Improve Address Quality by 15-50%

Effective Data Enhancement Processes Improve Results on Prospect and Customer Mailings

Background Situation

The client, a niche retailer, was frustrated by the fact that over 80% of the respondents to their prospect mailings turned out to be existing customers in their system.

A customer suppression file had been used to suppress current customers from the prospect database. So, how come so many of these people were already customers but weren't suppressed? The answer was all in the data.

Challenge

There can be multiple reasons customers show up in prospect mailing results:

■ Associates at the store level utilize their own loyalty program ID to give customers a discount instead of making the new customer register for the loyalty program. Because the common ID is used, the sale is associated with an existing customer.

■ People give their coupons to someone who is already a customer.

■ The suppression file doesn't contain all customers.

In the case of this client, it was determined that the last reason was the primary cause. The suppression file that was initially furnished contained the names and addresses for all customers for whom they had a physical address who hadn't purchased in the last 6 months. Because of invalid or nonexistent addresses on over 50% of their customer records, coupled with the fact that it only contained the recent customers, the suppression file wasn't complete and many customers ended up finding their way into the prospect file.

One could argue that anyone who hasn't been into the store in at least 6 months is a lapsed customer and should be considered the same as a prospect. That thinking is legitimate. If lapsed customers are still considered customers, they should be included in the suppression file. If lapsed customers are going to be treated as a different segment, they can still be suppressed from the prospect data.

Solution

PrintComm worked with the CRM Director. Upon further investigation, the client determined that there were over 5 million customers that weren't part of the initial suppression process:

■ Over 1 million lapsed customers with valid physical addresses

■ 1.8 million+ customers with valid email addresses but no physical address

■ Another 2 million customers with invalid addresses

PrintComm suggested multiple data enhancement strategies, such as:

1. PrintComm received the file of customers with an email address but no physical address file and was able to append a physical address to 52% of the customers resulting in a net gain of 940,000 customers with addresses. Admittedly, this is an extremely high match rate. Typical match rates run from 25-40%.

2. The client furnished another file that contained invalid physical addresses. Invalid addresses can occur for a variety of reasons:

    ■ Customers move and the address data isn't maintained. To qualify for automation mailing rates, mailers are required to submit data to the National Change of Address database. Most mailers use the 18 month rolling file. That database contains records on people who have moved in the last 18 months. Best practice, the practice PrintComm uses, is to furnish the updated addresses back to the client so they can update their database. If those changes aren't fed back or aren't utilized to update the database, the customer data becomes inaccurate after 18 months. Some mailers "fix" this by imprinting "or current resident" on the mail pieces. All that does is guarantee that the piece gets delivered, not necessarily to the customer. This invalid information will not suppress properly.

    ■ Customer data isn't input accurately in the database. In some cases, paper forms were used to capture data. On many, the handwriting was so bad that the person keystroking had to guess on certain address elements. Typos also occurred.

    ■ Address information is incomplete.

    In this case, PrintComm utilized an address resolution service to "clean up" these invalid addresses. 26% of the addresses were cleaned up for a net gain of over 500,000.

3. Include lapsed customers in the suppression file. Lapsed customers will still be mailed to but not as part of prospect mailings.

Results

The initial suppression file that was provided contained 3 million addresses, of which 2.4 million were valid addresses.

Using the advanced data enhancement strategies, the customer now has valid physical addresses on 5.4 million of their 8 million customers. Additional strategies are being contemplated to gather more physical addresses.

Future Impact

The customer now has an enhanced customer database. The customer does utilize targeted direct mail to reach certain high value customer segments who either don't have email addresses or don't respond to email. They will now be able to reach more of these people.

Given the fact that there aren't valid physical addresses on all customers there still will be customers who receive prospect mailings. However, double the number of customers will be suppressed from future prospect mailings, which means more recipients will actually be prospects.

Companies who adopt data-driven marketing are more likely to have an advantage over the competition and increase profitability. In fact, they are 6x more likely to be profitable year-over-year.

Source: Forbes

For More Information

To learn more about data enhancement solutions for brands with many locations, contact PrintComm president, Kevin Naughton at 810-496-1119 or knaughton@printcomm.com.

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