2023

# DATABASE STRATEGIES & CONTACT ACQUISITION BENCHMARK SURVEY

Practitioners Gathering
Deeper Intelligence
To Facilitate Highly
Relevant 1:1 Outreach



DEMAND GEN® REPORT

# EXECUTIVE SUMMARY

In a world tainted with spammy, impersonal outreach, B2B practitioners are recognizing the importance of 1:1 connections and building the foundation needed to generate and fuel account- and contact-level insights. According to the "2023 Database Strategies & Contact Acquisition Benchmark Survey," 69% of practitioners plan to increase their investment in their database strategies as they look ahead into 2023. And even more promising? They're allocating a higher percentage of their overall budget to refining database information, too.
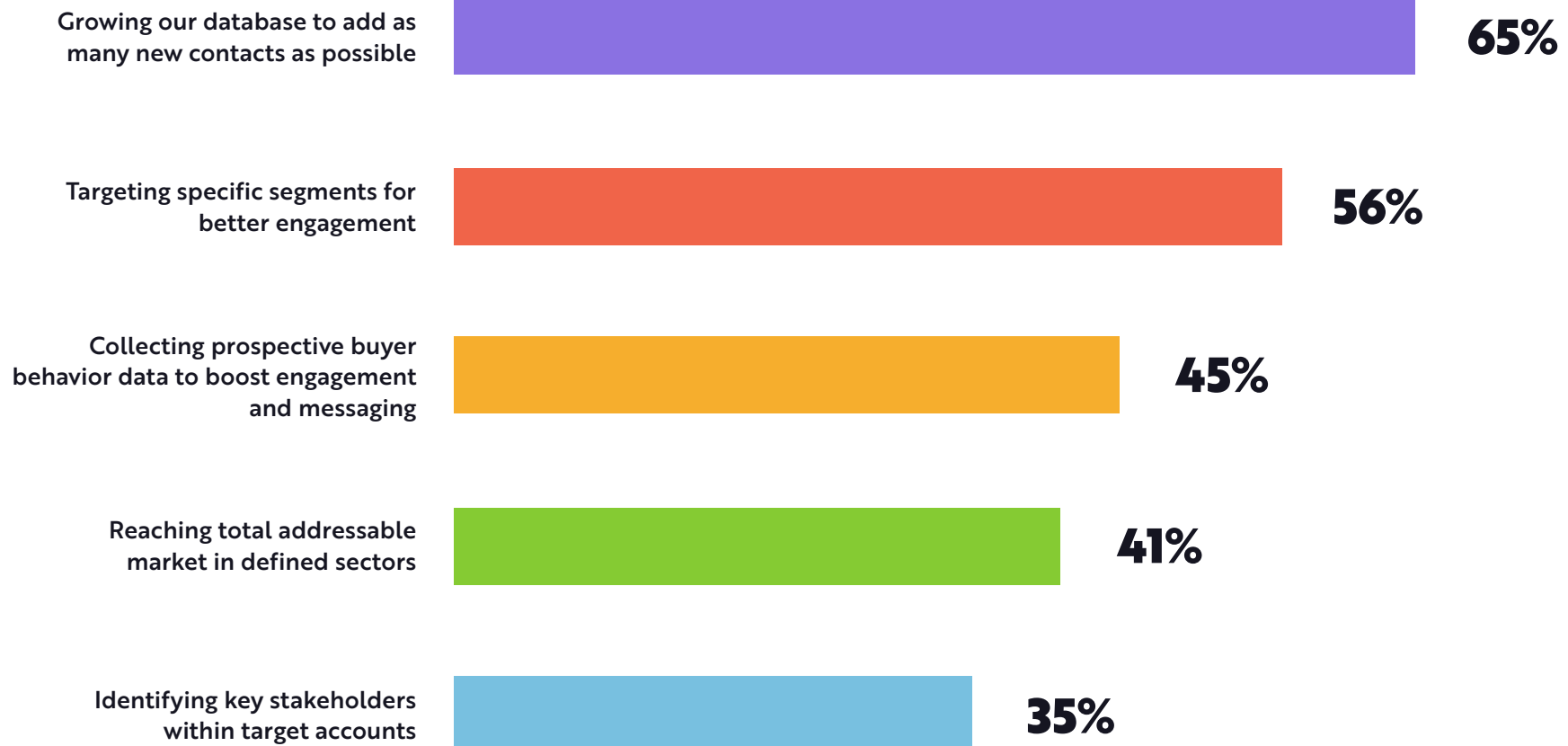
While last year's survey found that more than half (51%) of respondents were only increasing investment by up to 10% in 2022, more than two-thirds indicated that they're slightly or greatly increasing the budget in 2023. With a plan in place, the specific areas of growth practitioners are targeting include:

- Growing their database to add as many new contacts as possible (65%);
- Targeting specific segments for better engagement (56%);
- Collecting prospective buyer behavior data to boost engagement and messaging (45%);
- Reaching total addressable market in defined sectors (41%); and
- Identifying key stakeholders within target accounts (35%).

