

# Data and Insights

## The New Foundation for Relationships with SMBs

The massive power of Cloud-based data collection, analysis and distribution are making dramatic changes in how B2SMB service providers engage with SMBs across the board. The pivot point for this change is the CRM. This White Paper evaluates the current state of data in CRMs, and presents key issues and opportunities to dramatically improve performance and the overall customer experience for SMBs.

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## Introduction

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This White Paper is designed for B2SMB managers seeking the best practices in marketing to and engaging with their SMB prospects and customers. This includes C-level managers such as CMOs, CROs, CIOs, CPOs, and their reports. CEOs and COOs will also find this White Paper interesting and useful because it presents the new paradigm that is radically altering the B2SMB space.

BuzzBoard has long advocated using data and insights to inform the “conversations” between B2SMB service providers and SMBs. These conversations can take many forms, ranging from marketing and sales solicitations to customer support to rescuing potential attriters. Collectively, these conversations form the backbone of the SMB’s user experience (UX).

In the last few years, we’ve seen a dramatic change in the volume and quality of data and insights about SMBs that can be generated. Thanks to the exploding capabilities of Cloud-based data collection and processing, the old model of customer engagement is now obsolete. The new model, based on deep data and insights about SMBs, was scarcely conceivable even five years ago.

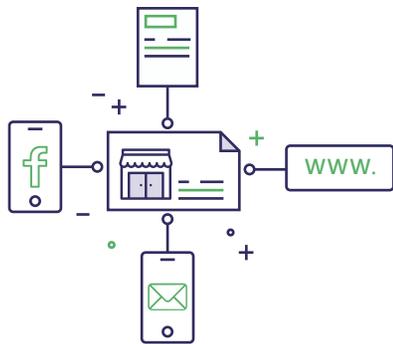
The new model is characterized by the uptake of massive amounts of data from multiple sources (internal and external to the SMB), super-scale processing, and real-time support of the engagement between B2SMB service providers and SMBs. The new model is radically changing the standards and expectations for B2SMB performance.

This White Paper lays out the rationale and framework underlying the new model. A key part of our evaluation was to perform a detailed analysis of over 1 million SMB records in the CRMs of major B2SMB service providers. The results of this analysis surprised us because they indicated that most SMB records in CRMs are not up to the standards required in the new data and insights-driven environment.

We think this White Paper is needed because the B2SMB space isn’t nearly ready for the tectonic changes about to overtake it. Even more so, we sense that many managers don’t yet appreciate either the challenges or opportunities that present in the new environment. For those managers, we hope this White Paper is a clarion call.

# 1

## Personalization Marketing's Holy Grail



One of the most pressing challenges in business marketing is talking with customers and prospects on a personalized basis. Generic, non-personalized marketing is quickly losing its relevance. SMBs now expect and need a service provider to truly understand their business, operations, and environment.

Personalized marketing is just as important in B2B marketing as in B2C. It's the same thing in both realms: the marketer "speaks" directly to a single customer, based on data and information specific to that customer. It's the inverse of generic marketing, where a marketer sends the same message to many buyers.

*Previously in B2B, sellers drove the sale. Today, it's all about helping customers buy. They control their own destiny, and they know it.*

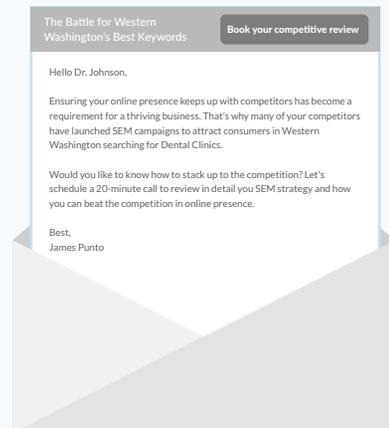
*– The Birth of the B2B Consumer, Forrester, October 2017*

## What is Personalization, and Why “Personalization 2.0”?

Until recently, personalization meant no more than knowing the name of the SMB, the address, the principal’s name, and the SMB’s top-level business category. However, in the last few years, a wave of powerful new data sources and tools have been developed that allow marketers to go well beyond the old standard of personalization. **Now, a marketer can get deep data on an SMB that is both comprehensive and granular.**

