

Sources of Business Data

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Agenda

- Who are Experian
- Why is B2B different?
- Sources of Business Data
- Concluding Remarks

Experian Ltd

- Annual sales in excess of £1 billion
- 13,000 people worldwide
- Offices in 18 countries
- More than 40,000 clients in over 60 countries

B2B Current Landscape

- View / reality that B2B marketing is the “poor relation” of Big Sister B2C in terms of targeting sophistication and technology.
- Why is this so?
 - ◆ Scale of the market
 - 46 million consumers, 3 million firms.

B2B Current Landscape

- B2B mailing volumes are lower and yet response rates no better than B2C
 - ◆ this has limited the size of the prize and the investment in targeting data and techniques by suppliers.
- Historically B2B has had relatively good amounts of actual data on firms.
 - ◆ This has reduced the need to apply sophisticated techniques to predict what is not there.
 - ◆ This is no longer the case.

B2B Current Landscape

- Thus, we get a vicious circle of lack of investment in targeting technology = lack of results = lack of investment.

B2B Current Landscape

- The fundamentals of targeting businesses are no different from targeting consumers.
- The fundamentals being: -
 - ◆ Target customer segmentation or “profiling”.
 - ◆ Prospect quantification and “selection”.
- Its just that the investment in the application of B2B methodology and technology has not been very high.

Suppliers of Business Data

- Of 670 DMA members 36 are business list owners
- Number of suppliers has declined due to increased competition and investment costs
- Polarisation between smaller niche operators and volume mass market

Business Data - Trends

Explosion in Business Data sources:

- 4,750 business list entries in LADS
- Over 3000 business lists available
- c250 commercial business databases
- from 50 suppliers
- More investment in databases = more sources = increased competition

Business List Sources

- Internal customer and prospect data
- Response Lists
- Controlled Circulation Publications
- Exhibition Attendees
- Compiled Databases

Internal Customer and Prospect Data

- How good is the quality ?
- How has it been updated ?
- Coverage : Depth and Breadth

Internal data will always be supplemented by external data

to source more information on existing customers and refresh prospects

BUT seen as threat to growth of external data

Response Lists

- Increasing availability
- Low volumes of names with limited market penetration
- Buyers, enquirers, & incentivised responders by value, product, recency
- Suppliers: software buyers, bookbuyers, training product buyers
- First choice for direct sales

Controlled Circulation Readers of Business Magazines

- Suppliers: Business Magazine Publishers
- Large volumes in niche markets
- Highly selectable: Job function, business activity, purchasing responsibility
- Quality of data variable
- Excellent penetration of senior and middle mgt names

Exhibition Attendees

- Good vertical market coverage e.g. Computing, Food machinery, Packaging
- Quality of data varies widely
- Suppliers include: Reed Exhibitions, Blenheim
- Used by manufacturing and niche sectors

Compiled Databases

- Closest to "UNIVERSE" coverage
- Named individuals limited to Directors
- Selection include: company size, SIC code, postcode, financial information
- Data source: directories, co house, phone
- Users: all categories

Compiled Data Suppliers

- Experian
- Yell Data
- D&B
- Acxiom
- Wegener Direct
- Conduit
- Marketscan

Business Data Owners - Trends

- Publishers refocusing on core markets
- Compiled list owners seeking data alliances to get closest to “universe”
- More Buyer files coming on market - a major volume file such as VIKING is biggest threat to existing market
- Increasing internationalisation of data markets

List Quality

- Company Address changes 12% pa
- Named Chief Executive change 16% pa
- SIC code change 1.2% pa