The projections for 2023 represent a marked shift from a purely retention-focused mindset to a balance of retention and acquisition, as practitioner's No. 1 priority in 2022 was generating better engagement. Following that thread, marketers are now focused on collecting as many new contacts as possible while refining first-party data strategies to create more relevant outreach. The increased focus on first-party data collection comes at a perfect time, as large corporations such as Google and Apple continually change the rules and regulations surrounding third-party data collection.

With 69% of marketers planning to increase their investment in database strategies, the 2023 survey report will further highlight the emphasis on improving and refining first-party data collection processes, with a focus on the strategies and guidelines practitioners are putting into place.

# WHAT ARE YOUR TOP FIVE DATABASE PRIORITIES FOR 2023?

Growing our database to add as many new contacts as possible — **65%**

Targeting specific segments for better engagement — **56%**

Collecting prospective buyer behavior data to boost engagement and messaging — **45%**

Reaching total addressable market in defined sectors — **41%**

Identifying key stakeholders within target accounts — **35%**

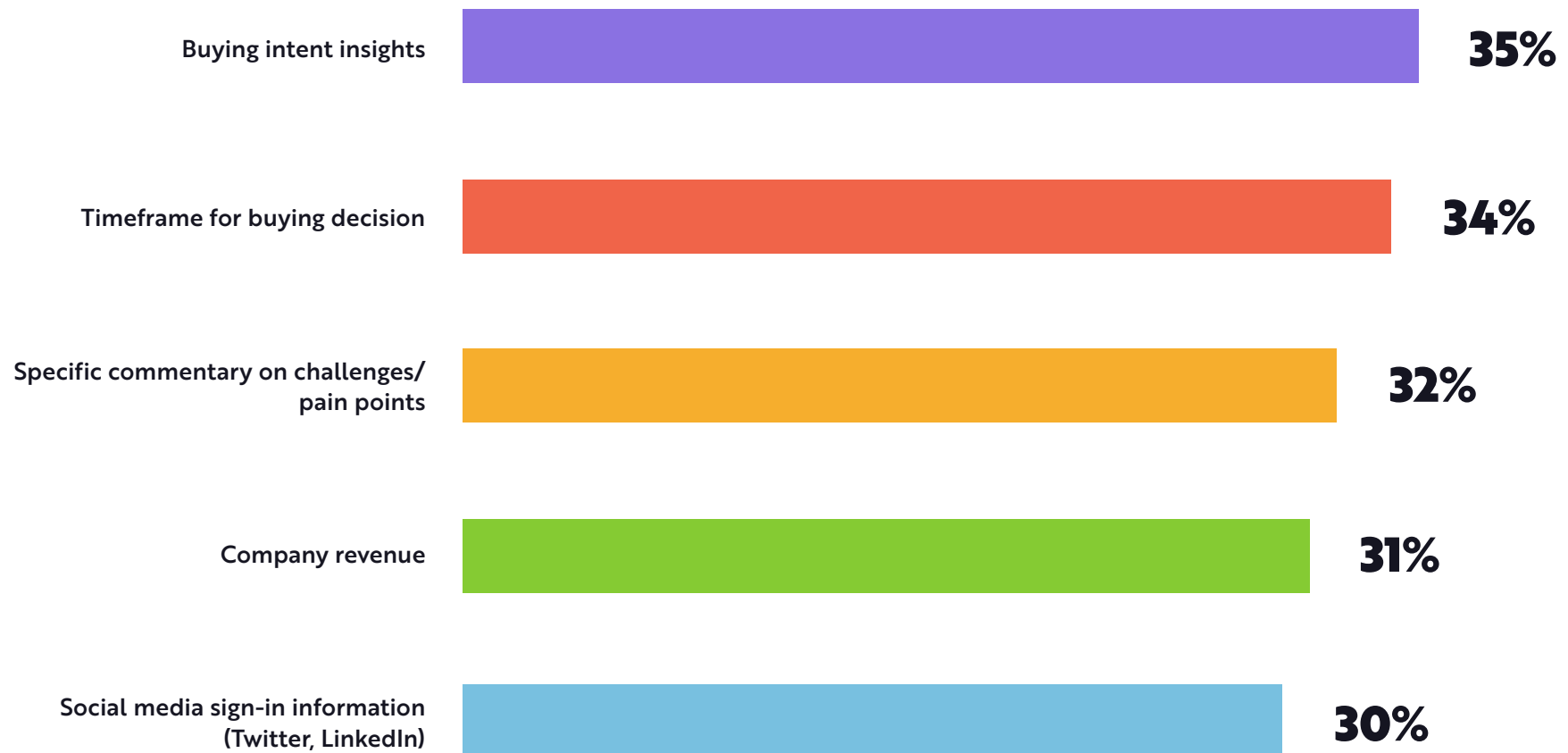## CLOSING DATABASE GAPS TO GENERATE STRONGER INFORMATION

As practitioners work to wield succinct and accurate databases to inform more relevant outreach, they're struggling to tap into five key areas of buyer insights. When asked about the biggest gaps in the contact information they collect, respondents pointed to:

- Buying intent insights (35%);
- Timeframe for buying decision (34%);
- Specific commentary on challenges/pain points (32%);
- Company revenue (31%); and
- Social media sign-in information (Twitter, LinkedIn) (30%).

To close those gaps, marketers are directing their investments to enhance the insights they already have in-house. Respondents indicated that they're allocating a significant amount of their database budget into enrichment practices and solutions, which include:

- Better insights to increase customer retention and loyalty (61%);
- Better insights to personalize content and messaging (56%); and
- Better data coverage of target accounts for ABM initiatives (42%).

# WHERE DO YOU HAVE THE BIGGEST GAPS IN YOUR CURRENT DATA, IN TERMS OF CONTACT INFORMATION?

| Category | Percentage |
|---|---|
