

The Dark Art of Buying Customer Data

- Buying Customer Data vs. Buying Customers2**
- Leads vs. Potential Prospects vs. Customer Metadata3**
- Your House Lists4**
- Response Lists / Direct Sources4**
- Person-Level Data (B2B) - Sources & Brokers5**
- Business Data / Trigger Events / News / Lists5**
- Web "Caller-ID" Systems6**
- Gather Intel about their Website6**
- Consumer Data - Sources & Brokers7**
- Concluding Thoughts7**
- About Lincoln Murphy7**
- Example 1: “Data-Driven” Customer Acquisition Flow8**
- Example 2: Real Email Marketing9**

Version: October 2013

Buying Customer Data vs. Buying Customers

Everyone seems okay with throwing money at AdWords because that's not directly "buying customers" (even though if we're honest, that is exactly what we hope it means).

But when it comes to leveraging external sources for already culled potential customers, most people cringe - at least publicly - at the practice.

The "cool kids" these days will even dismiss this as an old-timey practice that dinosaurs might have used for customer acquisition... if dinosaurs actually existed.

The reality is, data on potential customers is even EASIER to find these days, there's more of it, and the level of detail is unprecedented (and it will only get better).

That's why the really successful companies - some that even seem "cool" on the outside - are using resources like I list below to find, score, and reach out to potential customers... though these companies also know who their ideal customer is¹ in order to reach out to them.

Not interested in doing this? Well, I say that for companies with investors looking for a return on that investment, it's the fiduciary duty of the executives and board to do whatever it takes (ethically and legally, obviously) to provide a return for the stakeholders.

By the way, if you're a bootstrapped company and it's "just" you, it would probably be helpful if you adopted the same attitude around a "fiduciary" responsibility to yourself and your inadvertent stakeholders like your spouse, kids, parents, etc.

Now, what this means is that ignoring the treasure trove of potential business in these "bought lists" due to the fact that you feel "icky" about it or the people on Hacker News don't much care for the practice isn't a good reason to forgo your clearly defined responsibilities.

Look, if you have a product or service that truly adds value to those who use it, why would you not want everyone who could possibly be a good fit as a customer? If it will make them happier, more successful, or more efficient, but they don't know about your offering, isn't that actually doing them a disservice?

Besides, doing an AdWords campaign to try to reach those people probably won't work since, if they don't even know they have the problem your service solves, or they know they have the problem but they don't realize there's a solution to it (yours!), they won't be searching for it.

If they aren't looking for your product or using the keywords you're tied to, AdWords and inbound marketing / SEO will produce less-than-stellar results, right?²

¹ [Who's your Ideal Customer?](#)

² If your inbound marketing is killing it, and your AdWords ads are likewise producing awesome results, then keep doing that, obviously. But you could also benefit from leveraging external data sources to enhance those other marketing initiatives. It doesn't have to be an either/or situation.

So in those cases, if they're going to know about your offering and how you can help 'em, you need to actually reach out directly to them.

In fact, several startups I've worked with recently - ones that would even be considered cool and cutting edge - don't just use these resources for finding potential customers to reach out to, they have sizable outbound sales organizations that literally pick-up a telephone (or the soft equivalent) and 'smile-n-dial' to close these potential clients.

Some pass these lists of potential prospects to lead development teams that do the cold outreach and then try to narrow down actual prospects to pass to the sales teams to close.

This stuff is happening right now in 2013, but you'll never (or rarely) read about it publicly because it just ain't cool, man.

What is cool? The idea that all you have to do is write a blog post and your potential customers will flock to you like the salmon of Capistrano...

... or if you just throw money at the AdWords gods, they'll soon shine their blessings upon you in the form of a torrent of customers... of course, they'll need a few more monetary sacrifices before they do that, right? Pass the collection plate...

Anyway, in this document are examples of sources for three types of customer data: Leads, Potential Prospects, and Customer Metadata; those are three very different things, so pay attention.

