



 **AccuData**
INTEGRATED MARKETING

USING DATA:

What You Need to Know for Improved Marketing Results



Introduction

From the onset of direct marketing in 1872 when Montgomery Ward sent his first catalog to today's constantly evolving automated marketing workflows, one thing remains consistent: the significance of audience targeting. No matter how well copy is written, how eye-catching creative is, or how compelling an offer may be, marketing communications that do not reach their intended audience produce less than stellar results and strain already limited budgets.

How do marketers break through the noise to uncover meaningful customer insights and target prospects more effectively? The answer is as simple as it is complex: use data.

AccuData is here to help! In this guide, we will share how data can be used to create value for your company, enhance your marketing efforts, and uncover actionable behaviors that will enable you to convert prospects and customers into loyal fans.

You will learn how data can help you:

- Get to know your customers and prospects
- Target new customers more effectively
- Create value and loyalty among customers and prospects

APPLYING THIRD-PARTY DATA: Knowing Your Customers & Prospects

FIRST-PARTY DATA
Your Customer Data

SECOND-PARTY DATA
Another Company's
First-Party Data

THIRD-PARTY DATA
Data Compiled for
Direct Marketing
Purposes

We begin with an exploration of the primary types of marketing data. Understanding what these data assets are and how they can be applied to your marketing efforts is a critical first step.

First-Party Data

First-party data is your own customer data. These are the data attributes that you have collected with care over years of operation. Arguably, this data is one of your most essential marketing assets as the consumers represented have familiarity with your business and have interacted with you in some form (be it a donation, inquiry, response, purchase, or subscription). We recommend leading with customer data where possible; a topic we will continue to discuss later in this guide.

Second-Party Data

Second-party data, which may also be referred to as cooperative data, is the least common type of marketing data. Second-party data exists primarily in arrangements between trusted partners, where data sources are being exchanged or licensed. Effectively, this data is another company's first-party data that has been permissioned for use by a specific organization.

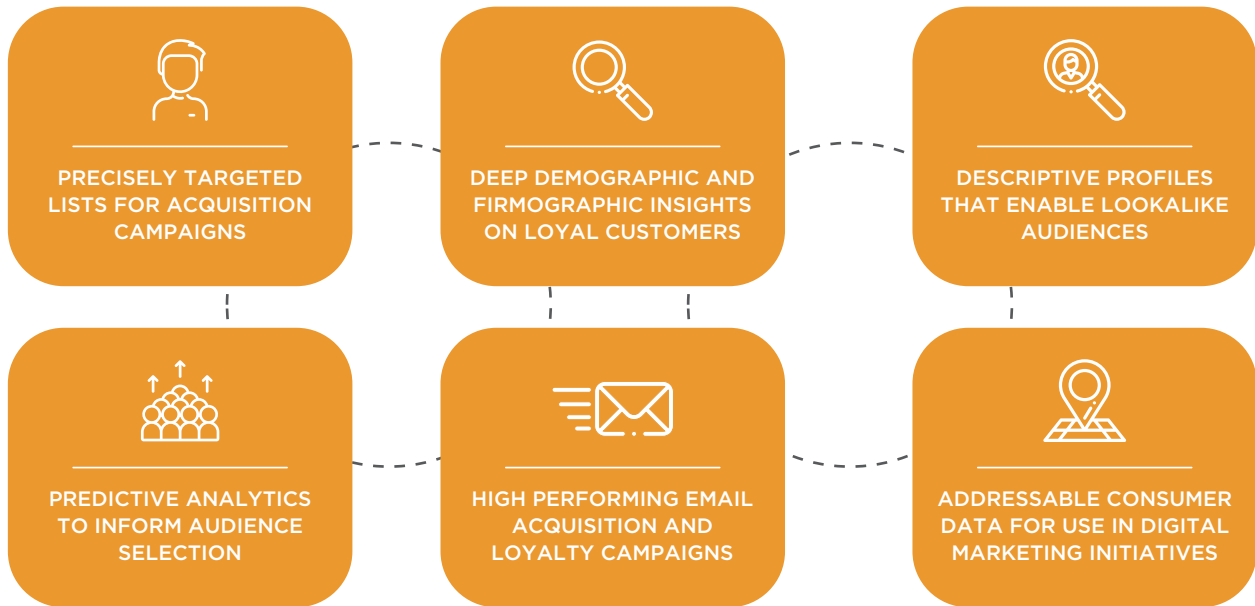
Third-Party Data

Third-party data is by far the most powerful resource brand marketers can access. Utilizing third-party data will help you unlock who your customers are and create highly targeted prospect audiences. This information is collected by data compilers and aggregators to be used specifically by brand marketers for the creation of targeted marketing segments. Third-party data is identified through a variety of sources that include public record data, proprietary data sources, self-reported sources, sophisticated models, and more.