| Buying intent insights | 35% |
| Timeframe for buying decision | 34% |
| Specific commentary on challenges/pain points | 32% |
| Company revenue | 31% |
| Social media sign-in information (Twitter, LinkedIn) | 30% |

# WHAT ARE YOUR REASONS FOR INVESTING IN BETTER DATA ENRICHMENT PRACTICES/SOLUTIONS?

Better insights to increase customer retention and loyalty **61%**

Better insights to personalize content and messaging **56%**

Better data coverage of target accounts for ABM initiatives **42%**

These findings reveal that modern practitioners already know who their total addressable market (TAM) is; they're now focusing on long-term investments to become stickier with that segment by spotlighting pain points and other areas where they can increase personalized, relevant outreach.

Although ABM has been in marketers' crosshairs for a few years, they're still struggling to act on those granular insights. While practitioners have the necessary contacts identified, there's still a gap in execution because nearly half of marketers (47%) are still struggling to collect account-level data on prospects. Specifically, practitioners struggle most with collecting:

- Email addresses (68%);
- Mobile/SMS numbers (53%); and
- Work phone numbers (51%).

In other words, practitioners are having trouble with all forms of direct outreach, but it's not all bad news. The more interesting statistic is the 43% of marketers who don't struggle with collecting account-level data. Mastering collection methods is within reach for marketers currently falling behind; they just need to generate more color around buyer behavior by improving the health of their database.

# WHAT SORT OF CONTACT DATA DO YOU STRUGGLE WITH THE MOST?

| Category | Percentage |
|---|---|
| Email | 68% |
| Mobile/SMS numbers | 53% |
| Work phone numbers | 51% |

# FOCUSING ON DATABASE CLEANSING & QUALITY PROCESSES

When it comes to maintaining their database's quality, practitioners are increasing their reliance on third-party providers. When asked how they handle data cleansing and quality assurance, preference for in-house, manual cleansing decreased from 56% in 2021 to 51% in 2022. Consequently, the use of third-party data providers saw a sharp increase: While only one-third of marketers relied on a third-party data providers in 2021, nearly half of practitioners turned to third-party validation in 2022. Specifically, they relied on automated technologies (31%) and cloud connectors (15%).