Resulting in £180 million wastage

Source: Conduit 2002

Sampling Considerations

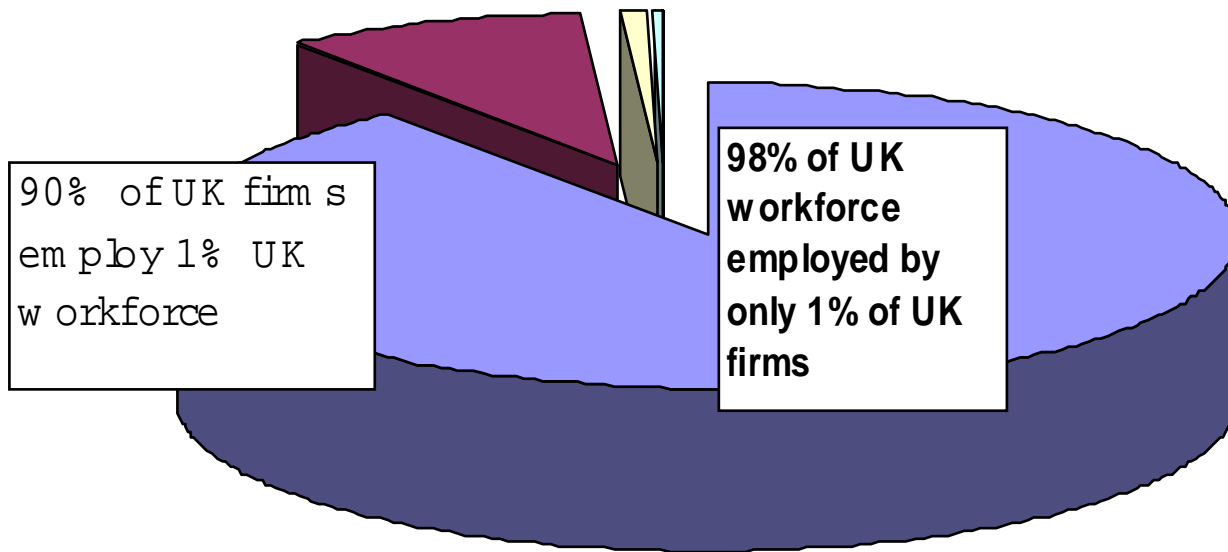
- Random
 - ◆ geography, size (employees / turnover)
 - ◆ industry sector
- Independence
 - ◆ beware of linkage
 - ◆ group accounts
- Size of sample
 - ◆ typically smaller 1 000 firms +

Sampling Considerations

- Employees in Business:
 - ◆ Nearly 90% of businesses in the UK (89.68%) employ only 1% of UK workforce. Nearly 99% (98.77%) make up only 2%.
 - ◆ Over one third of businesses in the UK (36%) contain only 1 or 2 employees. 95% of firms have 20 or fewer employees.