### Personalization: Old vs. Personalization 2.0

#### The Old Standard of Personalization

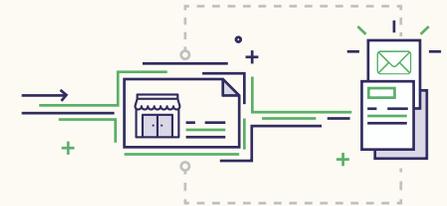


#### The New Standard of Personalization 2.0



This new standard, which we call Personalization 2.0, includes data and information on the SMB's:

- Granular business category (the SMB's micro-segment)
- Mobile strategy (and robustness of mobile implementation)
- Media mix and strategy (e.g. use of email, purchased keywords, display ads, video, re-targeting, etc.)
- Technology stack (including shortcomings and vulnerabilities)
- Social media activity
- Payment platforms
- Lifecycle stage (including prediction of growth trajectory)
- Likely operating challenges (e.g. staffing, benefits, supply chain management, margin, non-traditional competition, etc.)



*A thorough understanding of the buying audience is the fundamental backbone of the techniques and tactics many B2Bs want to use today.*

*– The Right Data Management Strategy Allows for Better B2B Campaign Execution, eMarketer, July, 2018*

Personalization 2.0 is a radically different ballgame. The marketer is now equipped with a vast amount of data (and analysis) about the SMB – even before the first marketing contact. The marketer can now have detailed, informed, on-going conversations with the SMB that were not feasible 5 years ago.

These conversations are informed by the unique circumstances of the SMB, and add huge value to the service provider's products or services themselves. Many B2SMB marketers are already doing Account-Based Marketing (ABM) or One-to-One marketing, which are built to the same standards we're calling Personalization 2.0. What we're seeing is the sophisticated techniques used in B2B marketing moving "downmarket" to B2SMB marketing – enabled by powerful, new technologies.

## To Become a Trusted Advisor to SMBs, You Must Understand Their Business Well

SMBs face an explosion of challenges and options, on top of just keeping their business running. At the same time, they have less and less bandwidth to sort through their business challenges, make decisions on options, and then monitor the results.

As a result, SMBs look to service providers to help them navigate the environment. **It has become the goal of most service providers to become a “trusted advisor” to the SMB.** In fact, this is what many SMBs say they want.

**How does this happen?** Clearly, this doesn't happen just through a one-off conversation or sale. Instead, it's a process that takes time, engagement, and a lot of learning about the individual SMB. **It's an on-going dialog that starts with the first marketing approach,** and is supported by a wealth of timely information on the SMB.

## SMBs Seek Trusted Advisors, Not Salespeople

Technology-savvy customers have increasingly high standards, and explicitly seek trusted advisors over traditional salespeople.

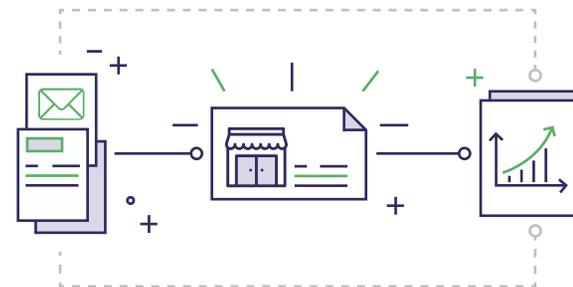
### Percentage of Business Buyers Who Agree with the Following

I seek salespeople who act as trusted advisors

78%

Source: *State of the Connected Customer Survey, Salesforce Research, April 2018.*

Salesforce and other CRM providers are the “tip of the spear” in marketing and sales. Increasingly, they're designing their products to support the trusted advisor model that is being demanded by the market.



## A High Quality User Experience (UX) Starts by Personalizing the Very First Marketing Approach

One of the key aspects to contemporary marketing (both a cause and a result of the new marketing capabilities) is a focus on the overall User Experience (UX). The User Experience is the sum total of the customers' interactions with the service provider and the customers' perceptions about the service providers' responsiveness, friendliness, product quality, follow-on support, integrity, etc.

The same technologies that have changed marketing have also empowered customers and shifted the balance of power. Customers are typically more informed, more demanding, and more able to switch service providers than ever before.

