

The Secret to a Successful Customer Journey: Great Contact Data

Marketing's New Role Is Customer Service, and Great Customer Data Is Essential To Its Success

This document contains Confidential, Proprietary and Trade Secret Information ("Confidential Information") of Informatica Corporation and may not be copied, distributed, duplicated, or otherwise reproduced in any manner without the prior written consent of Informatica.

While every attempt has been made to ensure that the information in this document is accurate and complete, some typographical errors or technical inaccuracies may exist. Informatica does not accept responsibility for any kind of loss resulting from the use of information contained in this document. The information contained in this document is subject to change without notice.

The incorporation of the product attributes discussed in these materials into any release or upgrade of any Informatica software product—as well as the timing of any such release or upgrade—is at the sole discretion of Informatica.

Protected by one or more of the following U.S. Patents: 6,032,158; 5,794,246; 6,014,670; 6,339,775; 6,044,374; 6,208,990; 6,208,990; 6,850,947; 6,895,471; or by the following pending U.S. Patents: 09/644,280; 10/966,046; 10/727,700.

This edition published February 2015

Table of Contents

Introduction	2
Costs and Consequences: Are You Paying for Bad Data?.	3
Verify Contact Information at Points of Acquisition & Retention.	4
Who Should Be Creating Positive Customer Interactions?	8
Top 15 Questions to Ask a Potential Data Quality Vendor.	9
References	10

Introduction

What is the biggest new challenge in your job? For IT, marketing, sales, and other areas of the organization, the answer is rapidly becoming customer service and experience. Match that with the fact that customer expectations are getting more and more difficult to meet, and you have a lot of overwhelmed people trying to become more customer-centric, but who aren't sure how.

No matter the industry, and throughout the organization, you are not alone. For example, within marketing, 38% of CMOs are seeing increased customer service roles in their jobs, but 25% don't feel prepared to manage the responsibilities.⁽¹⁾ Even CMOs who would consider their operations customer-centric need a way to make the customer experience the same across channels that may be within silos, disconnected from the rest of the business.

Gartner predicts that by 2016, companies in every industry will be competing primarily on the customer experience they are able to deliver.⁽⁴⁾ Since customers today can find anything they need from a variety of ecommerce vendors, the basics of price, product, placement, and promotion no longer offer a way to stand out from the competition.

Fewer than 50% of companies in a Gartner survey said their customer service was exceptional today. It would seem that the people most prepared for better customer experiences are customers themselves. They are even willing to foot the bill – 86% of buyers said in a survey that they would pay more for a better customer experience.⁽²⁾

Customers are trying to tell organizations in all industries: You need to make operations customer-centric. This paper answers these two questions: How can people in IT, marketing, sales, customer service, and all areas of the business deliver a great experience through acquiring and retaining customer data? In particular, how is marketing leading the charge to a customer-centric organization? As customer experience becomes the primary way to compete, answering these questions is urgent for all organizations in any industry.

Providing the Best Customer Interactions

Your customers interact with your brand via many different touchpoints, which is referred to as the customer journey. A journey has a beginning and an end. What may not be so obvious is that the beginning and the end both depend on high quality customer data that has been verified as accurate and usable. Right now, less than half of companies are using customer data from these touchpoints to gain insight or create engagement, but that number is set to increase greatly in the next five years.⁽¹¹⁾

Interaction at all points of the customer journey requires good communication. Verifying the quality of your customer contact data at acquisition and at all points of retention is the first step you need to take toward the goal of customer centricity and gaining a view into the total customer relationship across channels, touch points and lines of business. And everyone in marketing, sales and customer service deserves to have their applications fueled with clean, consistent and connected customer information.

Costs and Consequences: Are You Paying for Bad Data?

The customer journey begins and ends with high quality customer contact data. Today, the categories of information you can collect about a customer are robust and detailed, including demographic information, preferences, browsing histories on your site, social accounts, and more.

With all of this data comes a lot of opportunity. However, companies in different industries and markets have their own concepts of which categories of customer data are most valuable. For example, a retailer is more likely to collect and use information about customers' social networking contact information, like Twitter handles. A B2B manufacturing company is more interested in knowing the revenue and industry of their customer accounts.