However, with so much data coming in from multiple sources, the biggest challenges practitioners face in maintaining data quality in their contact database include:

- Old/outdated data (66%);
- Lack of time/resources to implement an effective cleansing process (65%);
- Legacy technology issues/limitations (53%);
- Lack of data on current customers (51%); and
- Siloed data (35%).

# WHAT ARE YOU BIGGEST CHALLENGES IN MAINTAINING DATA QUALITY IN YOUR CONTACT DATABASE?

| Challenge | Percentage |
|-----------|------------|
| Data is old/outdated | 66% |
| Don't have enough time/resources to implement an effective process | 65% |
| Legacy technology issues/limitations | 53% |
| Not enough data on current customers | 51% |
| Data is siloed | 35% |
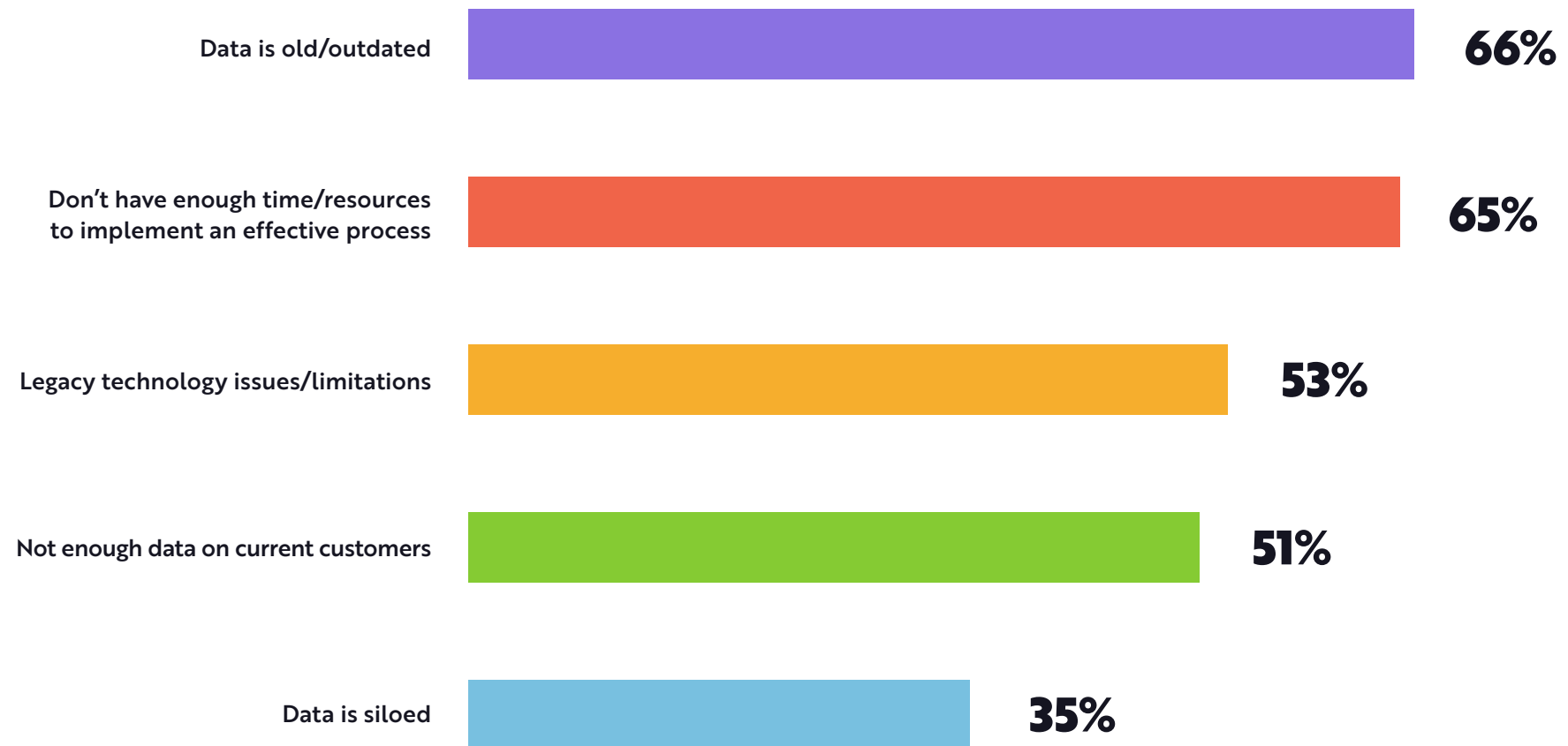
To help remedy those issues, practitioners are focused on improving the health of their databases. When asked how frequently they scrub their databases, respondents said:

- Daily (23%);
- Weekly (23%);
- Quarterly (22%); and
- In real-time (19%).

