

Trends in Address Management

by Graham Rhind

What is Address Management?

Simply put, address management is the ongoing process of ensuring that addresses in your customer database are up-to-date and accurate. But the practice of good address management is much more complex than the basic theory, as the following statistics illustrate. Consider that, according to the Dutch postal services, 10 percent of all the addresses on Dutch mail are incorrectly or incompletely written, with unreadable place or street names, incorrect house numbers and/or no postal code. That's 2.3 million mail pieces per day.

Why is Address Management so important?

Companies that do high volume customer communications including, direct mail and shipping goods to customers, need to ensure the accuracy of their customer address data. This has a direct impact on the bottom line and the difference between a satisfied customer and an irate one. It is also often the customer's first impression of the business relationship.

Companies operate multi-million dollar call centres and host elaborate, interactive websites in order to capture customer addresses and other crucial data. So why are there still so many incorrect addresses entered into the databases of world-class companies? Beyond the obvious inputting errors on the company's side, much of the information supplied by customers themselves is inaccurate or incomplete.

- ➤ Eleven percent of the population moves each year from one location to another. That's over 800,000 address changes. Many of these people are unsure of their full postal address when they first move.
- Each year, 30,000 postal code ranges are altered and there are 300,000 changes to postal codes at house number level, as postal districts borders are altered to maintain a limited number of residences and companies within each district, and as new housing is built or buildings are demolished. Street names are changed and municipalities merge.

- ➤ Increasingly, street names contain long personal names or imaginary names, such as Burgermeester Jonckheer Strick van Linschotenstraat, Dr C. Hofstede de Grootkade and so on, increasing the likelihood of users making errors in writing the names or abbreviating parts of the name.
- ➤ Human nature often prompts people to specify if they live in an affluent or desirable part of a town though this creates a postally invalid address. For example, residents of Scheveningen will often use Scheveningen in their address rather than the postally correct 's-Gravenhage.
- ➤ Consider that a large company can send over 1 million pieces of direct mail each year. With an average 5% return rate, that's 50 000 undeliverable pieces of mail. The expense is enormous. Additionally, the same principle holds true for smaller operations with smaller budgets. Returned mail costs money.

Cleansing Dirty Data

Solutions to these problems have been developed over time, for example, cleansing products that take a list of "dirty" data and clean it. In this "batch" environment, an address list is taken and processed in one sequence of operations. The entire list goes through a collective cleansing environment. Yet, amazingly, as much as 30 % of all batch addresses still have inaccuracies after the cleansing process. Why? Cleansing products cannot prompt during entry for correction to doubtful data, such as an abbreviated street name. Nor can cleansing products alert a data input employee on subpremise information such as floor numbers, since the cleansing takes place long after the employee was on the phone with the customer. Even when a cleansing solution is implemented at the point of entry, the operator is still required to key in all of the address information. These solutions are not designed to provide correct information where inaccuracies exist. Without a better solution, mis-delivered or undeliverable mail rates may never improve at a company.

Rapid Addressing: The Better Solution

Rather than fixing an address after it is input, QuickAddress Pro is a unique rapid addressing product that accesses the Dutch national postal data file, representing over 7.6 million addresses, with lightning speed at the same time that a call representative is on the phone with a customer.

QuickAddress Pro is a breakthrough technology for several compelling reasons:

1. Typedown Search: With the QuickAddress Typedown technology, a data input or call centre employee can access any address in an average of 10 keystrokes or less. In 95% of cases the entry of a postal code and a house number (averaging 8 keystrokes) are sufficient to achieve a match. The system literally zeros in on address information, ruling out all but the most likely matches until the exact address is located, usually within a matter of seconds. Additionally, if any part of

the address is missing or inaccurate, the system prompts the operator to clarify information with the customer for the complete and correct address. This is a proprietary search engine developed by QAS. In simple terms, QuickAddress Pro will eliminate incorrect address entry.