Third-Party Data Supports Essential Marketing Functions



Precisely Targeted Lists for Acquisition Campaigns

Whether your need is to saturate a specific area or to focus exclusively on a demographically based audience segment, targeted prospect identification is made possible through the application of data-driven intelligence and compiled direct marketing data. AccuData supports your prospecting initiatives with instant online access to more than a dozen direct marketing databases and offline access to hundreds more.

Deep Demographic and Firmographic Insights on Loyal Customers

Data enhancement allows you to create targeted segments, while learning more about your current customers. With AccuData, more than 1,700 demographic, lifestyle, life stage, propensity, transactional, and firmographic data attributes are available for enhancing your customer file. This powerful data will enable you to develop highly relevant content and offers based on your customers' needs, wants, and lifestyles.

Descriptive Profiles that Enable Lookalike Audiences

Not certain where to begin? A customer profile can be useful in helping you to identify key demographic or firmographic attributes that occur with high frequency in your database. This information can be used to improve prospect audience selection or to add value to your own data.

Predictive Analytics to Inform Audience Selection

Predictive analytics enables the modeling of your current customers based on key activities such as donations, purchases, renewals, or responses. This intelligence helps you understand who your best customers are and then uses these key factors to identify prospects that resemble your best customers. This type of “smart” data can yield improved responsiveness at a lower overall cost, since you are likely communicating with a smaller, more succinct prospect audience.

High Performing Email Acquisition and Loyalty Campaigns

Third-party data links opt-in email addresses that have been permissioned for third-party marketing to rich demographic attributes. When utilized for acquisition initiatives, email audiences can be customized to meet your specific campaign criteria. And for loyalty campaigns, email addresses can be matched to your existing postal database to enable multichannel marketing and build brand awareness.

Addressable Consumer Data for Use in Digital Initiatives

Extend the usability of your customer and prospect postal data files with the addition of digital marketing channels. When used in digital applications, your postal data becomes “addressable” and ensures that the recipients that received your direct mail communication receive your digital communications. Available digital channels include IP Targeting and Connected TV/Over-The-Top Advertising.





The depth and breadth of third-party data attributes are unparalleled. The following options highlight a small sample of the types of data attributes that are available for your data enhancement, prospecting, analytics, and digital initiatives.

Demographics

- Adult Age
 - Adult Date of Birth
 - Child's Age
 - Children Present
 - Dwelling Type
 - Email Address
 - Education
 - Estimated Income
 - Ethnicity
 - Home Equity
 - Home Value
 - Homeowner/Renter
 - Length of Residence
 - Marital Status
 - Modeled Credit
 - Occupation
 - Religion
 - Senior Adult
 - Vehicle Make/Model
 - Telephone Number
-

Lifestyle Data

- Automotive Work
 - Boat Owner
 - Charitable Giving
 - Collectibles
 - Cruise and Travel
 - Diet and Wellness
 - Gourmet Cooking
 - Grandchildren
 - Green Living
 - Home Improvement
 - Investments
 - Pet Owner
 - Photography
 - Reading Interest
 - Running/Jogging
 - Scuba Diving
 - Self-Improvement
 - Social Causes
 - Spectator Sports
 - Veteran
-

Life Stages

- Child Nearing High School Graduation
 - College Graduate
 - Expectant Parent
 - Intend to Purchase a Vehicle
 - New Parent
 - Newlywed
 - Recently Divorced
 - Recent Home Buyer
 - Recent Mortgage Buyer
-

Propensity Data

- Automotive Affinities
 - Brand Affinities
 - Channel Preference
 - Consumer Packaged Goods Preferences
 - Insurance Propensities
 - Investment Services
 - Media Usage
 - Purchasing Behaviors
 - Shopping Propensities
 - Technology Propensities
-

Transactional Data

- Buying Channel Preference
 - Mail Order Buyer
 - Mail Order Donor
 - Offline Donors
 - Offline Orders
 - Online Dollars
 - Online Orders
 - Payment Type
 - Purchase Categories
 - Purchases by Month
 - Total Dollars Spent
 - Total Orders Placed
-

