

The Marketer's Guide to Evaluating Data Quality



**How to Maximize
Your Reach and
Maintain Precision**

Overview

Most marketers will admit they are overwhelmed by the amount of data they have at their disposal. Segments detail everything from a consumer's age to their preferred toothpaste brand. Many of those same marketers will also tell you that much of the data available today looks and sounds quite similar. This makes it difficult to distinguish the good data from the bad. And with U.S. marketers spending over \$11 billion on data and related solutions annually, answering the question "How do I evaluate data quality?" is more important than ever. This document will serve as your guide to understanding what defines "good data" and how data companies, like AnalyticsIQ, are focused on taking data from "good" to "great".

Getting Started

So how do you define "good data"? In short, good data includes information, insights and even marketing models that drive great results and a positive ROI. Included here is a brief but critical checklist that outlines the fundamental building blocks of quality data. Whether you are a data scientist or media buyer, these are critical points that will ensure you have a sound data strategy. Let's look at these points in more detail.



DATA FUNDAMENTALS CHECKLIST

Quality data is...

- ✓ Predictive
- ✓ Accurate
- ✓ Granular
- ✓ Scalable
- ✓ Current
- ✓ Cleansed & Verified

Predictive Power: Quality Data Can Help You See into the Future

As mentioned, there are key elements that determine data's predictive power, especially important when developing customer and prospect models:

- **ACCURACY:** Accurate marketing data isn't just about being "less wrong" than another marketing data provider. It means the data provider is leveraging multiple trust-worthy and proprietary data sources to curate data that is as accurate and up-to-date as possible.
- **COVERAGE:** You can have accurate, powerful data, but if it only covers a small percentage of individuals, the scale of your marketing efforts is dramatically limited. By working with a data provider who maintains accuracy while also covering as many individuals and households as possible ensures that your marketing can impact as many individuals in your target audience as possible.
- **GRANULARITY:** Continuous data can take on any value. For instance, the number of customers you serve in a year is a discrete, finite number, such as 1,000. But the distance a customer has to drive to get to your store is continuous; it could be 2 miles or 215 miles. Continuous attributes generally perform better in models by allowing the modeler to bin the data, or group a number of values into a smaller number of "bins", as applicable. More granular data prevents scores from clumping together in the final model, often resulting in better performance.
- **APPLICABILITY:** Data that directly applies to the model's application is often beneficial. For example, a model that attempts to predict response to an insurance offer will likely benefit by the presence of insurance purchase and propensity data.
- **UNIQUENESS:** The silver bullet for modeling is data that is predictive and proprietary. Think of building a model much like using ingredients in the kitchen. Your macaroni and cheese is going to taste like it came from a Michelin Star restaurant if you add in a unique ingredient not everyone has access to or is utilizing, like truffle oil.

Think of a model in the same respect. If you go beyond utilizing only basic ingredients like age and gender, you can create a high performing model that helps you launch better marketing campaigns. In addition, there is value in zigging when everyone else is zagging. In other words, it can be helpful to rebuild existing models with a new data source that has a slightly different perspective and universe. For instance, AnalyticsIQ's data fuels the modeling efforts for many analytics teams because of our unique data set. Much of the data available to marketers today answers the question of "who" people are, like their age and gender, and "what" they do, such as the products they purchase.

But very often, data fails to answer the "why", such as what motivates consumers to make the decisions they do. That's where our team of industry veterans, data scientists and cognitive psychologists come in. Because we get to the heart of "why", our comprehensive data consistently drives better marketing results, often showing a lift in performance up to 20%.

ACCURACY:

Correctly Identify Your Next Best Customer

For particular types of data, accuracy is crucial. Annual income is a great example where having a solid understanding of a consumer's actual financial capacity can improve targeting performance. For example, a higher income does not always necessarily mean an individual or household has a higher discretionary spend level. For nearly every brand, matching the right product to the right prospect is a critical part of their success. It would most likely be a waste of marketing dollars and resources if an expensive, luxury auto company sent a catalog advertising \$90,000 vehicles to new college graduates making less than \$30,000 per year.