- 2. Pasting Technology: Using QuickAddress Pro's Plug & Go option, once the address is verified it is put into the company's existing database at the press of a button in the company's format of choice. QuickAddress Pro's configuration tools make this process amazingly simple.
- 3. The Definitive Data Source: QuickAddress is offered around the world using data from national postal authorities. Here in The Netherlands, that means the data is provided and updated every month by the PTT Post.
- 4. Compression and Indexing: QuickAddress allows large amounts of address data to be easily loaded and run on any desktop while still enabling the fastest possible searching capabilities. For The Netherlands' data set, 1.5 gigabytes of raw PTT Post data is compressed to just 48 megabytes representing all of the 7.6 million Dutch addresses.
- 5. Integration: The product integrates into any application and is available on a broad range of platforms and for Web and client server environments. QuickAddress is compatible with leading business applications including Oracle, SAP and Siebel. It offers a choice of integration options that can sit on top of the application in Plug & Go form or be built into your application at a low level with Application & Programmer's Interface (API).
- 6. Pick list Handling: Due to the interactive nature of QuickAddress, the way search results are presented to users is key to ensuring fast and intuitive use of the product. The "pick list" selections are presented to prompt the user at every stage, enabling quick and accurate access to the required address. For example, if floor or apartment information exists for an address, the user will be automatically prompted for it.

Ease of Use

The QuickAddress range of products can be installed in as little as 20 minutes, when using Plug & Go, into any application for order entry, customer service, finance, administration or human resources. In other words, anyone taking down an address can use QuickAddress software with their preferred applications.

Practical Deployment of Rapid Addressing

Any company that cares about accurate address information benefits from rapid addressing as does the company's customers. If a company currently uses a cleanse product such as QuickAddress Batch, QuickAddress Pro is the perfect complement.

Think of an existing database as a polluted lake. A cleanse product will simply clean the lake but cannot ensure that the "rivers" of information feeding into the lake are clean. QuickAddress Pro, however, will ensure that all new incoming addresses are accurate because they are verified when the data is being entered. This builds a persuasive case for using QuickAddress Pro for real-time, rapid address entry because it guarantees correct information in the first place. Your cleanse product can then be used every three months to ensure that routine changes from the PTT are accurately reflected. Once data has been cleansed, QuickAddress Pro can flag a customer service representative to update address information the next time a customer record is accessed, usually when they are interacting with that customer on the phone. QuickAddress Pro and QuickAddress Batch used together, quite simply, will give a company the competitive edge to ensure the best, most accurate customer data is used *in every* customer-facing function of a company.

360 Degree View of the Customer

The first priority in Customer Relationship Management (CRM) is to achieve one view of the customer – one record that shows a complete customer profile. An accurate customer database is the foundation of that concept. The address information is the one common thread across multiple customer databases.

QuickAddress interfaces with enterprise-wide solutions to ensure that one address in one consistent format appears in a wrapped-up customer profile. Address information is therefore correct in a single database and not fragmented in every different department within a company. With a standardized address, and with QuickAddress providing the same standardized address format for new record entry, a company can avoid duplicate entries and the associated costs.

Productivity Increases; Cost Savings

While accuracy is the primary objective, QuickAddress has some powerful secondary benefits, not the least of which is *increased productivity* in busy call centers or anywhere address information is taken directly from the customer. Specifically, QuickAddress' Typedown and pasting technology can greatly increase data input productivity, offering access to an address in 10 keystrokes or less. Call duration can also be significantly reduced by an average of 15 seconds per call or more. What could a company do with that extra 15 seconds? Offer more customer service and advice? Make sales suggestions? Increase overall call volume? Reduce call queues and abandon rates? More effectively manage call centre resources? All options become possible with the efficiency gains QuickAddress Pro makes possible.

Berndt Berggren, Vice President of Service and Support for NEC says, "We need to provide our customers with a consistently high level of service regardless of where in Europe they call from. Rapid and accurate address capture is a key part of this customer strategy. QuickAddress will play an essential role in helping us maintain these high standards."

Reduced Mailing Costs

QuickAddress Pro can help to ensure that large direct mailings and product shipments are accurate enough to garner the highest possible bulk postal discounts while deterring the need for returned mail that costs both the company and the postal service. Postal batch mailing products that run in tandem with QuickAddress Pro will run faster, more accurately and return fewer residue records and "non-matches." That helps companies to maximize postal discounts. Additionally, items are certain to reach their final destination, thus ensuring customer satisfaction and a good company reputation. Address error fees on returned items from couriers can be avoided altogether.

How QuickAddress Improves The Accuracy and Productivity of Business Processes

Where third party credit rating services are used to assess risk, a full and accurate address helps ensure the correct rating is retrieved the first time, every time.

