- > Second level qualification\$75-\$100
- > Survey (average)\$35

The total annual number of leads generated by telemarketing is 36,500. Total annual telemarketing cost to generate the leads is \$107,500:

- > Simple projects (all subs) \$15,000
- > Simple projects (limited subset) \$20,000 (10,00 X \$2)
- > First level qualification \$15,000 (5,000 X \$3)
- > Second level qualification \$7,500 (1,500 X \$5)
- > Survey..... \$50,000 (5000 X \$10)

Total annual revenue generated by telemarketing is \$1,012,500:

- > Simple projects (all subs)..... \$225,000 (15,000 X \$15)
- > Simple projects (limited subset) \$250,000(10,000 X \$25)
- > First level qualification\$250,000 (5,000 X \$50)
- > Second level qualification\$112,500 (1,500 X \$75)
- > Survey\$175,000 (5,000 X \$35)

Telemarketing annual cost for a publisher looking to maintain a 100% one-year file is
\$142,500.

Total telemarketing annual cost to generate the leads is **\$107,500.**

Total annual revenue generated by telemarketing is
\$1,012,500.

Gross annual revenue for the publisher because of the telemarketing generated leads is \$762,500 which is a
400% ROI

When implementing lead generation as part of the audience development efforts, you have a very real, simple way to earn back some or all of the print revenue that was lost. This converts your audience department to a cost center.

Conclusion

The main challenge most publishers experience is a large reduction in print revenue and a lack of clear and consistent processes to replace it through digital products. In addition, the disconnect between the audience department and the sales and marketing departments is a reason for lost revenue opportunities from lead generation.

Growing a business and converting the audience development department to a profit center requires a strategic corporate-wide change. Making audience development a priority is key to success. Striving for the highest quality and accuracy must be a corporate goal. Implementing lead generation is key to satisfying clients growing appetite for qualified leads and as a result generating more, new revenue.

In this white paper we demonstrated how a company can turn audience development efforts into a huge profit center. There is not any reason a company should not expect a large ROI from lead generation projects using telemarketing and email efforts. It is time to look at audience development as a source of new revenue.



About Blue Valley Marketing

Blue Valley Marketing is a firm focused on delivering high quality new business development, brand development, and demographic- and interest-based lead generation services. Supporting the companies operating in B2B environments, publishing industry and media companies since 1991, Blue Valley Marketing has accumulated an immeasurable wealth of knowledge and experience in audience development, database enhancements, and most importantly new business development by creating qualified actionable leads, while building rapport with millions of executives in a large number of industries.

Blue Valley Marketing
1555 Pony Express Hwy, Home, KS 66438
(800) 882-0803 • ronen@bvtmemail.com
bluevalleymarketing.com