### Percentage of Business Buyers Who Agree with the Following

I want the same experience as when I'm buying for myself  87%

Source: *State of the Connected Customer Survey, Salesforce Research, April 2018.*

Marketers are realizing that the customers' overall User Experience starts with the first marketing exposure, and goes on to include all subsequent marketing. If the customer thinks those experiences reveal the marketer to be uninformed the UX vector will be damaged.

A key aspect of the UX is trust – in fact trust is often used synonymously with the UX. **We believe that trust is created by providing a consistently high-quality experience for the customer.** Trust is built over a period of time and multiple touch points. Increasingly, marketers are understanding that this dynamic applies to B2SMB marketing as much as it does to B2C marketing.

## The New Competitive Advantage: Personalization 2.0

By implementing **Personalization 2.0**, the marketer gains an armada of data and analysis. **This deep information gives the marketer a distinct competitive advantage over other marketers** that haven't harnessed the new tools and information.

Not only will Personalization 2.0 tools improve the UX and closure rates, they will highlight the marketer as a standout service provider in their own product segment. This will have, in turn, a number of positive spill-over effects.

We believe use of these tools, now relatively new in the B2SMB arena, will become standard practice in the next 5 years. In this time period, Personalization 2.0 will become so mainstream that any marketer not using it will be disadvantaged, and will rapidly lose traction with their market segment. **Customers won't even bother to look at marketing messages that aren't highly personalized.**

### The Benefits of Personalization Extend from B2C to B2SMB Marketing

1. "We know that **personalization** can deliver five to eight times the ROI on marketing spend, and can lift sales by 10% or more".  
*— How Marketers Can Personalize at Scale, McKinsey & Company, Harvard Business Review, Nov 23, 2015.*
2. As a result of their **personalization** programs, marketers say they've:
  - Realized a measurable lift in business results (88%) with 53% reporting a lift greater than 10%
  - Increased conversion rates (63%)
  - Improved overall customer experience (61%)"*— Annual study by Evergage and Researchscape International, April 25, 2017.*

"Emails with **personalized** subject lines are 26% more likely to be opened"

*— Experian, cited in The New Rules of Email Marketing, Campaign Monitor, 2016.*
4. By 2020, 51% of consumers expect that companies will **anticipate their needs** and make relevant suggestions before they make contact.  
*— Please Take my Data: Why Consumers Want More Personalized Marketing, Salesforce blog, Dec 2, 2016.*

*72% business buyers expect vendors to personalize engagement to their needs.*

*– State of the Connected Customer survey, Salesforce Research, April 2018.*

## It's Data & Analytics that Fuel Personalization 2.0

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Personalization 2.0 is built on data and analytics. These are driven by enormously powerful tools and processes developed in just the last few years. These include:

- Powerful bots that can see deep into an SMB's technology stack
- The capability to draw down massive amounts of second and third party data
- The processing power to match up the data elements
- AI-based analytic tools to make sense of the data, and extract the needed information to personalize customer conversations

**Most B2SMB marketers don't yet realize how much the new technologies have raised the bar for personalized marketing, and risk being lost in the shuffle.**

# 2

## URL

### The Key to Unlocking Deep Data



Most B2SMB marketers will reach out to an SMB once they have contact information alone – with little or no additional information. They think contact information is sufficient to approach the SMB – **by email, phone, or snail mail.**

However, the tailored marketing of Personalization 2.0, requires the marketer to also have the SMB’s URL for a fundamental reason: The URL is the bridge from the external world into the SMB’s internal processes and operations. The URL opens up the deep data (and associated analysis) that are needed for Personalization 2.0.

