The Fallacy of Contact Lists
by Jeff Josephson

At least a dozen times a week we're approached by people who want to buy a list of contacts. Just in the past few days, for example, we've been asked to provide lists of doctors, business owners, real estate agents and solar companies.

Invariably, we ignore these requests and walk away from the sale. This is partly because selling lists is a commodity business and we can't make money at it. But the bigger reason is because we don't like selling something that doesn't work.

What's Wrong With Lists?

It has been conventional wisdom for many years in B2B marketing that you should "cast a wide net" in the hopes of attracting whatever business is out there. And while such a strategy can entail some waste, the theory was that, with repetition (and even more waste), you would eventually pick up whatever business was available.

The problem is, however, that most companies today can't afford to waste so much of their marketing budget. Profitability targets are too high, market windows are too short, and clutter in the media, as well as voice mail and email filters, have reached such a state that getting the attention of a decision maker has

become nearly impossible. As a result, you can easily waste 100% of your marketing investment by going this route.

Besides waste, of course, is the problem of accuracy. People change jobs, phone numbers, email addresses and responsibilities so often that a list can be out-of-date the moment you buy it.

But the biggest problem with lists is that buying a list is usually done under the assumption that the prospects on it have a need for your company's products – a heroic, if not completely foolish, belief. Inferring need from an SIC Code, a company's size, its location or the Job Title of its executives is like assuming someone's personality from their name – not a good idea.

The Driving Power of Needs

As Abraham Maslow said, people are driven to fulfill their needs; and, as assemblages of people, businesses tend to do the same thing. Therefore, if businesses act and, in particular, they buy things based on what they perceive their needs to be, then what you should be targeting are "needs," not SIC Codes, the number of employees, a location, or a job title.

Ah, but I can hear the objections already. "Sometimes people don't know what they need." "Sometimes you're selling a solution for a problem that people don't know they have." And "sometimes you have to educate the prospect to get him or her to understand that they need your solution."

All of these, of course, are excuses for not knowing who exactly needs your product. They are excuses, in other words, for not being able to read your prospects' minds, and thereby know exactly what their needs are.

Think about it: Doesn't using the excuse that "Sometimes people don't know what they need" imply that they know *something*; it's just that you think you know what they need better than they think they do? And doesn't that just prove the point about the importance of targeting what they're thinking, and not SIC Codes?

And doesn't that make targeting SIC Codes or Job Titles just a fallback strategy because you don't know how to read their minds? And so, instead, you make inference about needs based on surrogate data like the number of employees they have.

The Benefits of Reading Minds

Developing a target list based on what your prospects are thinking, using a system like [MindReader](#), is vastly superior to guessing, or using surrogate variables like SIC Codes – particularly if you can find needs that motivate people to buy your product. It can save time, it can save money, and it can significantly reduce your marketing risk.

Even in cases of new products where the need has not yet been established, targeting based on a prospect's need for a substitute solution, or some underlying problem, is far better than trying to persuade someone that they need your product just because they have a particular number of employees.

Similarly, just because your application was designed for users in a particular industry, it doesn't mean that they believe they all have the problem your product was intended to solve. Why bother calling the ones that don't when you can focus on the ones that do?

Don't get stuck in the old way of thinking.Targeting needs can enable you to make better use of scarce marketing resources, eliminate the frustration of chasing unqualified leads, shorten your sell cycle, and maximize your close rate.