Firmographics

- Business Expenses
 - Credit Scores
 - Email Addresses
 - Employee Size
 - Employer Identification Numbers
 - Fortune Indicator
 - Franchise Indicator
 - Job Functions/Titles
 - Legal Expenses
 - Minority Owned
 - NAICS Codes
 - Nonprofit Indicator
 - Number of PCs
 - SIC Codes
 - Social Media Pages
 - Top Contact Names
-



LEAD WITH CUSTOMER DATA

As we discussed, your customers are your best source for prospect data intelligence. Loyal customers are known to shop more, spend more, have larger e-commerce shopping carts, and make more frequent referrals to friends and family. Examining your best customers, however you choose to define them, provides deep intelligence that can be used to identify prospect audiences.

To begin, you will want to determine the qualities that exemplify your best customers. Are they the customers you have had the longest? Those that spend the most money? Those that dine the most frequently? There is no wrong answer as long as you are identifying characteristics that you want to mimic. This type of segmentation can be accomplished using your RFM (Recency, Frequency, and Monetary Value) data.

Once your best customer segment has been created, a customer profile like AccuData's SnapShot can be applied. SnapShot is an automated service that statistically profiles your best customers. Within minutes, your loyalty data is matched against AccuData's comprehensive database of U.S. consumers or businesses to create a customized market penetration analysis. The strength of SnapShot lies in data overlays that reveal detailed demographic information about your customers or donors. This information can be used to guide decisions on the elements that should be appended to your file as well as how to target prospects more effectively. In fact, SnapShot has a data component that creates lookalike audiences that demographically resemble your best customers.





Case Study: Food Bank Grows Donor Base Dramatically by Profiling Current Donors

A Food Bank desired to increase the amount of funds they raised for their annual holiday appeal, while also identifying new donors to replace those lost through attrition. The AccuData Team recommended SnapShot, a descriptive profile report that highlights important characteristics that can be used to build a more intelligent prospect audience. The Client mailed its annual appeal to the new lookalike audience and received 400 donations in the first week and a total of 800 donations by the end of the campaign. They also received a \$5,000 check from a first-time donor. The Client told AccuData “This response goes way beyond what we expected in terms of previous acquisition mailings.”

When You Can't Lead with Customer Data, **RELY ON THIRD-PARTY DATA**

The majority of third-party data assets can be categorized into five segments, which are summarized below. Each type of data listed has recommended uses and specific benefits that can be experienced. Your AccuData Account Representative will guide the selection process, examining your campaign goals to determine where third-party data can be applied in the most impactful way.



Resident/Occupant Data

Optimize reach and achieve deep postal discounts with saturation data that is compiled directly from United States Postal Service intelligence.



Consumer Data

Reach consumers at their home or email address with databases that are compiled from a variety of sources including public records and self-reported data.



Business Data

Choose businesses by type, job title, and more; records are compiled from sources that include legal filings, media/news resources, and government registrations.



Specialty Data

Target consumers and businesses with niche files that focus on a specific attribute; sources may include membership rosters, professional publications, and licenses.



Managed Lists and Response Data

Identify consumers and businesses by their actions and affinities while utilizing RFM (Recency, Frequency, Monetary) data to understand purchasing behaviors.





Once you understand the interests and motivations of your customers and prospects, you can hyper-target your marketing efforts to see improved results. For most companies starting out, simple demographic data can have the most impact in getting to know a customer base or in targeting a specific group of prospects. Data points such as age, income, and presence of children can guide you in segmenting your marketing initiatives. With this information, you can create targeted messages that are designed to appeal to different age groups or show products that are better matched to households with children of a certain income level.

One simple piece of information, for example, a child preparing to graduate from high school, can turn into a variety of marketing efforts designed to help meet the needs of a customer or prospect. Say that you learn a customer has a child nearing graduation. This data can be used in a variety of ways:

- Banks may offer student loan services and discounted student checking/savings products
- Colleges and universities can explore enrollment interest
- Photography studios may offer exclusive senior portrait packages
- Retailers may provide promotions on dorm essentials, new technologies, and luggage

Another technique for meeting the individual needs of your customers is Propensity Data. Propensity Data provides you with unique insights into consumer behaviors from a variety of sources not readily available through traditional direct marketing channels. These insights, that include industry-specific financial transactions, survey responses, syndicated data, and exclusive partner data, are combined with sophisticated predictive analytics to inform your campaign decisions.

