What's the Deal with
INTENT DATA?

What's the Deal with Intent Data?

INTRODUCTION

The conversation around intent data is heating up as sales and marketing organizations look for an edge to help them identify new customers and pinpoint where people are in their buying journey.

While intent data is an exciting new frontier, it's helpful to understand the types of intent data out there and how each can be used most effectively.

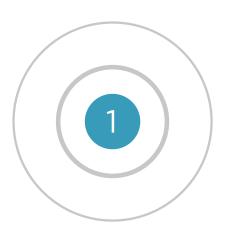Here are four key questions that will help you separate the must-have technologies from the hype:

1. **What is Intent Data?**
2. **Is it Predictive?**
3. **Is it a Good Source for Net New Leads?**
4. **Where do the Experts Come Out?**

Having a framework to ask the right questions will give you confidence in your understanding of the space. You'll be able to lead a productive conversation within your company, so you can be sure you're placing the right bets.

What is Intent Data?
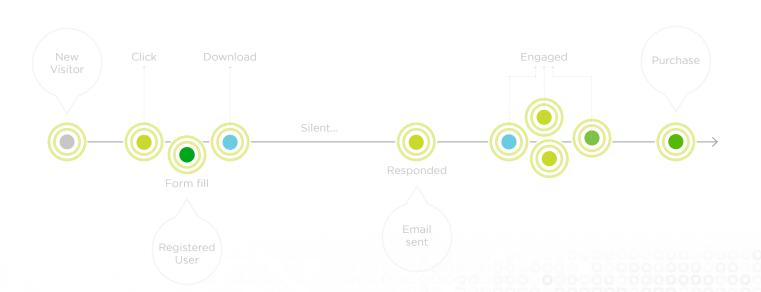
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WHAT IS INTENT DATA?

To set the stage, it's important to be clear on what people mean when they say intent data. There are generally two main forms:

Internal intent data

Internal Intent Data is the activity that you're capturing on your website, inside your marketing automation system, or through application logs.

Because it is data you own, it is also referred to as first-party data. The content being consumed by prospects on your site is highly relevant, which adds to the intensity of the signals.

You can see exactly what pages they touched, what links they clicked on and how long they spent on a page. The other great thing about internal intent data is that it has high coverage across your customers and prospects, because virtually everyone in your funnel is likely to have touched your website.

New Visitor

Click

Download

Form fill

Registered User

Silent...

Responded

Email sent

Engaged

Purchase

External intent data

External Intent Data is is available through third-party providers.

This data is collected by networks of B2B publishers either at the IP level, or through user registration and shared cookies.

These publishers track the pages a contact visits, content they download, their site searches and potentially comments they left on an article or video.

The big three providers of B2B third-party intent data are Bombora (formerly Madison Logic), TechTarget and IDG.
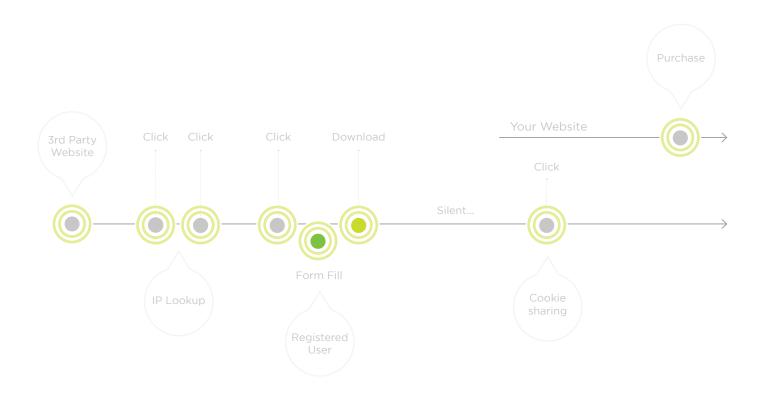
Sites That Sell Their Intent Data

techtarget.com	networkworld.com
infoworld.com	cio.com
itworld.com	computerworld.com
brightalk.com	forbes.com

Purchase

Your Website

3rd Party Website

Click   Click   Click   Download   Click

Silent...

