The Market Value of Data

In 2006, Clive Humby, a data scientist, coined the phrase "data is the new oil". His reasoning was that oil has to be changed into another form to create value; so, data must be broken down and analyzed for it to have value. However, the inherent value of data for marketers once was inevitably the data itself, due to how new it was and how to get ahold of it. Today, data is easier to acquire, and Humby's philosophy is more apt than ever.

Companies have struck data oil but a lot of them don't know what to do with it. It's like taking your oil money and buying a solid gold toilet. Is that the best use of your resources? Businesses have a lot of options for how they use data and a lot of ways to acquire data.

Going to the Data Market, BRB

Picture it, a man walking down the street, wearing a sandwich board with data for sale painted on it, ringing a bell and sing-songing "Data for sale." If you want data, you can easily attain data, for a price. Great! Now I can have information without having to cast a line for prospect bites, sit impatiently, and wait. The draw of simply buying data is usually met with a list of pros, especially for start-ups, new, or smaller businesses.

I recently worked for a start-up that spent quite a bit of money to buy access data. When I found out about the purchase, I asked the question, "but that's not legally compliant. You can't email them unless they opted into it." Okay, that was a statement, but behind it was the suspicious eye look and question tone. I was ignored and low and behold, 50,000 names were rejected from sending because...there is no easy way to say this...because I was right.

Without getting too much into how data is still a very unknown landscape in marketing, the fact is, a lot of people don't quite understand how you get it or how to properly use it. If I strike oil in my backyard, I can google "what to do if I strike oil in my backyard" and google will probably have a pretty specific answer because there are set standards, rules, regulations, and resources for it. Conversely, I could google "what do I do with data" and I will certainly get a myriad of ads, theories, statistics, opinion pieces, and a wide variety of terms and articles that send me down a rabbit hole of searching for things to help with the things that should help with the things.

Not to keep you hanging, but I did just that. The answers ranged from making sure it's quality data (open tab, search, "how do I ensure my data is quality"), how to protect your data, and a variety of articles on what data scientists do. For striking oil, I got a step-by-step list.

Back to buying data, GDPR (General Data Protection Regulation) and The CAN-SPAM Act have been put into place to protect people from receiving unsolicited emails. In addition, the California Consumer Privacy Act (CCPA), which went into effect on January 1, 2020, protects the personal information of California residents. Businesses need to honor requests from California residents to "access, delete, and opt-out of sharing or selling their information." This is the first state to protect their residents further, and more states will most likely follow suit.

A lot of list selling companies will tell you that their database is full of "opted-in" contacts, but the truth is you have no idea what those people opted into. You are playing a numbers game, blindly targeting as many as you can in hopes of one lead. This kind of practice can make you untrustworthy in the eyes of the consumer and blackball you, even if your product is perfect.

The Ethics of Market Data, Buying Lists

I recently spoke with a company that sells data. Data has come a long way baby. I was a bit shocked by how much data you could have for work purposes. The salesman asked me to give him the name of a prospect company and within minutes we had a list of contacts as well as all their personal information. I mean all of it. Work phone, work cell phone, personal cell phone, personal and work emails, who their boss is, who their employees are, IM handles, favorite color, dog's name when they were ten, and their deepest secret no one knew. Maybe a few of those were not on the list but the data they had made me slightly uncomfortable.

The salesmen told me that now you could reach this person, anywhere, anytime and basically ambush them with personal contact. He can be at home having dinner with this family and bam—now he's talking to you about your product. He read my silence and added, "Some might think this is creepy, but he has it listed."

First, no one lists their data on these sites. A lot of technology gathered together and combined everything they have one everybody and filed it neatly. It reminds me a bit of the paparazzi "if they didn't want us to dig through their garbage, they shouldn't have become famous." If you don't want to be contacted about my product, you should have never taken a job.

So why do companies buy these lists? Because they can. And if we break it down, it all comes back to moving too fast and being too pressured to have leads and sales. Buying a list is like a bandaid. It's putting a bandaid on a large nasty, deep wound you got hiking. It really needs stitches, so the bandaid only lasts a few moments and without other treatment, can have bad long-term effects. Doing it the right way takes longer, which can be hard to accept and explain to those that want results yesterday. But it is imperative to understand that buying lists do not completely benefit your company in the way you or your executive board think it will. What is the value of 50,000 names if you legally cannot use them?

Bartering Opportunities for Options

Mining and refining data has led to incredible sales and marketing opportunities for companies. It can be argued that it has led to greater options for consumers as well, both in B2B and B2C respectively. Data can be a sort of matchmaker. You have a product or service, and data can lead you to the person who needs it. As a company, you still need to entice your customer, but data helps you narrow down the fish in the sea.

But if I just ruined list buying for you, then how in the world do you get this precious commodity. The simple answer is—work for it. Data should be an ally and resource in how we do our jobs, it should not define our work, or take the place of the human element in our tasks.

Marketing is the foundation of building your business. While data can help marketing, you need to build your brand before you build your data. I've seen it all too often, there is pressure from "above" to rush into sales and no one wants to say a hard no. However, you can say yes, with a but we need to have some where to drive. The people that put on the pressure are usually not marketers, it's the marketing team's job to explain, let's get our sh*t together before we bombard people with "buy this."

Some things to put into place that will help you garner interest and therefore mine your own data:

1. Ensure you have a strong brand. Make your brand and product positioning is clear and consistent. Verify your social media properly represents your product and brand properly.

2. Build a dynamic and clear website. A website is arguably one of the most important parts of your brand. It's where prospects and customers go to learn more about you and decide if you really sell what they want.

3. Add a sign-up form on your website. A sign-up form is one of the best ways to legally gather data. You can entice people to sign-up in many different ways, including creating a loyalty program, offering a discount, providing a promise of exclusive promotions, and extend a reward for sharing the form to get their friends interested.

4. Create a dedicated landing page. A dedicated landing page helps ensure a form doesn't get lost and is a space you can really create concentrated content to drive people to fill-out your form.

5. Create a campaign to push people to your page. Social media is a fantastic platform to generate interest and push people to your site. Social ads are ways to promote yourself and are available for many different types of budgets.

6. Give gratitude. Sincerely thank people when they sign-up for your list. Don't abuse your power. Quality not quantity is the rule here. Only contact people when you really have something to share.

The give and take of data marketing is that you have a product or service that people will want. By carefully crafting awareness campaigns you will begin to reap the rewards of building an audience. For the customer, they are discovering your world and what you offer. It's an equal, consenting partnership that, in the long run, will lead to you building a trustworthy brand on honest relationships.