



Customer Intelligence: Would the Best Data Please Stand Up?

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If you ask a marketer or a salesperson what is the difference between a bad campaign and a good campaign, they will tell you it is all in the list. It seems that marketers have been buying lists for generations. Through a never-ending supply of list brokers and service bureaus, you can buy names for virtually every household in the country. And to varying degrees, you can buy demographics and other information about people, such as their ethnicity, if they enjoy science magazines or if they are cost conscious.

It seems that years ago, being able to provide lists was magic in itself. After a while, you could request certain customer segments and have lists tailored to the types of customers you thought would work best for you. This way you could get even better lists. Some organizations such as D&B and InfoUSA differentiated themselves by selling information about businesses. This information is extremely helpful when trying to understand the relationship between a company and its subsidiaries, sites and departments. But what does the list industry look like today? Is this a commodity service or still something of value?

Merge/Purge

It seems the words merge and purge still bring fear into the hearts of marketers. This process is deemed to be black magic that only highly technical organizations with immense processing power can accommodate. Simply put, merge/purge is the idea of taking your rented/purchased lists and matching a name or a name and address to your customer database so that you don't inadvertently treat them as prospects. The process is not that different from deduping or matching with an extra step.

What most organizations seem to struggle with is what they are contractually allowed to do with their lists. Can you use the name more than once? If so, how many times can you use it? Are you allowed to keep the list on your database for match-back purposes, or are you not allowed to store it? In fact, are you allowed to see your list at all, or does it have to go straight to the mailhouse?

Merging and purging is the ugly side of rental lists, and organizations that can help you manage your specific situation can add value over and beyond simply sending you a list.

Aggregations

For years, the big service bureaus, i.e., Axcion, Experian and Equifax, were well-known for having large databases of demographics, consumers and households. These bureaus seem to have cornered the marketplace on lists and could charge a premium for them. However, it was very difficult to understand if one database was better than another. Recently, organizations such as Merkle, Accudata and Genalytics are buying everyone's databases and aggregating them together. These aggregations could include all sorts of other lists as well, including magazine subscription lists and other name collectors.

By aggregating all of these databases, it seems that it doesn't matter who has the best national database because you have all of the lists in one database. These types of aggregations are becoming more prevalent, which again makes the aggregators a commodity. How can you really tell who has aggregated or matched all of these databases better than someone else? It seems very difficult to decide.

Analytics

The game has changed again as the list and prospect name business tries to figure out what may be a differentiator. Many organizations are trying to help their clients through the list-buying process by adding analytics to the table. Using predictive analytics and profiling, list vendors can not only sell you a list, but they also say they can sell you the right list. By looking at data about your best customers, they can find prospects that more closely match your profile. Like all predictive analytics, the goal is to decrease your spend on lists by purchasing more responsive prospects.

Genalytics seems to be upping the ante even higher. Their on-demand service that is sold through resellers proposes to create the model and a targeted list before the end of the business day. From just a quick 30-minute session with their analysts, Genalytics will take a look at your customers and then mine their prospect database for your best prospects.

Recently, they have increased their breadth of services to include business to business. Genalytics combines data from their business database and their consumer database to align consumer demographics with business owners. They feel this provides them with more variables about different individuals in an organization, which can help Genalytics predict the types of business decisions they might make. Consequently, they can create very targeted business prospect lists.

The list business is still in business, but it is fuzzy on what makes one of these data providers different from another. Adding technical expertise by helping with merge/purge seems helpful but easily replicated. Of course, anyone would want better lists, and if analytics is the path to better lists, that seems to be a great way. Customers should scrutinize these list vendors and create simple marketing effectiveness reports to see whose analytics are really generating powerful lists.

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