Leads vs. Potential Prospects vs. Customer Metadata

Leads are those people that have indicated by taking some action that they're interested in what you might have to offer. If you generated the lead from your website, for example, then clearly they're interested in what you're offering.

If you buy leads from a broker in your industry¹, you are getting someone who is interested in something - hopefully something similar to what you offer - but they aren't interested in your specific offering yet unless that was presented to them on the lead capture site (or however the lead was generated).

If you buy lists of people/companies that fit a certain criteria - perhaps that of your ideal customer - you have what I refer to as **Potential Prospects**, but you don't have a list of leads. They haven't expressed interest, you have. You have to handle these lists very carefully, but these can be *super-lucrative* if leveraged appropriately; in fact, I have used these lists to generate significant returns for my clients.

¹ There are some generic SaaS Lead Gen sites that will sell you leads. See [this post](#) for a list of them.

Customer Metadata may be a misnomer since often it's the core customer data that you're backfilling off of just an email address, for example. But it can be much more than that; from their social profiles, to their interests, boards they sit on, etc.

Adding to/appending/backfilling a customer profile with additional data can be a great way to add context to and score leads even if you only have a single data point. Now you can lower the barrier to entry into your app as well as pass only the most qualified leads to your sales force to follow-up with at the same time. Talk about efficiently scaling your customer acquisition process!

Consider a SaaS company that sells an analytics package for websites. Automatically backfilling their customer record with their Compete or Alexa ranking and what analytics package they currently use to score the lead might be kind of helpful, right?

Or what if you could actively monitor¹ Company-level activity, M&A, good news and bad to give your Customer Success team a heads-up on what's going on with your best customers?

Okay, so here are the resources... use them wisely and responsibly.

Your House Lists

Don't forget that lists you build (newsletter subscribers, free trials that didn't convert, current customers, etc.) - what we might refer to as house lists - should be leveraged, probably before any external data sources.

That said, don't forget that you - and should - can back-fill using bought data to build a more complete profile of your customers and prospects.

You'd be amazed how many companies forget they have these little pots of gold sitting around.

Response Lists / Direct Sources

Response files tend to be current, accurate, and are a great way to really target a specific audience and can be used for B2C and B2B scenarios. The uses of this data range from direct access (i.e. you get a copy of the list), to paid "drops" (dedicated emails sent by them to their list), to Joint Ventures / Rev Share deals where they promote your stuff to their audience.

- Adjacent Service Providers / Product Companies
- Catalog/e-commerce sales
- Seminars
- Trade organization memberships (tons of great, super-targeted opportunities here!)
- Magazine and newsletter subscriptions

If you're thinking about doing an affiliate program², it might be good to start here... they already have access to your potential customers!

¹ [SaaS Churn Threats: Identify and Retain At-Risk Customers](#)

² [How-to: Affiliate Marketing for SaaS Providers](#)

Person-Level Data (B2B) - Sources & Brokers

In addition to using these sources for lead-generation or direct marketing, using data from these services to append or backfill a customer profile when you only have a single piece of data, like an email address, can be an incredibly powerful way to scale your sales organization.

- <http://www.fullcontact.com/> <== awesome source
- <http://www.data.com/>
- <http://www.netprospex.com/>
- <http://www.insideview.com/>
- <http://www.zoominfo.com/>
- <http://www.rapleaf.com/> <== great at getting high-level B2C demo information
- <http://www.leadlander.com/>
- <http://salesloft.com/>
- <http://www.leadsexplorer.com/en/le/home.html>
- <http://rapportive.com/> ⇐ social info plugin for GMail
- <https://www.salesgenie.com/>
- <http://www.leadspace.com/> ⇐ from multiple sources, including social networks
- <http://www.listmunk.com/> ⇐ includes “Technology Install” lists (your competitors)
- <http://salesinsideinc.com/install-base-lists/> ⇐ more “technology install” lists
- <http://www.idglist.com>

Business Data / Trigger Events / News / Lists

The title says it all... but what is included here is amazingly powerful. Know your customer and use your imagination!