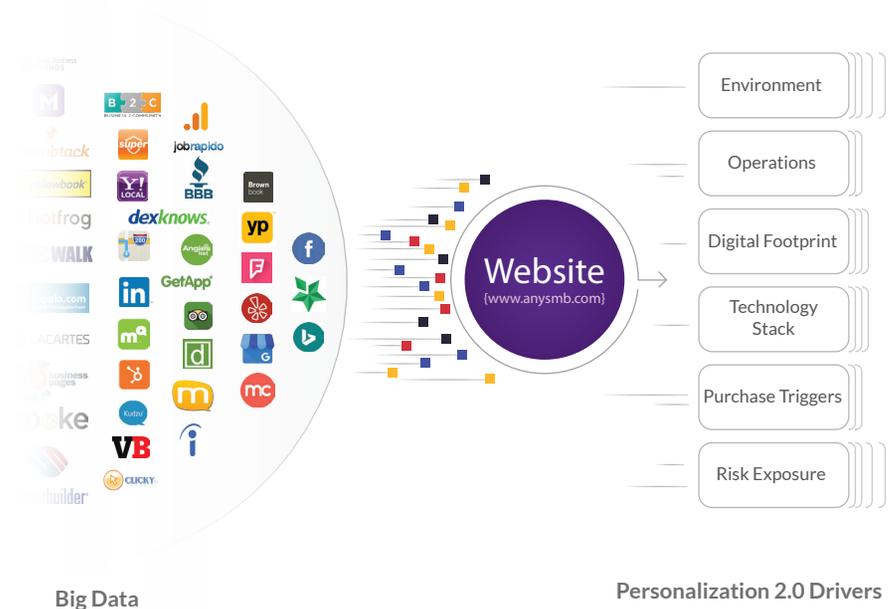
*Marketing to an SMB without knowing its URL and capturing its deep well of information is dangerous and ultimately self-defeating. Marketing messages that lack personalization actually harm the marketer.*

Leading examples of data and information that can be generated by knowing the SMB's URL:

<b>Environment</b>	Micro-segment (granular business category); overall business model; brands carried; key competitors.
<b>Operations</b>	Locations; revenues; headcount; technology spend; affiliations.
<b>Digital Footprint</b>	Advertising mix and spending; Social media presence; appearances in directories and review sites (and the ratings); search strategy (paid, organic, retargeting).
<b>Technology Stack</b>	Platforms and systems used for email, CRM, content management, digital advertising, mobile, HR, payments, financial management, telecommunications.
<b>Purchase Triggers</b>	Need and ability to purchase specific products or services (this information is inferred from multi-factor analysis incorporating AI).
<b>Risk Exposure</b>	Risks to platforms; infrastructure; operations; privacy policies; overall security.

This is the type of data used in Personalization 2.0 to shape messaging specific to a given SMB.

### The SMB's URL: Key to Unlocking Deep Data and Analysis for Personalization 2.0

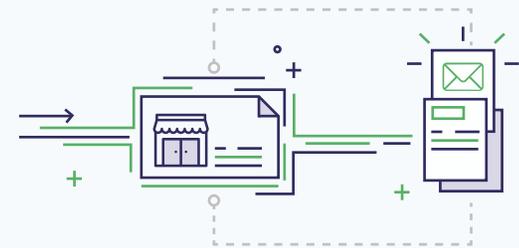


With the data and analytics of Personalization 2.0 a marketer can:

### Gain Deep Insights for Personalized Conversations

- Perform a needs assessment for a specific product or service
- Generate a risk profile for the SMB, including potential exposure from certain platforms or policies (e.g. privacy policies, domain ownership, security of email and ecommerce transactions, etc.)
- Evaluate operational efficiency, including weaknesses (e.g. staffing schedules)
- Identify the SMB's vertical(s) at a granular level
- Benchmark against KPIs specific to that vertical
- Identify competitors (physical and online)
- Identify key business issues (e.g. ecommerce issues)
- Evaluate mobile strategy
- Assess website performance (e.g. page speed score, image size optimization, server response time, robustness of APIs, mobile responsiveness, links and backlinks to the site, etc.)

*This deep data and analytics can power AI-based recommendation engines to guide customer conversations.*



*Given the power that comes from knowing the URL, the mystery is why more B2SMBs will go to market without it. We believe there are two key reasons:*

- **Accurate URLs are simply too hard to obtain.** A recent analysis by BuzzBoard (see next section) revealed that **only 17.5% of SMB records in the CRMs of major B2SMB marketers included accurate URLs** – in spite of their best efforts.
- Marketers are under huge pressure to keep their sales and marketing operations running at full capacity and speed – **even if this means using low-quality and incomplete information on target SMBs.**

# 3

## SMB Data The Ugly Truth



Given the central importance of knowing an SMB's URL, we wanted to assess the availability of this information within major B2SMB marketers. **We recently analyzed over 1 million SMB records from the CRMs of leading service providers.** All of these are large well-known companies in the B2B and B2SMB markets.