IP Lookup

Form Fill

Cookie sharing

Registered User

Both internal and external intent data can be used for multiple different purposes, which can make evaluating it a bit complicated. Some of the top use cases include:

Use Cases

1. Appending existing customer records with categories like "in market." With this use case, the data's match rate and conversion rate are key metrics to measure success. Match rate measures what you would have missed without these indicators. And conversion rate tells you how accurate a signal it is. If your data vendor meets those two criteria, there is a ton of value in appending a behavioral score or a buying stage to records inside Salesforce.

You could use this insight to trigger campaigns, personalize emails, or prioritize your targeted accounts.

Measuring Success

Match rate	Matched & surging	Conversion multiplier	Missing data
5%	0.5%	1.0	95%

- Match rate is the % of time that intent data is available for records in your database

- Matched & surging highlights how often the signal is strong

- Conversion multiplier is the conversion rate compared to your average conversion rate

- Missing data refers to the % of time the field is null because intent data was not available

2. Generating New Leads is a use case where volume and number of conversions matter most. Is your intent data provider able to surface accounts and contacts beyond your internal database, which you might not otherwise have seen?
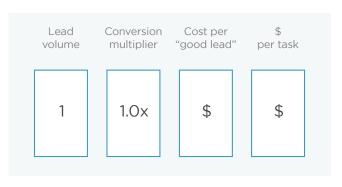
You should measure external data vendors based on the number of prospects they identify and ultimately their cost per good lead. Keep in mind that most of their insight is aggregated at the domain level, so you will still need to identify contacts and prospect into accounts.

Measuring Success

Lead volume	Conversion multiplier	Cost per "good lead"	$ per task
1	1.0x	$	$

- Lead volume is the # of net new leads generated by this source

- Conversion multiplier is the conversion rate compared to other similar tactics

- Cost per good lead gives you an apples-to-apples comparison across tactics

- $ per task illuminates the sales effort relative to the pipeline created

Is 3rd-Party
Intent Data predictive?

2

IS 3RD-PARTY INTENT DATA PREDICTIVE?

In the following chapters, we'll take a closer look at internal and external intent data to determine if it produces predictive signals, and we'll further explore possible uses cases for net new leads.

At Infer, we have this saying that we need to be vicious about acquiring data. In the same way Google is constantly evaluating different data sources to improve its search quality, we always want to find data that makes our enterprise applications more predictive.

To this end, we've built a framework to test new data sources so we can evaluate their data quality and determine the impact that emerging signals might have on our models. We've put third-party intent data through the test to see if this is a valuable new opportunity for predictive modeling, or better suited for other use cases. Here are some of our initial findings:

The Source
of the Data

The obvious first question is where exactly does this data come from? It certainly isn't Google opening up its search database or LinkedIn sharing its social graph - while that type of insight would be amazing, it will never be publicly available because it is personally identifiable data that's super sensitive and core to their businesses.

Today, the only external intent data available comes from second or third-tier publishers that have opened up their terms of service and are selling visitor data. Typically this data is collected by tracking visitors' IP addresses and cookies.

Average Prospect
Match Rates

If the majority of our clients' prospects aren't visiting this particular network of sites with any frequency, or can't be matched via their cookies or an IP lookup, the intent data source is less valuable from a predictive modeling perspective.

When we evaluate a new vendor, we start by matching their data against a standard list of 2,000 companies (a representative cross-sample across a variety of industries, sizes and regions) - the same curated list we use to test all data vendors.
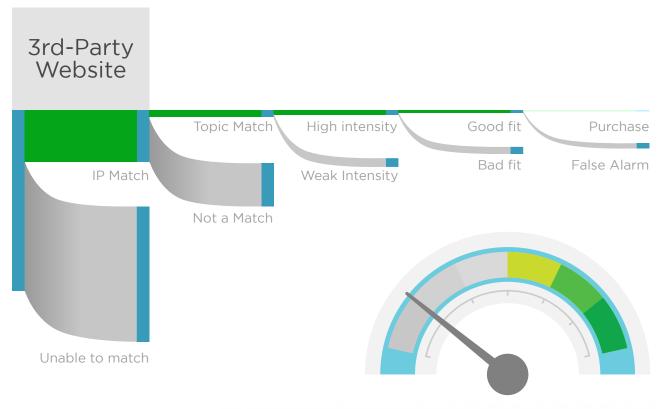
With a good data source, we typically see around 40% of these companies show up on a list, but with the third-party intent vendors we recently evaluated, we found that only 14% of the companies were covered.

