One Secret About IT Market Coverage Could Increase Your Number of IT Sales Leads by 25%

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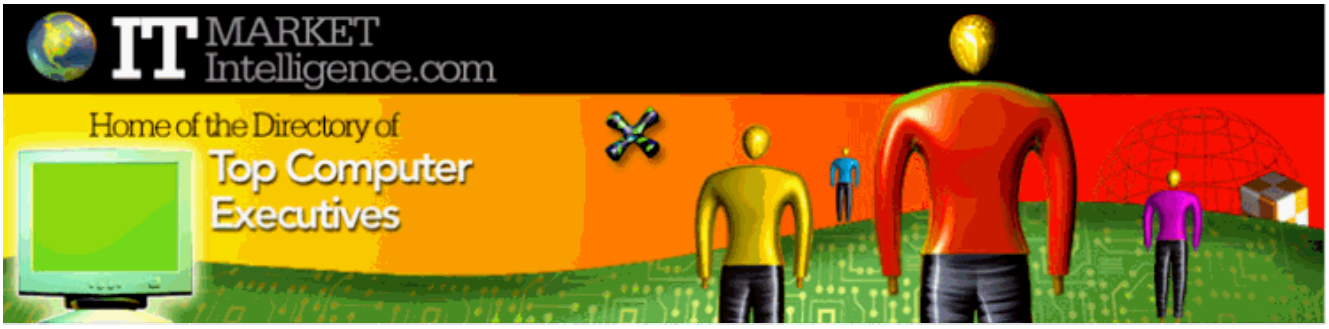

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In the world of IT marketing the importance of *market coverage* is rarely given the respect it deserves. Market coverage is designing a way to cover a defined target market as completely as possible. The more finite your market, the more important it is to achieve complete market coverage. The broader your market, the more important it is to define a strategy to cover that market.

It is the case of finite markets where understanding rate of data fill is most important. Rate of data fill is how often a specific data element in a database is populated. For example, if a database is tracking the number of deployed PCs and has that data for 75% of all records, the rate of data fill is 75%.

If the target market is organizations with 500+ deployed PCs, that means you'll be skipping 25% of the market because the subject database only covers that data in 75% of cases. With a relatively finite market, like organizations with 500+ PCs for example, that's totally unacceptable.

The solution is to calculate substitute demographic characteristics to be incorporated into the market identification process. For example, the average number of PCs per IT employee is 25. Therefore, on average, organizations with 500+ PCs will also have 30 or more IT employees. Incorporating this additional demographic into the market identification process will increase your market coverage.

This same approach can be applied to gross revenue, total employees, number of hospital beds, number of police officers, or most other metrics you might be considering.

In the case of ACR's *Directory of Top Computer Executives* database, following are two examples that illustrate the importance of this concept.

Example 1
In this first example our primary target demographic is number of deployed PCs. Of the 30,000 or so sites we track 74% of them have the number of PCs. Not bad, but you would be missing 26% of the market by only selecting on the number of PCs.

If we add in the sites where the number of IT executives is also available we are now covering 81% of the database. Remember, we would calculate the statistically equivalent size by using a simple formula based on industry averages, as we would for additional demographic characteristics.

If we then add a component for total number of employees our coverage jumps to 94%, and if we add revenue on top of that we are covering 95%. Overall we go from 74% market coverage to 95% market coverage.

In summary:

PC coverage	74%
Add IT employees	81%
Add total employees	94%
Add revenue	95%

Example 2
In this example we start with revenue as the primary target demographic. ACR does not focus on revenue numbers as they are notoriously inaccurate, and a particularly poor indicator of IT spend. Nonetheless, many clients use revenue as their primary target demographic. For our *Directory of Top Computer Executives* database we start with 52% market coverage for revenue.

Add in total company employees and the coverage jumps to 89%. Add the number of PCs and were at 93%, and number of IT employees and our coverage ends up at 95%

In summary:

Revenue	52%
Add total employees	89%
Add PCs	93%
Add IT employees	95%

This second example makes it even more clear that understanding rate of data fill is critical for market segmentation.

This is not to say that all four demographic characteristics are appropriate for all cases, but in most cases more than one will definitely benefit market segmentation exercises.

Finally, there may be other proxy demographics that can be useful. For example, clients targeting organizations with $1 billion in revenue can select organizations listed on the Fortune 1000 as they are all over $1 billion in revenue. The presence of mainframe systems is another example of a proxy demographic that may be useful in many cases, like data center services for example.

To learn more about this subject visit www.itmarketintelligence.com/mo-reports.htm and click on *Detailed Tutorial Report*.

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