In every business that has a customer, however, postal addresses, email addresses, and phone numbers are the most basic parts of a contact record. If these three pieces of data are not valid, they can create consequences for organizations that are acquiring and retaining bad postal addresses, email addresses, and phone numbers. What kinds of risks are associated with each?

Risks of Not Correcting Invalid Postal Addresses

For a customer who is placing an order, an invalid postal address creates a negative experience when the order never arrives or goes to the wrong destination. Correcting this information before it makes it into your systems and into your distribution center for shipping is a best practice for ensuring a positive customer experience. Customers have high expectations around ecommerce order delivery. Meeting or exceeding these expectations is essential for brands to get right, especially when competing on customer experience.

The problem becomes exponentially more difficult when customers reside in a different country, or their written language differs from your own. It's complicated for customer service representatives and marketers to feel confident that a postal address is correct when the format is unknown to them.

When the language and character set is different than your own, it makes this issue even more difficult. In the day and age of international ecommerce, customers expect (regardless of the country) that the correct order will arrive, the first time, without fail. In particular, companies in regulated industries like banking, healthcare, and pharmaceuticals, for example, could face fines from failing to send privacy notices and other statements to their recipients.

Risks of Not Correcting Invalid Email Addresses

An invalid email address creates problems for a brand in the form of a higher bounce rate for email marketing. High bounce rates can create a risk for brands when their email sender reputation is threatened. A bad sender reputation along with poor email hygiene can lead to blacklisting issues, which are costly and time-consuming to overcome.

When a brand is blacklisted, email they send is sent to the spam folder and never arrives at its destination. When email marketing has one of the best ROIs in the business, this inability to reach customers can be costly in lost sales and blocked communication.

In the digital age and especially in this new age of engagement, even for non-marketers, there is a customer expectation that communication will be consistent. When email addresses change at a rate of almost 23% per year,⁽¹⁰⁾ it becomes difficult for every corner of the organization to be confident that the contact data that they must rely on is accurate.

Risks of Not Correcting Invalid Phone Numbers

A customer's phone number has many uses for businesses in different industries. Making a call to a customer can help resolve a customer service issue or create a touch point for sales prospecting. In any case, when a business needs to reach a customer via phone, an invalid number is costly where a valid number is extremely valuable.

Your customer service department, when using an invalid number to reach a customer with an urgent message, must spend extra time when the response is "I'm sorry, but you have the wrong number."

That representative must try to research a new number or use another form of communication to gain this contact data. In these urgent moments, solid data quality practices will allow your business to reliably contact customers regardless of the method of communication.

Verify Contact Information at Points of Acquisition and Retention

Valid email addresses, phone numbers, and postal addresses are so valuable to businesses that verifying these pieces of contact data should be a major focus within all industries. For the majority of respondents in one recent Salesforce.com survey, data acquisition is the top internal priority.⁽¹⁾

Customer data could be collected from employees, applications, webforms, in-store at point-of-sale, in online shopping carts, trade shows, and many other points of acquisition. Existing data is retained in CRMs, internal applications, or even manually updated spreadsheets.

At each point of acquisition, data needs to be verified before it goes into any of these systems to be retained and used for future customer communications. Once verified and corrected, the data needs to be accessible throughout the organization, instead of within scattered sources that can't talk to each other. Only 17% of companies said they had fully integrated customer data across the entire organization, according to a recent survey by Salesforce.com and LinkedIn.⁽⁵⁾

Contact data is acquired and retained through three customer touchpoints: Digital channels, in-person, and in the call center.

Acquiring Customer Data from Digital Channels

A brand's digital customer experience is often tied to acquiring valuable customer information via a webform of some kind. This may be a "Contact Us" form, a checkout process on a shopping cart interface, a signup form for an offer like an email newsletter or SMS alerts, a pay-per-click landing page, and other related types of forms.

This customer interaction is an opportunity for brands to verify and correct contact data while the customer is still engaged and can make corrections. The value of this moment in time cannot be underestimated.

While correcting a rejected form online can be a burden to some, what if you could turn that experience on its head? What if, instead of a customer filling out a form online and being told that a piece of the data they entered was incorrect, the form would know enough to offer a correct suggestion?