Topic Match

With intent data, you not only have to match on companies, but also on topics that are relevant to your particular business. For example, an individual might read articles on anything from vacation destinations, servers, Facebook, the economy or health care, to the iPhone or a whole spectrum of other themes. A recent vendor we tested offered a taxonomy of over 1,600 topics, which is great in terms of granularity, but if you're only interested in a couple of targeted keywords, the number of matches gets narrowed down considerably.

To put it in perspective, if you care about this vendor's 3 most popular topics, they have a combined match rate of 2.3% across all the intent signals provided. Furthermore, if you need to build boolean logic (if "Apple" OR "iPhone", "support" AND "software") to make the broad topics more relevant, the matches get even narrower. Unless you can find clusters of domains that have high coverage around similar intent topics, these data sources will likely not carry any weight in a predictive model. In fact, good models would likely feature select them out to avoid overfitting.

3rd-Party
Website

IP Match

Topic Match

Not a Match

High intensity

Weak Intensity

Good fit

Bad fit

Purchase

False Alarm

Unable to match

Predictive Power

Intensity

Many intent data providers will provide you an intensity level, which is a mix of publisher search keyword match, time spent on certain pages, etc. It's relatively easy to determine the intention of a specific user writing keywords into a search box - that's the purest form of intent. But it is much harder to tell what a user wants when you're only looking at the pages they clicked on and don't know much about them. They could have ended up on that page for any number of reasons, i.e. accidently clicking on link bait. An intensity ranking helps you identify users with high intent, however, be aware that it is still a "black box," which is difficult to trust when it comes to modeling on that data.

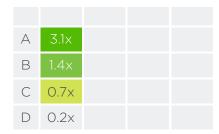# Today's 3rd-party intent data is not all that predictive.

When analyzing external intent data sources, our tests founds that the coverage is currently too low and the intent signals too weak to be valuable for modeling. The charts below provide a framework for putting it to the test in your organization. By looking at conversion rates across various types of lead scoring, you can see where your greatest opportunity lies.

Fit Score

behavior score
likelihood of conversion within the next 3 weeks

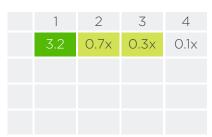| fit score					
	A	3.1x			
	B	1.4x			
	C	0.7x			
	D	0.2x			

fit score — good fit to buy your product

- Across all customers, Infer A-Leads convert 11x as often with 3.6x the revenue compared to Infer D-Leads. The A-Leads also contain 40% of the total won revenue.

- With this analysis we are comparing the top 25% of stack ranked leads to the bottom 25%. In practice many of our customers adjust their breakpoints so that the top 10% are A-Leads and the next 20% are B-leads. This will make the conversion multipliers appear more dramatic.

1st-Party Intent

behavior score
likelihood of conversion within the next 3 weeks

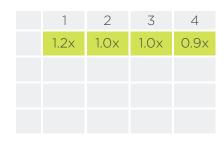| 1	2	3	4
3.2	0.7x	0.3x	0.1x

- The key to evaluating a behavioral score is to determine how good it is at predicting an outcome in a set time period such as the next 3 weeks. The stats above are consistent with what we see across our customers.

- This chart excludes situations where there is no marketing automation data to produce a score. It provides a more accurate reflection of the predictive power but it also highlights the importance of coverage.

3rd-Party Intent

behavior score
likelihood of conversion within the next 3 weeks

1	2	3	4
1.2x	1.0x	1.0x	0.9x

- The simplest way to test the power of 3rd party data is to provide a list of domains that have open opportunities. You can then match the domains with intent data to see what percentage of time data is available and was the prospect surging prior to opportunity creation.