Compared to last year's survey, only 9% scrubbed daily, 13% weekly, 25% monthly and 16% in real-time, indicating that more frequent audits are associated with better quality data. And to help increase database accuracy, marketers are renewing their focus on generating first-party data. In fact, respondents indicated that the most effective tactics for acquiring prospect and customer information include:

- Website-based registration forms (57%);
- Subscription databases (43%);
- In-person events and trade shows (39%);
- Web directories (37%); and
- Co-registration on partner websites (35%).

# WHICH TACTICS FOR ACQUIRING PROSPECT AND CUSTOMER INFORMATION DO YOU FIND MOST EFFECTIVE?

Registration forms on our website — **57%**

Subscription database — **43%**

In-person events and trade shows — **39%**

Web directories — **37%**

Co-registration on partner websites — **35%**
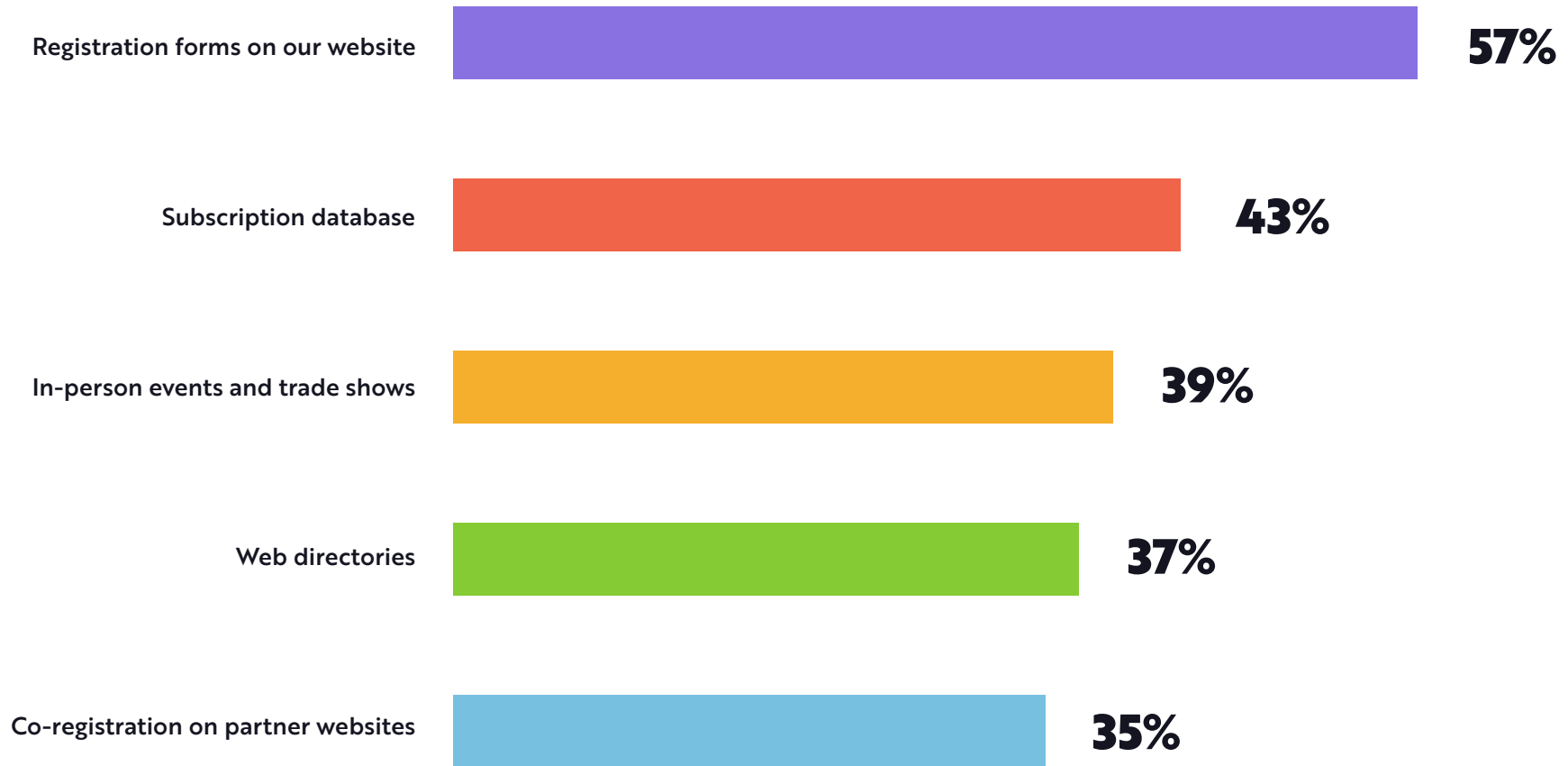
# ENSURING ALL RELEVANT PARTIES CAN ACCESS & UPDATE DATA