It seems logical that a better customer experience would be to identify that the customer mistyped too many letters in @yahoo.com. Then the form auto-corrects the error, and simply prompts the customer to verify the corrected information. This provides for a better customer experience and is just one benefit of real-time verification.

Real-time data quality especially benefits your organization when the information is correct at the point when it enters the system. Letting bad contact data into a system, for example, one used by a doctor's office that mails out test results, could lead to disastrous consequences. If 20% of the mailed test results are "returned to sender," that test result will not be communicated to those patients for an extended period of time.

A company that prioritizes data freshness removes the burden of updating new contact information from the customer. The best brands continually keep up with data freshness to ensure that when they need to reach customers, stored contact data remains accurate. Data also stays safe to use, which should be a factor for all organizations.

Not only can poor data quality be harmful to successful communication, but also it can hurt important factors such as your email sender reputation. With email addresses always changing, messaging an old email database can ultimately land you on a blacklist. Leveraging an email hygiene service will tell you if the email address is accurate, and if the email address is safe to contact.

When email addresses are abandoned by customers, they can be recycled to become a spam trap. Spam traps are a one-way street to a blacklist, which blocks even your most sincere customer communication efforts.

BCBG, the global women's apparel retailer, is an example of a brand that was seeing increased subscriber numbers to its email marketing programs after a six-month push to grow their lists. However, BCBG was still concerned about data quality issues threatening this success. BCBG was collecting customer email addresses from a form on their website asking visitors to sign up for its email subscriber list.

BCBG proactively began to explore its email address data acquisition processes, and found that email verification was needed to ensure that customers receive the communication they expected from the brand. By verifying email addresses while customers were still engaged and could make corrections on their website, BCBG creates a positive interaction for customers when coupons and other communication is delivered as promised.

Email addresses, phone numbers, and mailing addresses can be validated virtually anywhere, which is essential to ensuring that customer communication campaigns are successful. Whether you use an online form as a collection source, or a point-of-sale system is used in a store, the data collected can be verified via an API. For existing legacy contact databases, these should be verified in periodic batches as a best practice for data freshness and communication.

These corrections are invaluable to brands, because they reduce the number of data entry errors that can happen on forms. People who visit your digital channels move quickly – in fact, most purchases are made within 5-8 minutes online.⁽⁷⁾ That means errors will happen. The cost to the brand is invalid email addresses, invalid phone numbers, and incorrect or non-existent postal addresses.

Every day in the US, there are 128,000 change-of-address requests made, according to the United States Postal Service.

Nearly 30 percent of customers will never buy from a company again if they encounter even one shipping error, according to Material Handling and Logistics Magazine.

Sidebar: At the Corner of Yankie and Texas Street is an Indicator for Your Business

To illustrate the importance of contact data quality, let's take a closer look at one example of how often your customers' contact information changes.

In downtown Silver City, New Mexico, people are on the move. The city's local newspaper noted that, alongside announcements about a friendship bracelet class and the solving of an unfortunate pumpkin heist, there are a high number of downtown Silver City businesses opening, closing, and moving.

In one case, a single coffee shop will be turned into three different spaces: a clothing store, a gallery and a frame shop. "The largest hotel room in Silver City" is opening at the corner of Yankie and Texas Streets. As an indication of its thriving art community, a new gallery is opening nearby, while other businesses are moving to new locations.

The news out of Silver City is just a day out of the life of business owners around the country. Every day, there are 128,000 change-of-address requests made in the US. Some of them are probably your prospects and customers. The cost of an invalid mailing address can be significant, from paying for returns, re-shipping, and lost customers. Nearly 30 percent of customers will never buy from a company again if they encounter even one shipping error, according to Material Handling and Logistics Magazine.

The challenge that companies have is uncertainty about the quality of their address data. Every company is concerned with high quality customer relationships, and good contact data is the first step in the right direction.

Acquiring Customer Data In-Person

In-person customer interactions, where a representative of a brand collects a customer's information face-to-face, is a great opportunity for ensuring good data quality. Trade show events, point-of-sale purchases in-store, and general employee interaction in the field can all yield value in establishing a positive experience and ongoing relationship.

However, each of these interactions can create data quality issues. At point-of-sale, a store representative works with a customer to enter his or her information into a system where it is acquired, and then stored. This is a common practice at retail stores around the world, and one that can be seen at Party City, the leader in retail party goods in North America.

