

HOW TO CHOOSE A DATA PROVIDER



Data strategy brilliance often precedes market success, but even if you succeed in implementing a comprehensive data strategy for your organization, you can still end up with poor results thanks to inadequate data providers. In this document, you'll learn the top considerations for evaluating a data partner so that you can confidently choose a trustworthy provider and get higher returns on your sales and marketing data investments.

Bigger is not always better

Some data providers claim to have information on tens of millions of companies. Consider that there are roughly 18 million companies operating in the United States, and only about six million have five or more employees. Now, think about your target market. Even if there were 60 million market-ready corporate records, your ideal customer profile is likely exponentially smaller. You need marketable records with the depth (not breadth) of information to identify prospects most likely to buy, reach the decision makers who control the budget and target them with the right message. When it comes to actionable data, consider quality over quantity.

Bad data comes with big costs

[Dun and Bradstreet](#) estimates that every 30 minutes, 120 businesses will have a change of address, 20 CEOs will leave their jobs and 75 phone numbers will change. And according to Dun and Bradstreet's [Annual Marketing Data Benchmark Report](#), more than 70 percent of records are either incomplete or inaccurate. With numbers like that, you can expect that a large percentage of emails will never reach the intended contact and follow up will be next to impossible with missing and inaccurate contact information.

Lead generation is not always the answer

Lead generation is fraught with its own set of problems. The [LeadJen Data ROI Study](#), estimates that when lead data is not adequately validated, the cost can be more than \$20,000 in wasted time per sales representative annually.

SUCCESS IN SELECTING A DATA PARTNER

While the data provider market may sound scary, if you are well prepared with the appropriate questions and understand what you're buying, you can find great success. These questions can help you select the best data partner.

1. What fields are included?

Ask for the column headers (and any table-driven field values of those headers) of the output file or database. This file alone, often speaks volumes and can serve as a litmus test for the quality of the data as well as the professionalism of the data vendor. For example, by examining the file you can inspect the thoroughness of the fields included and the thoughtfulness in which the standard entries were organized. And by simply asking for the file, you can see just how responsive the vendor is.

2. What's the completion ratio for each field?

Partial or incomplete records are chronic problems in vendor offerings. As you talk with a vendor about buying data, try to get a sense of how complete each field is within their database. It's not unusual for a reputable vendor to have some fields with "unknown" values, but understanding fill rates on any given field will help you determine how actionable their data will be for your intended purpose.

3. What are the vendor's growth projections?

If you're buying an annual subscription to data, what are you buying going forward? If a vendor proudly states that they are expecting to double their data next year, dig a little deeper. A database can grow in multiple dimensions, and only some dimensions are probably of value to you. Are they doubling the companies they cover? Expanding from a North American focus to adding Europe? Is their "doubling" more about going deeper on existing records, such as adding direct phone numbers or better email deliverability to their existing contacts? Understanding the strategy of your vendor over the projected life of your expected relationship is important to ensure that relationship will remain beneficial to you into the future.

4. How and when was the data validated?

Because the half-life of data is short, you need to know what a data vendor is doing to ensure you're getting up-to-date information. How often do they validate their data? A useful way to counter an "always growing" statement is to ask a vendor the process they use to keep their data current. If the front-line people to which you are speaking can't answer these questions quickly, thoroughly and with an air of confidence, it's probably a red flag.