Sampling Considerations

Number of Employees by Value

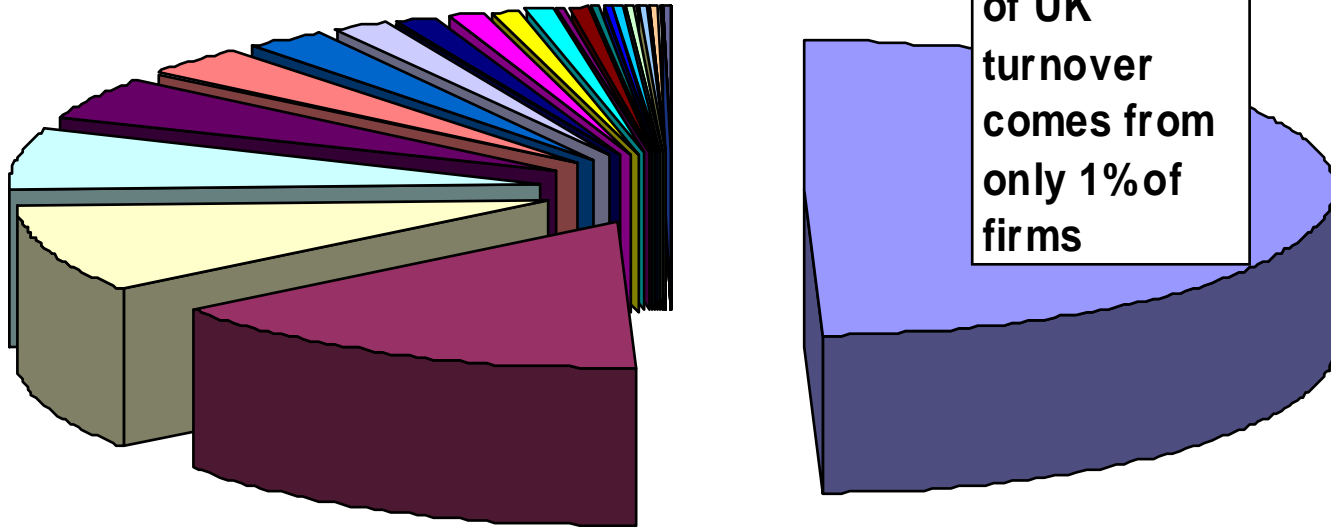


Sampling Considerations

- Turnover:
 - ◆ Over half of companies in the UK (50.24%) turn over only 1% of the UK total. Over 95% make up only one tenth of the UK total.
 - ◆ 13% of UK firms turn over £10,000 or less annually.
 - ◆ 57% of UK firms turn over £100,000 or less annually.
 - ◆ 7% of UK firms turn over £1,000,000 or more annually.
 - ◆ 1% of UK firms turn over £10,000,000 or more annually.
- Profit and Loss:
- 6.5% of companies made a loss in their previous year's accounts.

Sampling Considerations

Turnover by Value



Future Development

Commercial Mosaic

Commercial MOSAIC

- Objective to develop the first “multi-dimensional” descriptive classification of businesses in the UK.
- Classification at the individual company level (I.e. 3 million organisations).
 - ◆ Neighbourhood or area based systems are of limited value, as unlike people, business of the same type don’t really “flock together”.
- Development directed by Richard Webber, the originator of classification systems in the UK.

Commercial MOSAIC - Development

- Built from > 60 variables e.g.
 - ◆ Business type, i.e. limited/non-limited
 - ◆ SIC code
 - ◆ Age of business
 - ◆ Financial status / bad debt etc
 - ◆ Independent organisation / group
 - ◆ Number of directors
 - ◆ Age of directors
 - ◆ Directors' individual and residence characteristics (e.g. wealth, education etc).
 - ◆ Small office / home offices
 - ◆ Product and service usage (40 categories e.g. raw materials, services, technology etc):

Commercial MOSAIC - Development

- Classification yielded 13 business groups and 50 types.





Group	Name	% Employees	% Companies
A	Major Retail	5.00	0.03
B	Industrial Blue Chips	5.74	0.19
C	National Service	19.91	0.91
D	Fleets and Finances	4.83	0.79
E	Monumental Monoliths	3.92	0.08
F	Specialist Suppliers	7.25	1.05
G	Local Solid Rocks	4.75	2.28
H	Hotels and Catering	5.37	5.75
I	Health and Social Work	7.99	5.88
J	Property Portfolio	8.21	9.73
K	Independent Entrepreneurs	10.62	36.53
L	Energetic Enterprises	13.56	14.42
M	Cottage Industry	2.85	22.36

Pricing

- List rental is for ONE TIME use, user owns the responses
- £75 to £250 per thousand names and addresses
- More selections = More expensive
- Volume discounts can be negotiated
- Minimum Order usually £500
 - ◆ www.prospectlocator.com

Pricing Continued

- Greater the depth of data the more is charged
- List Leasing more common (unlimited use for 1 year) c£300/000
- Data Profiling and Data overlays no set rate - depends on volume

Data Elements

- Name (title, forename, surname, honours)
- Job Title (code for function)
- Company Name
- Address
- Telephone number
- Fax number
- E mail
- Business demographics

Business Demographics

- Commercial Mosaic
- Standard Industrial Classification (UK, US)
- Size of Company by Turnover (company)
- Size of Company by Employees (company or site)
- Head Office/ branch office
- Purchasing Power
- Computer platforms
- Fleet size