Party City relies on email communication and coupons to bring in customers for seasonal purchases. In its stores, the retail chain collects email addresses at point-of-sale during checkout. But the rate of human error was high.

Email addresses were mistyped, a common problem at point-of-sale where a store representative is typing an email address that is unfamiliar. The customer is the best source of the email address, but without verification in real-time to correct problems, store representatives are not aware that they make errors.

The brand promised customers that it would send coupons and e-receipts from purchases, but a significant number of these emails were not reaching their destinations. A lack of communication with customers was the result, meaning that customers were having negative experiences.

After implementing an email verification solution in their stores, Party City improved customer communication and email marketing success. The customer journey that started with a purchase was turned into a positive interaction. What this example from a large retailer shows is that while customer contact information is very valuable, and it can help create positive experiences for customers, it can also be a source of risk.

While email addresses are known to be tricky to enter at point-of-sale, postal addresses can be much more difficult, especially if your customers come from around the world. Different formats and languages can cause data quality issues.

This was the case at Steigenberger Hotel Group, a leading luxury hotel and hospitality enterprise that welcomes millions of guests each year in Europe. Capturing guest postal addresses was central to marketing goals for the business. Once a global address verification system was in place, guest addresses could be validated from 240 countries and territories at the front-end during check-in.

In addition, validating postal addresses during check-in sped up the data capture speed by 40%, creating a more positive customer interaction when guests could complete check-in faster than before.

Another source of risk from in-person interaction with customers is at events, tradeshow, and field employee activity. Information can be gathered from business cards, scanning attendee badges, in mobile applications, and even just written down on a piece of paper.

The eventual destination for this customer contact information is one of your company's systems. Commonly, this point of entry is a customer relationship management (CRM) system. Here, employee data entry errors can also occur, much like at point-of-sale. Mistyped email addresses, postal addresses, and phone numbers can be corrected and validated instead of sitting in your systems where problems will begin to pile up.

A customer who meets with you at a trade show is a great lead for your organization, but an invalid email address means that customer's expectations are not met, and no follow-up will occur. Validating and correcting this information at the point of entry ensures you get value from the data you collected while keeping that customer happy.

Acquiring Customer Data from Call Centers

An astonishing 80% of customers need at least some form of support to complete a purchase.⁽⁶⁾ When customers need this help, they can turn to a number of channels that brands maintain. These include social media communication, website forums, email support, and in-store visits.

Despite these many channels, the most popular form of support is still the phone.⁽⁸⁾ Brands maintain call centers to fill this need while creating another channel for collecting customer information. Speed is perhaps the most important factor with phone support. With data quality tools in place, phone representatives can collect information quickly while verifying its accuracy.

“66% of B2B customers and 52% of B2C customers stop buying after a bad customer service interaction.”⁽⁹⁾

Contact data collected at this point of customer interaction will be subject to the same errors and typos that point-of-sale interactions can create. At the same time, customer support is a critical interaction point, so this data is invaluable for keeping in touch with customers who need you to be there for them. Before this data enters your systems, use data quality tools to cleanse and verify it in real-time.

Who Should Be Creating Positive Customer Interactions?

Once you begin thinking about acquiring data in every channel to create positive interactions along the customer journey, you will gain more value from every customer communication. This value doesn't need to stop at your department; in fact, to be customer-centric, your entire organization should make data quality a priority.

66% of B2B customers and 52% of B2C customers stop buying from a business after they experience a bad customer service interaction.⁽⁹⁾ Customer behavior like this shows that supplying positive customer experiences throughout the customer journey is a major strategy for growing revenue.

At the start of this paper, we explained how departments throughout the organization are facing new challenges in delivering customer service and positive interactions. Consider a few trends that put marketing at the center of a team that includes IT, sales, and the customer service department.