- Is there a strong correlation similar to 1st party intent or do all the behavioral scores look the same?
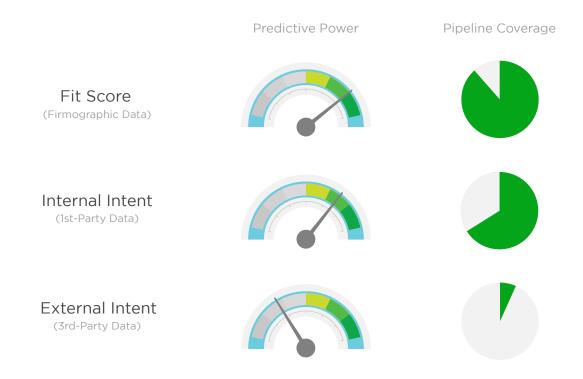
IS 3RD-PARTY INTENT DATA PREDICTIVE?

There is no disputing that every company should start with a fit-first approach, which captures how much an incoming prospect resembles your likely buyer.

This score is extrapolated from things like their geographic location, job title, company, size, etc. By next layering in a behavioral score, based on either external or internal intent data, you should be able to identify those prospects who are more likely to convert this month.

If all of your top A-Leads have similar conversion rates despite their behavioral score, then you can see that the categorization you're using is not accurate. The chart on the bottom, in which a behavior score of 1 is materially different than a 2, 3, or 4, is what you're shooting for.

Taking this a step further, if your goal is to accurately and consistently predict where your high fit-scoring prospects are in their buying process, you're better off focusing on internal intent signals first. Data collected by your web analytics and marketing automation apps will give you far more predictive power, pipeline coverage and revenue impact than any third-party intent initiative.

Predictive Power   Pipeline Coverage

Fit Score
(Firmographic Data)

Internal Intent
(1st-Party Data)

External Intent
(3rd-Party Data)

In the next chapter we'll explore how to evaluate the volume, number of conversions, and sales effort to determine if this is a viable tactic.

3

Is 3rd-Party Intent Data a Good Source of Net New Leads?

IS 3RD-PARTY INTENT DATA A GOOD SOURCE OF NET NEW LEADS?

In the previous chapter, we explored why first-party intent data is more effective at predicting winners than third-party intent data.

However, there is also value in knowing what people are doing before they get to your website, and one possible approach is to use third-party intent data to surface net-new leads. One vendor shares a great story about how a software company identified Anheuser-Busch as being "in market," and surfaced a lead that did not previously exist in their CRM database. This could be hugely valuable, especially if Anheuser-Busch only makes this decision once every 5-6 years.

Let's consider the value of external intent data for two possible applications:
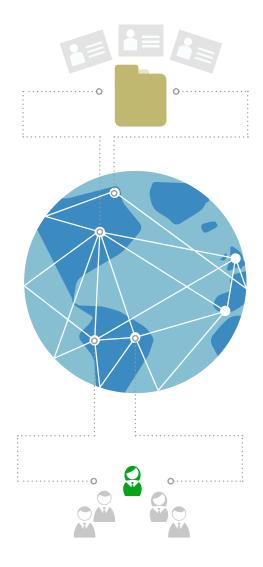
Uncovering net
new accounts

If your goal is to identify a universe of new accounts that are a good fit for your product, third-party intent data is probably not the fastest or most comprehensive way to do it. There are lots of data providers who will sell you a list of companies, which you can run through a predictive vendor to filter and stack rank good accounts based on fit. From there, you can identify the right contacts at those accounts, divvy them up to reps and work down the ones with the greatest revenue potential.

Identifying the
best contact(s)

While most third-party intent data is provided at the company level, individual contacts are sometimes identified. This coverage is certain to be lower than the 14% domain match we found, because it requires a user registration and a cookie. However, if the intent provider is selling individual email addresses, you could use them to build a valuable surge list.

As with any list buy, it's helpful to assess how "cost per good lead" compares to your other demand gen programs. In order to do this, you could run the intent vendors' leads through your predictive scoring models and test the specific lead quality. By seeing how many A or B-Leads are produced by your intent data source, you can directly compare the cost of a surge list against other sources of leads.

The risk of
guessing wrong

Knowing that someone read a certain article might give you some useful nuggets of insight into his or her intent and stage in the buying journey.

However, as we covered in the previous chapter, third-party intent data often isn't conclusive enough to actually be predictive. It may be helpful to compare people with no activity to people with lots of activity, but keep in mind that you're likely to find a lot of false positives.