COVERAGE:

Reach Your Brand's Next Fan

Maximizing impact while minimizing waste is a frequent challenge for marketers and data modelers. Certain data, such as web "hand raisers," can be highly predictive, yet has the downside of impacting few records with limited scale. AnalyticsIQ uses the following methodologies to spread the data love:

In an independent test, AnalyticsIQ's income data achieved 9% higher accuracy than the next best competitor.

- **CLONING:** AnalyticsIQ clones, or models, valuable data across our database. One example is our social networking scores; the actual data is only available on a portion of individuals. Through our predictive modeling process, we take those powerful nuggets of data and extrapolate the information across our PeopleCore database. This means marketers can now utilize this predictive information across over 217 million U.S. adults.
- **ROLLING-UP:** When data may not be available for every household, often we will create zip+4 versions of our most valuable tools. A zip+4 area generally includes about 10 to 20 homes on the same side of the street. Since most of our tools are noncategorical, we typically utilize the median or mean value for each field for each zip+4.



"Balancing data accuracy and coverage is both an art and a science. At AnalyticsIQ, we focus on creating the most accurate individual and household-level data. For example, our monetary values come in thousands, not ranges, allowing our clients to be more precise. However, without coverage, even the most predictive model won't have any impact. This is why we roll up our data to the zip+4 level for increased coverage."

ANNA BRANTLEY, SVP STRATEGIC PARTNERSHIPS, ANALYTICSIQ 

GRANULARITY:

Use Precise Data to Drive Results

Most marketing data is categorical, meaning that it is presorted into fixed ranges. For example, a code of "A" represents a household income between \$0 to \$20K. AnalyticsIQ believes that categorizing data is only necessary when you are not fully confident in the veracity of the applicable tool.

Our income data is deeply rooted on known information, which also happens to be highly granular. Often times, however, large data compilers tend to want to make things very simple for marketers by creating categories. In doing so, they have unfortunately minimized the value of their data in modeling applications. AnalyticsIQ ensures the full power of our data remains intact by only categorizing data when it is absolutely necessary.

APPLICABILITY:

Leverage Relevant Data

While there are numerous possibilities for how data can be used in modeling, the more broadly applicable a marketing dataset is, the more likely it is to have some data that is a direct hit.

For example, insurance behavior or asset data is likely to help drive better results in insurance targeting. Automotive data is likely to help drive better results in automotive marketing. Although this may appear to be a pretty obvious tip, it is important to remember that you should investigate all of your data options to ensure you are leveraging all applicable data available.

UNIQUE DATA:

Add a Secret Ingredient to Your Approach

When assessing attributes that come into models, unique elements often drive better predictive results. Let's look at AnalyticsIQ's social data, which predicts influence across social media platforms like Facebook, Twitter and LinkedIn. Every year we develop hundreds of custom models. Time and time again, we find that this social data rises to the top with great frequency, regardless of the type of model being created.

And although someone's influence on Twitter may not directly predict how he or she will respond to an insurance promotion, it does reveal something unique about that individual that we would not otherwise know. The uniqueness of our social data, for example, explains how it makes it into so many models despite the competition from thousands of attributes on our modeling file.



How AnalyticsIQ Engineers Our Data for Your Success

AnalyticsIQ is a dynamic, fast growing marketing data and analytics company focused on providing innovative consumer data and analytics solutions. These solutions empower marketers to deliver more personalized experiences to consumers while helping their marketing dollars go further.

Our consumer data products include demographics, affluence categories, health and wellness, psychological decision drivers, and can even predict future buying choices. Our approach has you covered:

- **Know your consumers like you know your friends**
 - ▶ AnalyticsIQ's team of data scientists and psychologists helps you understand the who, what and why behind consumers and the decisions they make every day.
- **Access data you can't find anywhere else**
 - ▶ Our comprehensive PeopleCore database tells you more information about more consumers than anyone else.
- **It's easy to get started together**
 - ▶ Not only do we tailor solutions to your specific needs, but our flexible, close-knit team moves quickly. You can begin testing and using AnalyticsIQ data right away.



Let's Talk

Are you ready start using sophisticated data to grow your business? Our flexible approach makes it easy. Whether you are looking to test, build custom models, understand lifetime value, or target prospects across channels, AnalyticsIQ can be your partner.

Contact us today at sales@analytics-iq.com.



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