Ideal for both prospecting and loyalty engagements, Propensity Data provides the consumer characteristics that allow you to create and deliver impactful, relevant offers.

- Where your current and prospective customers shop
- What they are likely to purchase and what motivates them to buy
- The brands they prefer
- How they like to communicate, the platforms they use, and the media they consume
- How they approach spending and saving
- Their level of technology adoption, devices they use, and so much more

At times, your marketing initiatives will require both focus and breadth. When a larger marketing universe is essential for the execution of your campaign, SourcePLUS, AccuData's exclusive multi-source selection technology, can increase your prospect universe by more than 20%. SourcePLUS provides you with access to unique records across multiple leading consumer databases with ease. You will receive more records without sacrificing targeting capabilities, managing multiple data providers, or navigating net name arrangements.



Case Study: Medical Equipment Manufacturer Expands Prospect Universe

A single-source direct mail list had been the sole source of prospect data for a manufacturer of hearing aid products. Upon seeing their marketing universe steadily decline, they were determined to find a partner that could maximize their reach of qualified prospects. AccuData proposed using SourcePLUS, its exclusive multi-source list technology, to increase the client's prospect universe. Prior to engaging SourcePLUS, AccuData performed a detailed demographic analysis of the Hearing Care Center's customer database to determine the attributes that most closely matched their current purchasing customers. Using the customer's geographic footprint and consumer attributes that included age (55 and older) and income (\$40,000 annually), AccuData proceeded to run counts using the client's preferred direct mail file and identified 386,986 prospect records. AccuData then applied the same criteria to SourcePLUS, which was able to identify an additional 320,971 records — an incremental lift of more than 82%! The Client now orders a monthly refresh to capture changes that are occurring in their prospect universe. On average, they see a 50% lift over their original single-source list.

USE DATA ANALYTICS TO CREATE VALUE AND LOYALTY

Adding data points to your customer database is a means to better performance; however, predictive analytics can do even more. Predictive analytics enables the modeling of your current customers based on key activities such as donations, purchases, renewals, or responses. This intelligence helps you understand who your best customers are and then uses these key factors to identify prospects that look like your best customers. This type of “smart” data can yield improved responsiveness at a lower overall cost, since you are likely communicating with a smaller, more succinct prospect audience.



RESPONSE MODELS

Determine the prospect audience segment that is most likely to respond to your offer. This automated, online analytic service compares two datasets (for example, buyers versus non-buyers) in order to predict the prospects that are most likely to complete the desired action.



CLONE MODELS

Utilize the intelligence within your loyalty file to select prospects more effectively. By targeting prospects that are demographically similar to your current customers, you are likely to experience higher conversion rates.



CUSTOM MODELS

Benefit from advanced analytics that assist you in identifying the prospects that are most likely to both respond and convert as new customers. This refined targeting is produced when an algorithm is applied to the prospect universe and a score guides the selection process.





Using predictive analytics, marketers are 2.9 times more likely to report growth at rates higher than industry average and 2.1 times more likely to occupy a leadership position in the product/service markets they serve.

- Forrester Consulting

Case Study: Retirement Community Meets Occupancy Goals with Predictive Analytics

The nation's largest not-for-profit owner and operator of 21 continuing care retirement living communities had a resident database but it lacked robust demographic and psychographic details about its residents. They also sought to develop more relevant prospect segments to see stronger results from their marketing efforts. To begin, AccuData appended information to the records of the Client's customers that had placed a deposit to live in one of their communities, then AccuData applied descriptive analytics to develop a profile of the Client's current responder audience. Next, AccuData appended the Client's prospect list to include demographic and lifestyle data to create a detailed predictive analytics profile that would be used to forecast and rank the prospects most likely to respond. After analyzing hundreds of data points, 10 were determined to be likely predictors of who would move into the Client's community. AccuData scored the Client's prospect list into 10 separate groups. The quality scores helped the Client to surpass sales goals and reach 90% average occupancy. AccuData determined that 19% of the Client's prospect population resulted in 37% of its move-ins.



For guidance and recommendations on using data to drive your marketing results forward, rely on AccuData. From identifying the channels that best suit the intended target audience to the application of industry best practices in data, design, and deployment, AccuData delivers results that go above and beyond. Whether for your own business or that of your clients, AccuData is here to help you implement effective marketing strategies informed by data.



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