- <http://usbizdata.com/> <== lists of companies & contact info by industry
- <http://www.meritdirect.com/>
- <http://www.dnb.com/>
- <http://www.infogroup.com/>
- <http://growthintel.com/>
- <http://www.hoovers.com/>
- <http://www.dowjones.com/factiva/fce/> ⇐ does include executive-level data
- <http://www.reveredata.com/> ⇐ supply chain relationships (very cool)
- <http://elistman.com/> ⇐ auto dealer email lists (a vertical-specific broker)
- <http://www.exhibitrac.com/> ⇐ trade show exhibitor lists
- <http://crunchbase.com> <== funding, M&A activity, etc.
- <https://angel.co/> <== funding, hiring, etc. for smaller/early-stage companies

Web "Caller-ID" Systems

With these systems, you can know who visited your site before they even enter any information on your site. Unfortunately, this is based on the visitor's IP, so if you sell to big companies, you're probably good (unless the visitor is at Starbucks). But, if you sell to SMBs or Startups without dedicated IPs, you'll probably not find much useful info. Could be worth exploring, though.

The coolest thing is that these tie actual on-site behavior to the lead, so you don't just have a name, you have their exact activity, too. That might be useful, right?

- <http://clicky.com>
- <http://www.opentracker.net/>
- <http://www.leadsexplorer.com/en/le/home.html>
- <http://visistat.com/>

Gather Intel about their Website

If your customers have a website, and you sell something to help them with their website, knowing what they built it with, the services they use, how many visitors they get and the breakdown of visitor demographics, etc. can be very helpful in scoring a lead.

Consider a SaaS company that sells an analytics package for websites and charges based on usage. Automatically backfilling their customer record with their Compete or Alexa data in addition to Crunchbase or Angelist data to know if they just got funding and using that to score the lead and have salespeople personally reach out to only the most valuable lead would be helpful, right?

It can also be a great way to find a list of Potential Prospects by looking up sites that use a XYZ service on their site and have an Alexa ranking above X, because you know that they're probably not getting what they need from XYZ and you can help them.

- <http://builtwith.com/> ← what technologies and services websites are using
- <http://nerdydata.com/> ← new... sort of a BuiltWith competitor
- <http://aws.amazon.com/awis/> ← Alexa data via API
- <https://www.compete.com/developer/paid/>
- <https://www.quantcast.com>
- <http://www.wolframalpha.com/> <== type in a domain name and hit enter

Consumer Data - Sources & Brokers

"Always enter the conversation already taking place in the customer's mind."

- Robert Collier (c. 1936)

I've heard variations of the following story told from time to time, though I can't find it anywhere so I'm not sure 1) if it actually happened or 2) who to attribute it to. Either way, it's a great illustration of Robert Collier's quote from above:

What if you just bought some gold coins and a letter showed up that said:

"I heard you just bought some rare Gold Coins through the mail. And did you know I learned that information for only \$7? The scary part is, anyone - and I mean anyone - who also wanted to know that information can do the same for just \$7.

Now, where should I send your new unbreakable coin vault?"

You get the picture, right? A guy just bought rare gold coins and is probably concerned with securing them... and this letter doesn't help matters! Talk about entering and effectively steering the conversation.

So, if you sell to consumers, especially in the United States, you have many data sources to choose from. I admit that knowing just how easy it is to market to someone that just had their credit checked yesterday by an auto dealer (indicating they're likely in the market for a new car), can get creepy.

But, as long as the data is there (and you're selling a valuable product or service), you might as well use it to reach potential customers. I encourage you to use your imagination here...

- <http://next.srds.com/home>
- <http://lists.nextmark.com/>
- <http://www.experian.com/small-business/marketing-my-business.jsp>
- <http://www.infousa.com/>
- <http://www.acxiom.com/>

UPDATE: Facebook actually partnered with Acxiom, Datalogix, Epsilon, and BlueKai earlier in 2013 to provide super-advanced targeting. Learn more on the [Facebook Studio blog](#).

Concluding Thoughts

You can sit around and wait for prospects to come to you, or you can take action and reach out directly to them on your terms.