Given that external intent signals can be misleading, lots of activity doesn't necessarily mean a purchase decision is iminent.

If you tell your reps that certain prospects are in-market, and they end up on a wild goose chase, you'll be diverting them from more productive endeavors and risk losing their trust.

4

Where do the experts
come out?

WHERE DO THE EXPERTS
COME OUT?

" *To me measuring intent is a requirement. It's huge for not only identifying short-term purchase potential, but matching the message to the readiness for mid-and-long term buyers. With good intent insight you strive to make every interaction more relevant and every relationship stronger.*

To use an eHarmony analogy, having the perfect match is an important start but sending the first intro e-mail with a proposition for marriage is not going to lead to much..... in most cases.

Scott Fingerhut
VP Worldwide Marketing Demand Generation
at Elastic

" *I've seen great success from using internal behavioral signals to determine intent. Sales reps and SDRs learn over time which intent signals work best for them, whether it is downloading a particular piece of content, visiting a certain set of web pages, or clicking a particular kind of ad. When they are looking at a list of prospects, they'll naturally gravitate to the signals they trust.*

Jon Miller
Co-Founder CEO of Engagio
Former Co-Founder of Marketo

" *I think 3rd party intent data for predictive lead generation sounds good in theory. But the 3rd party data tends to be so limited and with so many holes, the data does not make it predictive. I would have more faith in buying lists of leads with emails and then running that through Infer to find good fits.*

Dan McGaw
Founder & CEO, EffinAmazing.com

" *I have seen positive ROI case studies with 3rd-party intent data identifying net new leads, but it depends on the sources and the market.*

For example there are companies that extract value from content syndication leads... though most don't. 3rd-party intent data is the SAME THING except the media site doesn't have to try to get them to download your white paper - they can just tell you that they did. For some companies, this concept can work if the conversion rates and cost per good lead are manageable.

My hope is that all intent data can move beyond content consumption and we can develop more predictive data points to identify intent. In other words, it's a good idea... but has to get better over time.

Craig Rosenberg
Co-Founder and Chief Analyst, TOPO

" *Existing predictive models use demographic and firmographic data to predict who is likely to buy and to some degree, what product they're most likely to select. The next leap forward is to accurately identify where individuals are in their buying process and whether they're likely to buy soon. Today, first party intent data provides the best clues and broadest pipeline coverage, but the more comprehensive view you can create, the easier it is to tailor your follow-up messaging.*

Matt Heinz
President, Heinz Marketing

The Infer Approach

The ultimate goal is to use the right set of predictive signals to get a scoring matrix that looks like this.

behavior score
likelihood of conversion within the next 3 weeks

fit score	1	2	3	4
A	8.2x	2.8x	1.2x	0.8x
B	2.2x	1.2x	0.6x	0.2x
C	1.4x	0.3x	0.2x	0.1x
D	0.4x	0.1x	0.0x	0.0x

fit score
good fit
to buy your
product

At Infer, we've invested in third-party intent data and will continue to push for breakthroughs because we believe it is an exciting new frontier.

At the same time we believe in focus, business impact, and proven customer success. We've found that for most companies, the biggest opportunity to unlock value is to start with a world-class fit model and layer in a behavioral model based on marketing automation data and advanced machine learning. Adding those capabilities to your marketing stack will give you far more predictive power, pipeline coverage, and revenue impact, than leaping straight into an external intent data initiative.

When you've got a highly accurate fit and behavior model locked in, you can add value by layering on surge lists from external intent providers. This is a simple add-on which we can help you manage along with your other list providers. Infer's predictive models score prospects so that you can quickly test and invest new sources of pipeline, and focus reps where they've got the best shot at winning.

1 Fit Score   **2** Internal Intent   **3** External Intent

About Infer

Infer delivers predictive business applications that help companies win more customers. It leverages proven data science to rapidly model the untapped data sitting in enterprises, along with thousands of external signals from the web. Customers include high growth companies like AdRoll, Cloudera, Concur, New Relic, Nitro, Tableau, Xactly and Zendesk. Headquartered in Palo Alto, California, Infer is funded by leading investors, including Redpoint Ventures, Andreessen Horowitz, Social+Capital Partnership, Sutter Hill Ventures and Nexus Venture Partners.

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