The Demographic Impact of Address Accuracy

Once the basics of accuracy, productivity and cost savings are realized, QuickAddress offers another level of marketing savvy to any organization. You may not realize the impact an address has on the life of your customer. Addresses determine where your customers vote, their car insurance rates, sales and property tax, license requirements and even regulatory checks on vehicles.

Summary

An organization is only as good as its data. The customer name and address is the common thread across multiple databases and is important when creating a CRM-based single database. A customer's address is also the most direct line to market share and mind share. QuickAddress provides a rapid addressing solution that takes care of six major objectives:

- ✓ It ensures data integrity
- ✓ It speeds up the entry process
- ✓ It reduces cost and prevents waste
- ✓ It facilitates good customer service
- ✓ It provides a fast return on investment
- ✓ It gives your company a competitive advantage

How To Become A Data Integrity Champion At Your Company

Is it part of your job to help save your company money and increase customer service? Become a champion of data quality by ensuring your customer database is all that it can be. QuickAddress can provide a free, no obligation health check of any customer database that can identify cost savings and opportunities for enhanced address accuracy. Please ask for evaluation software to assess the impact of QuickAddress Pro on your organization.

Compare Cleanse Versus Rapid Addressing

Address Entered	Address output	Error	Business Impact	Flaws In Overnight Batch Processing	How QuickAddress Prevents Error
3741 cj,4	D Aulnis de Bourouilllaan 4 3741 CJ BAARN		A full address is found within 9 keystrokes, dramatically increasing data collection efficiency.		
1071bm, 35	Pieter Cornelisz. Hooftstraat 35-HS 1071 BM AMSTERDAM	Postal code refers to 35- HS, 35-I and 35-II	Ensures address accuracy and improves deliverability.	Cannot decide to which sub-building the address refers. No correction.	User prompted to define the sub-building indicator.
Kolleseum, hilversem	Colosseum 1 1213 NL HILVERSUM	Street and postal town name are incorrectly spelt, no house number specified.	Not deliverable	User interaction is required to provide the house number.	QuickAddress locates the correct street, despite misspellings, and prompts for house number.
Dachauer Str. 192 80992 MÜNCHEN	Schulz Bürozentrum Dachauer Str. 192 80992 MÜNCHEN	Large user postal address requires building name.	Improved deliverability, corrected address layout ensures a perception of professionalism.		TypeDown technology ensures correct address in a minimum of keystrokes.
1 Gorse View, LITTLEHAMPT ON BN16 1RW	1 Gorse View, Peak Lane Kingston Gorse, East Preston LITTLEHAMPTON West Sussex BN16 1RW	Extra address data omitted.	Delayed delivery.		Full postal address can be located within 10 keystrokes.
BP 150 17306 ROCHEFORT	Banque de France 16 rue de la Republique BP 150 17306 ROCHEFORT CEDEX	Extra company and address data omitted.	Delayed delivery.	User interaction is required to provide the additional information. No correction.	TypeDown technology ensures correct address in a minimum of keystrokes.

Glossary of Terms:

Cleanse Products: Address cleansing is the process of correcting spelling and layout errors in an address database. This is essential for any company that has an existing database of inaccurate addresses and wants to clean them up.

Rapid Addressing: Rapid addressing is a solution that enables address data to be entered more accurately and quickly and stored consistently in a database, allowing companies to maximize the use of their most important asset - the data on their customers and prospects. Effective rapid addressing opens the door to more productive and efficient business operations.

Address Error Charges: Some courier companies will make a charge to customers where an incorrect address has caused delivery problems/non delivery in an attempt to cover their increased costs. Also referred to as Re-route Fees or Error Correction Charges.

For further information on how QuickAddress can benefit your company, please e-mail nld.info@qas.com or visit www.qas.com/nld. Call (020) - 504 00 40

About the author:

Graham Rhind is an acknowledged expert in the field of data management. He runs his own data consultancy company, GRC Database Information, in The Netherlands, (http://www.grcdi.nl) where he researches postal code and addressing systems, collates international data, runs a busy postal link website and writes data management software. Graham also regularly speaks on the subject and is the author of *Building and Maintaining a European Direct Marketing Database*, *The Global Sourcebook of Address Data Management* and *Practical International Data Management - a guide to working with global names and addresses*.

04/02/2002