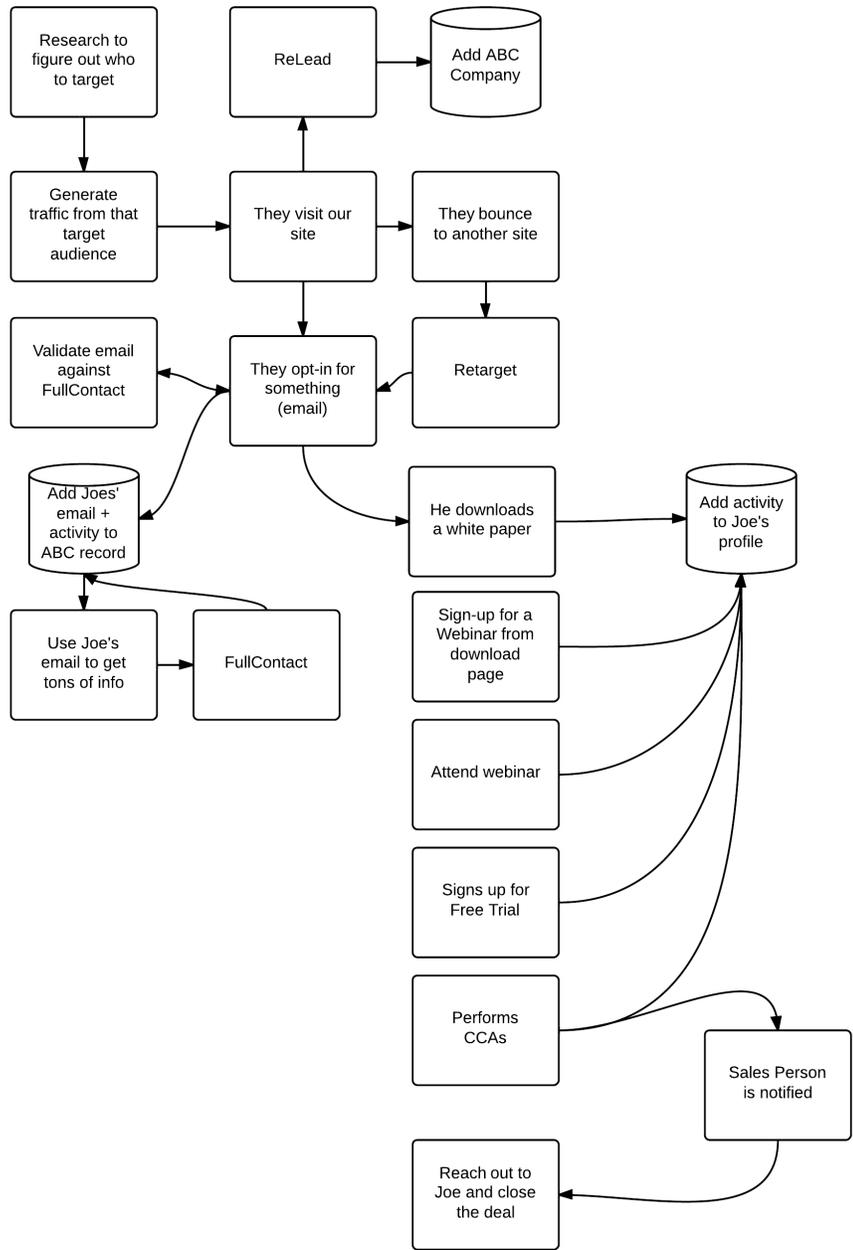
Call it "interruption" marketing if you want, but with apologies to Seth Godin, I just call it marketing.

About Lincoln Murphy



My name is Lincoln Murphy. I help SaaS and Cloud companies acquire and keep more customers so they can grow rapidly and profitably. Learn about my [customer acquisition & churn reduction consulting](#), follow me on Twitter [@lincolnmurphy](#) or [G+](#), or [email me](#) anytime.

Example 1: “Data-Driven” Customer Acquisition Flow



Example 2: Real Email Marketing