Using state-of-the-art tools, **our analysis revealed that only 17.5% of the SMB records in these CRMs contained the URL (and associated information) that are needed to support Personalization 2.0 marketing.**

What we found was disturbing:

Only 28% of SMB records included URLs. In other words, URLs were missing for a full 72% of the SMBs.

#### Of the 28% that had URLs:

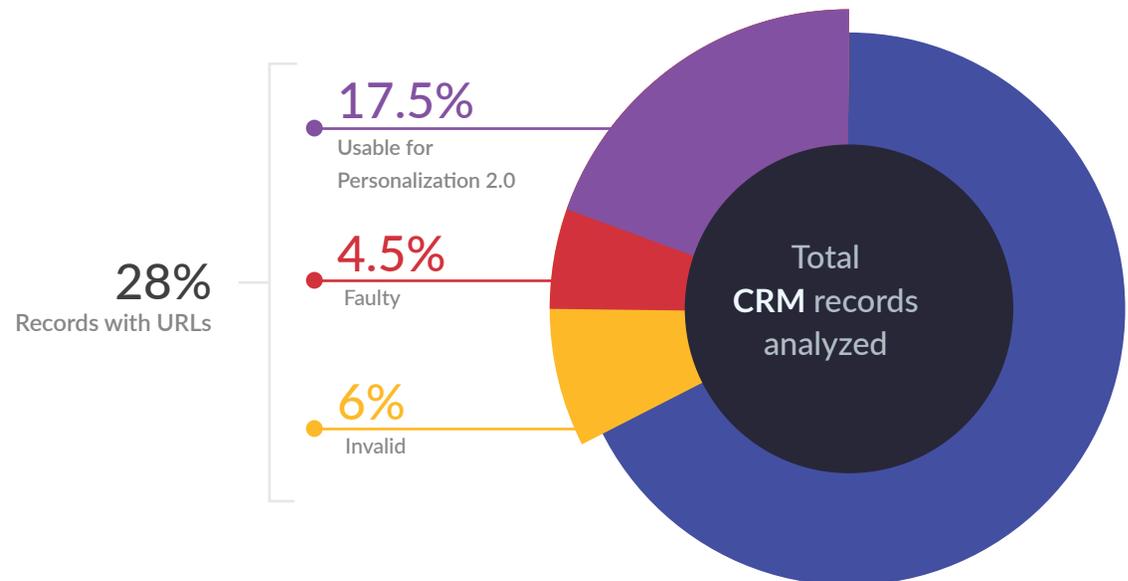
- 4.5%\* of the total pool of one million plus records contained a mismatch between the company name and URL.
- 6%\* of the pooled records were simply invalid (due to another fatal flaw).

— *BuzzBoard, 2018*

\* *BuzzBoard analysis shows a variety of causes for the faulty and invalid records. We'll write about this in future materials.*

These sub-groups, totaling 10.5% of the total pool, mean that only **17.5%** of SMB records included both a valid URL and correctly matching company name.

## Usability Analysis of SMB Records for Personalization 2.0



To be fair to these marketers, not all SMBs have URLs. In fact, it's about **60% that have websites**. The remaining SMBs are too small, don't market, or rely entirely on social media. So, a 17.5% completion rate on URLs means that the marketers have obtained nearly 30% of all the URLs associated with SMBs in their CRMs. (In addition, they also know the addresses and at least one method of contact for most of the remaining SMBs).

However, we also want to call out another important weakness in almost all the SMB records in the CRMs of major marketers: **the business category**. The category information in most of the SMB records often isn't sufficiently robust or granular to be useful for Personalization 2.0.

For example, most business category classification systems are based on the NAICS schema. Even though this is a massive system, it isn't granular enough to identify many highly specialized SMBs or those using new business models. In fact, **any "off the shelf" category system is inadequate for deep personalization purposes**. A true "micro-segmentation" classification is needed, which again requires much more data than is typically available in B2SMB CRMs.