Part of the struggle to generate deeper insights is organizations that lack a single source of truth that's accessible to all necessary departments. The research found that 45% of respondents were balancing data from multiple sources, which hinders their ability to create a cohesive picture. More promisingly, 55% of practitioners indicated that they're on the right track with a centralized hub of information. In terms of where that singular source resides, practitioners indicated:

- CRM systems (43%);
- Between the CRM and marketing automation systems (25%);
- Legacy/on-premise databases (15%); and
- Marketing automation systems (11%).

# WHICH DEPARTMENT IS MAINLY RESPONSIBLE FOR ACCESSING AND UPDATING YOUR DATA?

Sales and marketing **41%**

Customer service **37%**

Just sales **23%**

Sales Ops **21%**

Just marketing **19%**
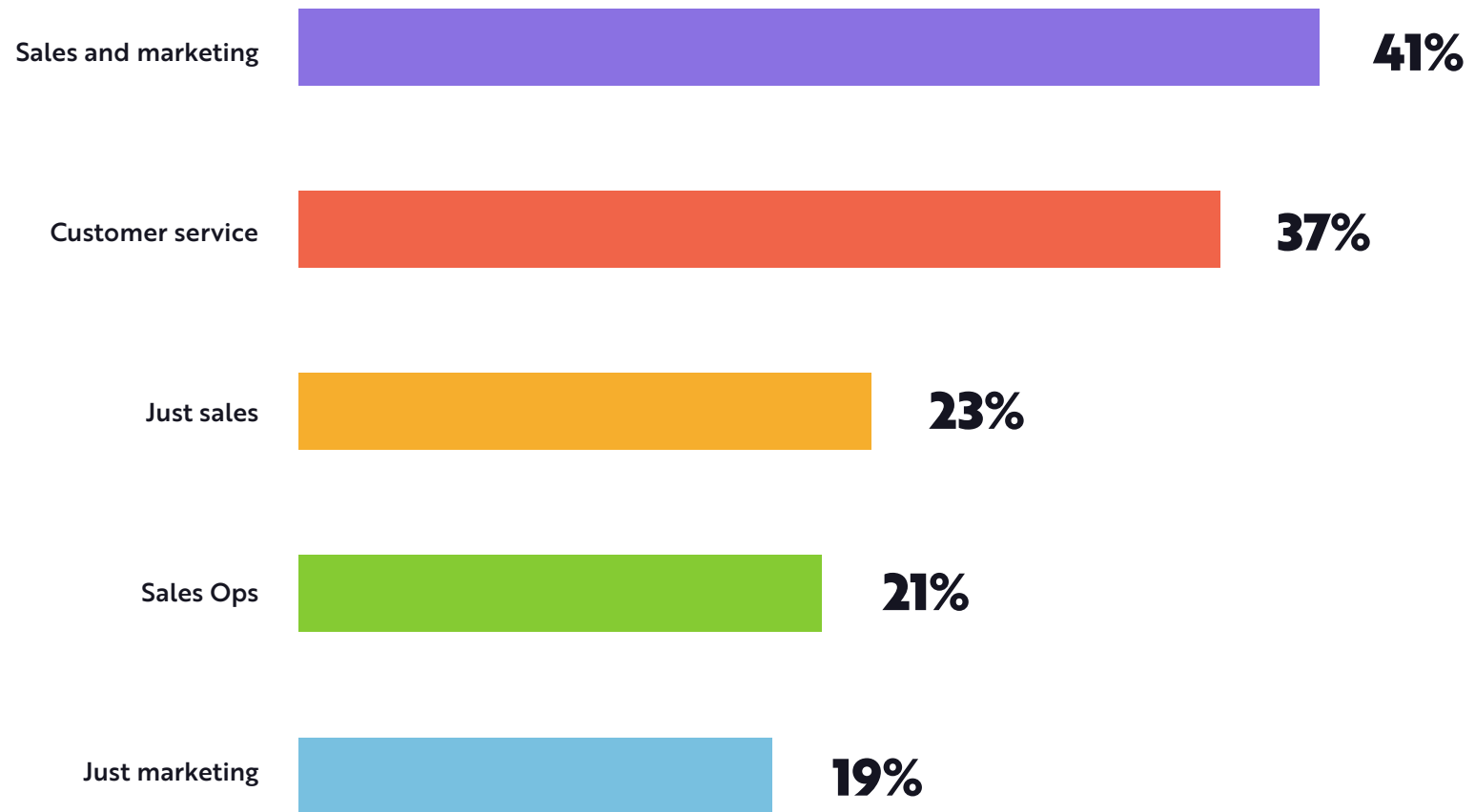
Traditionally, the CRM has served as the default option for where data resides (as indicated by the 51% of practitioners in 2021), so it's telling that the majority now use a mix of CRM and other technologies to create a more comprehensive view of buyer behavior. When asked which departments are mainly responsible for accessing and updating data, the respondents said:

- Sales and marketing (41%);
- Customer service (37%);
- Just sales (23%);
- Sales ops (21%); and
- Just marketing (19%).

Impressively, organizations are recognizing the success of ensuring both sales and marketing having their finger on the pulse on the data pool, as only 27% of 2021 respondents said sales and marketing can update and access data. A collaborative approach between the two departments lends itself toward greater accuracy and stronger first-person insights.

As practitioners work to generate a deeper understanding of customer insights, they're doing so with a multi-pronged approach to privacy. When asked what steps they're taking to protect customer privacy, respondents said they are:

- Limiting and protecting the information they collect on customers (58%);
- Training employees regarding data privacy (56%);
- Being transparent regarding data policy (50%); and
- Updating data protection programs as instructed (50%).

# WHAT STEPS DO YOU TAKE FOR PROTECTING CUSTOMER PRIVACY AS PART OF YOUR DATABASE STRATEGY?

| Category | Percentage |
|---|---|
| Limit and protect the information we collect on customers | 58% |
| Train employees regarding data privacy | 56% |
| Be transparent regarding data policy | 50% |
| Update data protection programs as instructed | 50% |

## CONCLUSION: FREQUENT CLEANSING & IMPROVING FIRST-PARTY COLLECTION METHODS BUILDS STRONGER DATABASES

Increasing customer acquisition and building brand loyalty are the essential goals practitioners are looking to get out of their database and contact acquisition strategies. Organizations are clearly looking to gather deeper insights on account- and contact-level information. As marketers work to increase their investments in data enrichment practices and solutions, they're focused on:

- Better insights to increase customer retention and loyalty (66%);
- Better insights to personalize content and messaging (63%);
- Deeper intelligence for lead-to-account matching (51%);
- Better coverage of target accounts for ABM initiatives (45%); and
- Better data to expand TAM and identify new prospects (40%).

In a world where organizations seem to be at the mercy of conglomerates such as Apple and Google regarding privacy, modern practitioners are clearly focused on building up their first-party data strategies to strengthen their 1:1 targeting capabilities through highly relevant outreach.

# WHAT ARE YOUR REASONS FOR INVESTING IN BETTER DATA ENRICHMENT PRACTICES/SOLUTIONS?

Better insights to increase customer retention and loyalty — **66%**

Better insights to personalize content and messaging — **63%**

Deeper intelligence for lead-to-account matching — **51%**

Better coverage of target accounts for ABM initiatives — **45%**

Better data to expand TAM and identify new prospects — **40%**

# METHODOLOGY

The 2023 Database Strategies & Contact Acquisition Survey includes responses from a mix of B2B marketing professionals, 100% of whom are in the U.S. The respondents work across a variety of industries, including technology and telecommunications (27%), finance and financial services (12%), business support and logistics (11%) and more. Nearly half (49%) of respondents are VP level and above, while 27% hold managerial positions and 24% are at the director level.

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*Demand Gen Report* is a targeted online publication that uncovers the strategies and solutions that help companies better align their sales and marketing organizations, and ultimately, drive growth. A key component of the publication's editorial coverage focuses on the sales and marketing automation tools that enable companies to better measure and manage their multi-channel demand generation efforts.

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