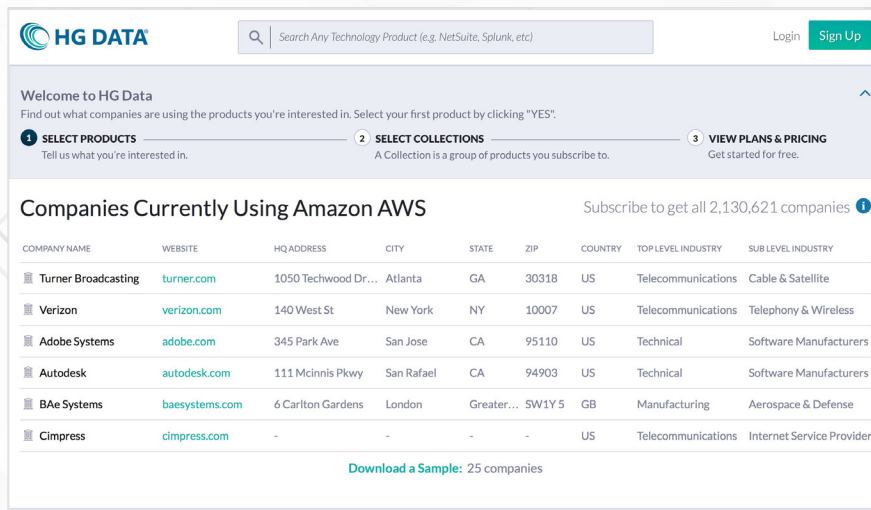
5. Are they a reseller or originator?

Is the vendor you're talking with building their data themselves or buying it from someone else and re-marketing it? In some cases, working with a reseller makes sense, as they add value beyond the underlying data itself. But in far too many cases, they are just middlemen who increase costs. Find out the true source of how the data is being acquired to determine if you're talking to the right vendor for your needs.

6. Can I see a sample record?

The first rule when buying data is to never take a vendor's word for the quality and completeness of the records. Determine the truth for yourself by requesting a set of sample records. And to really get insights, ask the vendor for data from companies you already know well - this will allow you to check if the data is reliable and prevent a vendor from sending you a non-representative subset of their data.

When considering a data provider, above all, look for transparency. You can often identify good third-party data vendors by their willingness to share information, listen to your specific needs and demonstrate and share samples of the quality of their records before you make a buying decision.



The screenshot shows the HG Data website interface. At the top, there is a search bar with the placeholder text "Search Any Technology Product (e.g. NetSuite, Splunk, etc)", a "Login" button, and a "Sign Up" button. Below the search bar, a welcome message reads "Welcome to HG Data" and "Find out what companies are using the products you're interested in. Select your first product by clicking 'YES'." There are three numbered steps: 1. SELECT PRODUCTS (Tell us what you're interested in), 2. SELECT COLLECTIONS (A Collection is a group of products you subscribe to), and 3. VIEW PLANS & PRICING (Get started for free). The main content area is titled "Companies Currently Using Amazon AWS" and includes a link to "Subscribe to get all 2,130,621 companies". Below this is a table with columns: COMPANY NAME, WEBSITE, HQ ADDRESS, CITY, STATE, ZIP, COUNTRY, TOP LEVEL INDUSTRY, and SUB LEVEL INDUSTRY. The table lists six companies: Turner Broadcasting, Verizon, Adobe Systems, Autodesk, BAe Systems, and Cimpress. At the bottom of the table, there is a link: "Download a Sample: 25 companies".

COMPANY NAME	WEBSITE	HQ ADDRESS	CITY	STATE	ZIP	COUNTRY	TOP LEVEL INDUSTRY	SUB LEVEL INDUSTRY
Turner Broadcasting	turner.com	1050 Techwood Dr...	Atlanta	GA	30318	US	Telecommunications	Cable & Satellite
Verizon	verizon.com	140 West St	New York	NY	10007	US	Telecommunications	Telephony & Wireless
Adobe Systems	adobe.com	345 Park Ave	San Jose	CA	95110	US	Technical	Software Manufacturers
Autodesk	autodesk.com	111 Mcinnis Pkwy	San Rafael	CA	94903	US	Technical	Software Manufacturers
BAe Systems	baesystems.com	6 Carlton Gardens	London	Greater...	SW1Y 5	GB	Manufacturing	Aerospace & Defense
Cimpress	cimpress.com	-	-	-	-	US	Telecommunications	Internet Service Provider

Sample records from HG Data's comprehensive set of Technographics

If you're looking for high quality technographics, visit www.hgdata.com.