These surprising shortcomings mean that marketing and sales efforts are **underperforming simply due to the poor quality of the data in the CRMs**.

This means service providers are:

#### Consequences of Poor Quality CRM Data

- Wasting time and money in marketing and sales efforts
- Hurting the UX and trust in the service provider due to uninformed or erroneous messaging (with wrong addresses, verticals, inaccurate assumptions about business needs, etc.)
- Missing huge opportunities to cross-sell or upsell additional products
- Failing to spot potential attriters
- Failing to generate "win backs"

**The great majority of marketing efforts hit a dead end due to the usage of poor data at the beginning.**

## Why It's So Hard to Get Needed Information

There are several key reasons why it's so hard to get quality data:

### Fragmentary and inaccurate data

Many SMB records in CRMs are fragmentary or inaccurate to begin with. They come from many sources, including: Previous contacts or transactions; Responses to advertising; Social media; Inbound or outbound marketing campaigns; Conferences; Third-party data providers; Affiliates and lead gen services. Although these sources typically attempt to get complete and accurate information, they rarely succeed due to inherent limitations in the source.

### Incomplete data

Third-party data service providers are often used to supply SMB records. These are highly specialized providers, digital agencies and marketing companies. However, the records from even these professional providers typically have a low density of accurate URLs.

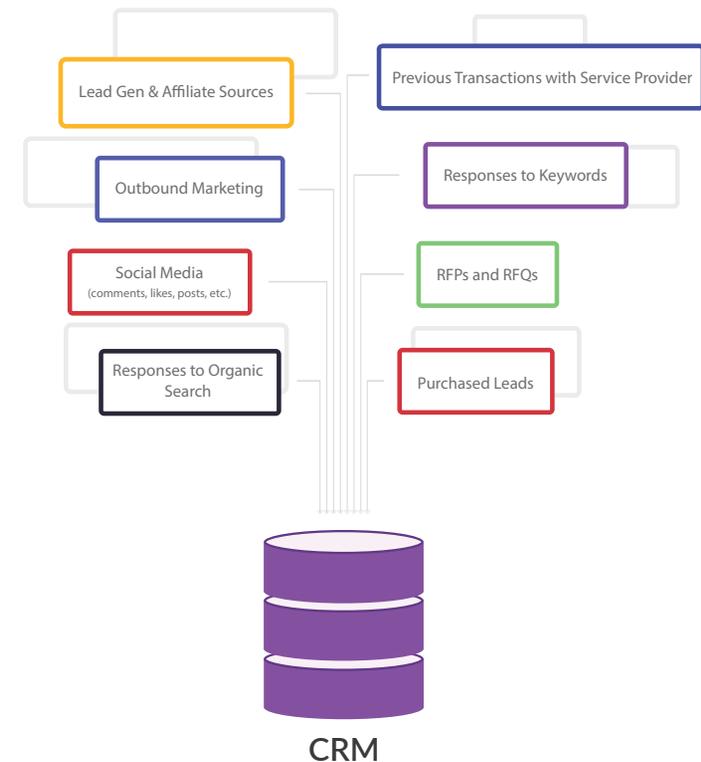
### Old data

Although it's another example of "the shoemaker's children go without shoes", many of these data elements are out of date, further frustrating data matching and hygiene efforts.

### Siloed data

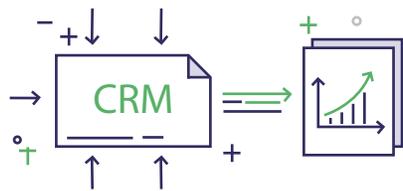
Too often, the disparate data elements associated with a given SMB are scattered across different silos, in different systems and locations for a B2SMB marketer. Even for a sophisticated marketer, it's hard to bring these elements together and match them up accurately.

## Multiple, Non-Standardized Sources of CRM Data



# 4

## CRM Data The Reason for Optimism



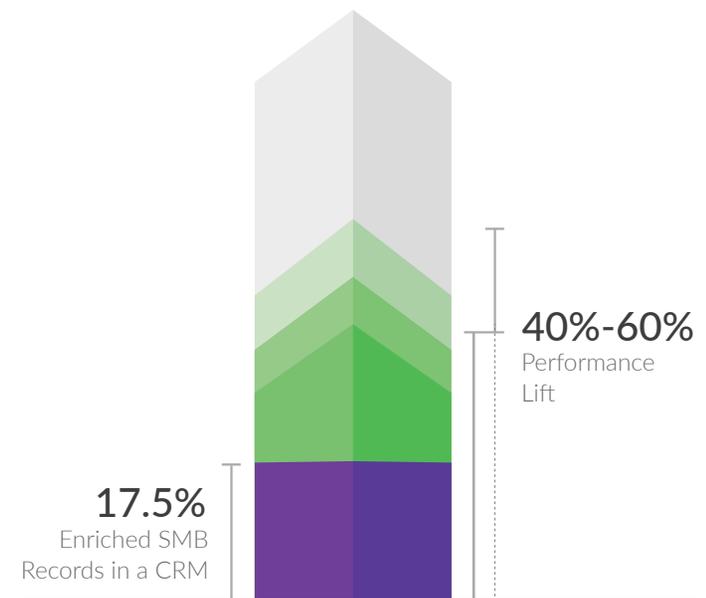
In spite of the ugly truth about the low quality of SMB records in CRMs, there is reason for optimism. Although we found that only 17.5% of these records contain valid URLs (necessary for Personalization 2.0) we also found that this percentage can be drastically increased. In fact, the same “big data” and cloud-based tools that underpin Personalization 2.0 enable us to identify URLs for many more SMBs than was previously possible.

## Achieving a Huge Increase in URLs Associated with SMBs

When used for URL discovery and association, the Personalization 2.0 tools can increase “enriched” SMB records **from 17.5% of a CRM to 40%-60%**. This dramatic increase can be accomplished using the same data set that previously yielded only the level of 17.5% URL identification.

In addition, this enrichment process can be done on a fully outsourced basis, with no action required by the B2SMB provider. For the provider, it’s “business as usual” – with no changes needed to any internal systems, processes, or raw data sources for their CRM.

## CRM Performance Improvement



*In a sense the process we’re describing is like combing through the discarded tailings of a gold mine to find additional nuggets - double or triple the amount already extracted using the best methods.*

The good news (the basis for optimism) is that the B2SMB marketer can realize two CRM performance “lift” effects:

- Lift from a much larger pool of enriched records (2-3x the size of the previous pool).
- Lift from the superior performance of personalized messaging over generic messaging. Experience has shown this lift can easily be in the 10%-20% range for a given group of prospects or customers.

**All-in, the performance of a CRM can be hugely improved over prevailing standards!**

**There are also additional key benefits that transcend the near-term performance metrics:**

- Increase in LTV (long-term value) of customers, due to expected improvement in longevity and average revenues per account.
- Benefits to product planning and go-to-market strategy.

# 5

## **B2SMB Marketing** **The Future State**

This paper urges B2SMB service providers to take a forward-looking posture on the coming wave of data and analytics.

We believe this will become the foundation for a radically different approach to how companies converse with their customers and prospects. Seen through a business economics lens, Personalization 2.0 will become a key source of value creation for B2SMB service providers.

There are several factors that define the new environment:

## Data Tsunami

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Every player in the B2SMB ecosystem will be dealing with vastly more data than previously – by at least an order of magnitude. This enormous data stream originates from Cloud-based platforms, and advanced capabilities for data mining and “Big Data” analysis.

*At the same time the Cloud is causing the data overload, building out the Cloud aggressively is the only solution for handling it. The data will need to be cleansed, stored, tracked, distributed, linked, updated, parsed into meaningful units, and analyzed.*

## Data for Personalization 2.0

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Deep personalization will become the norm throughout the entire relationship between B2SMB service providers and SMBs. B2SMB service providers will be forced to become “trusted advisors” in order to stay competitive. Data and analysis will be the foundation of this role.

*Personalized communications are more effective and create trust and a better UX. In marketing and sales, deep data will be used to generate powerful insights, recommendations, trigger identification, and even marketing narrative.*

## Personalized Real-Time Dialogs and AI-driven Recommendations

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The vastly enriched data set will support real-time personalized dialogs between B2SMB service providers and their SMB customers (via chatbots, phone, video, email, social media, etc.). It will also be used for real-time customization of programmatic advertising, including retargeted advertising.

*A key component of real-time dialogs will be recommendations, driven by AI engines. These can be generated in real-time, in both customer-facing applications and functional applications like sales.*

*AI capabilities will be pushed further and further out to the “point of sale”, and will be “always on”.*

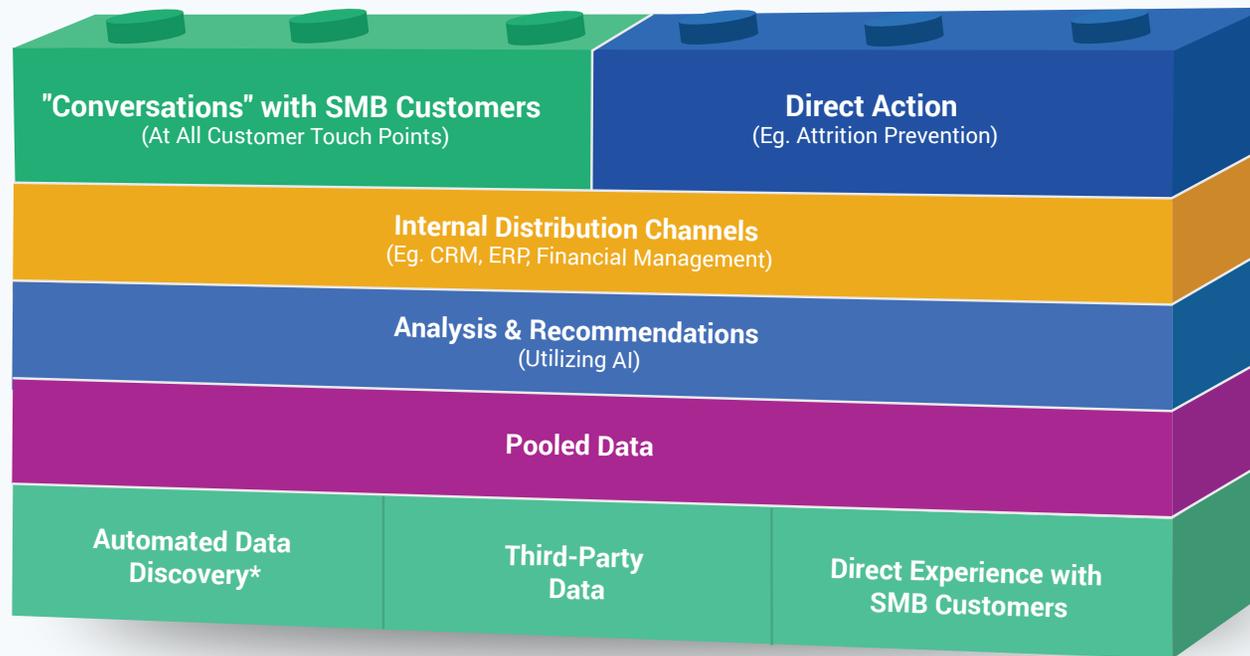
## Smarter Customers

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At the same time that B2SMB service providers are upping their game with data and analytics, so are SMB customers. In fact, they have no choice but to get smarter, due to the increasing pressures on their daily operations, plus the increasing sophistication of products they’re being offered.

*In a way, data and analytics are fueling an on-going “arms race” between sellers and buyers. As in any arms race, this dynamic feeds on itself, requiring each side to continually improve its capabilities.*

## The Future State of Data & Analytics for B2SMB Providers



\*Including Technology Stack

BuzzBoard will be addressing these, and more topics in upcoming blog posts, presentations and articles. We're excited and honored to be part of the revolutionary changes underway in the B2SMB space.

# About BuzzBoard

BuzzBoard now has over 20 million records on US SMBs, with another 10 million records in other countries including Canada, UK, Australia and New Zealand. We believe this is the largest data set in the world of enriched SMB records. For most of these SMBs, we have thousands of data elements that are regularly refreshed and triple-checked. For the capture, processing and storage of this massive data set, we partner with Google Cloud.

We also support and integrate smoothly with most popular CRM platforms, including Salesforce and Base CRM.

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