Marketing at the Center of a Great Customer Experience

More and more, the marketing department is responsible for customer service interactions. In one survey, 50% of respondents said that marketing controlled the biggest chunk of the customer experience budget in the organization.⁽⁴⁾ Marketers are moving away from branding and creative activities to the science of data and measurement. When asked what skills they need to develop, marketers put 'advertising/branding' and 'creative/graphic arts' at the very bottom of the list.⁽¹¹⁾

At the same time, the IT side of the business is responsible for the technology needed to provide these interactions. This marketing/IT mix points to another trend: 56% of senior-level marketers view their relationship with the CIO, or other technology leaders, as 'absolutely critical' or 'very important.'⁽⁵⁾

The sales team, whether in-store, in the field, through inbound leads, outbound prospecting, or other methods, moves customers through the sales funnel through a variety of customer touchpoints. Once again, marketing is playing a bigger role in these sales relationships and by association, the customer journey.

"The distinction between sales and marketing – in which sales owns relationships and marketing owns messaging – has become less distinct. As consumers gain power and become less reliant on sales, the marketing function is increasingly orchestrating relationships," a 2015 report from the Economist said.⁽¹¹⁾

Marketers, through technology, are becoming a larger part of the customer service department's goals and activities. More and more, marketers are holding the customer experience budget, and head up efforts to provide channels that bring in customer questions, requests, problems, and other service issues.

Urgent Changes for Marketers Ahead

If, as Gartner predicts, companies in all industries will primarily compete on customer experience by 2016,⁽⁴⁾ marketing's role in the organization as the leader of customer experience and engagement will affect all aspects of an organization's success. Four out of five marketers in one survey from the Economist said that restructuring in marketing is needed to support the business overall. A third of those marketing executives also believe that this need for change is urgent.⁽¹¹⁾

If marketing leaders want to be successful with this new challenge, the first step towards improving the customer journey and creating positive customer interactions is great contact data. Collect, verify, and cleanse data at all customer touchpoints before it enters your systems. Customer communication that reaches its intended recipient begins with valid, actionable email addresses, postal addresses, and phone numbers. This is not just true of the marketing area, but of all areas of the business.

How can you respond to your organization's needs? Below is a sample vendor assessment question list. These features and specifications are essential to look for in vendor that provides contact data quality services.

Top 15 Questions to Ask a Potential Data Quality Vendor:

1. Who owns the vendor's infrastructure? Do they have control over it?
2. What is the vendor's uptime guarantee for its service?
3. Does the vendor offer email hygiene to identify low, medium, and high-threat malicious email addresses?
4. Does the email verification solution offer domain-level corrections?
5. Does the vendor offer real-time verification?
6. Does the vendor offer cloud-based integration into any and all of your existing systems?
7. Does the vendor have a batch option to verify and correct numerous contact records at once?
8. Does the address verification solution have all five existing postal certifications?
9. How many countries does the address verification solution cover?
10. Does the vendor offer solutions for every country that you do business in?
11. Does your vendor offer data validation for all of the most important pieces of a contact record?
12. Does the vendor have a reputation for data quality?
13. Can the vendor help you complete the single view of a customer?
14. Does the vendor have the ability to validate data in all areas of your organization?
15. Most importantly, does the vendor share your passion for a positive customer experience?

References

1. <http://www.exacttarget.com/digital-divide>
2. <http://www.businesswire.com/news/home/20120111005284/en/RightNow%E2%80%99s-Annual-Research-Shows-86-Percent-U.S.#.VMe2tS6hrVo>
3. <http://www.business2community.com/customer-experience/25-key-multi-channel-customer-service-statistics-0643317>
4. <https://www.gartner.com/doc/2857722/gartner-survey-finds-importance-customer>
5. <https://www.exacttarget.com/state-of-marketing-leadership>
6. http://trendlineinteractive.com/media/CertainSource_2014-State-of-Customer-Acquisition.pdf
7. <http://www.retailcustomerexperience.com/news/three-quarters-of-all-online-purchases-made-within-the-first-60-minutes>
8. <https://econsultancy.com/blog/61991-83-of-online-shoppers-need-support-to-complete-a-purchase-stats>
9. <http://www2.deloitte.com/content/dam/Deloitte/us/Documents/strategy/us-cons-bridgingthedigitaldivide-040114.pdf>
10. <http://www.hubspot.com/database-decay>
11. http://futureofmarketing.eiu.com/briefing/EIU_MARKETO_Marketer_WEB.pdf

About Informatica

Informatica Corporation (Nasdaq:INFA) is the world's number one independent provider of data integration software. Organizations around the world rely on Informatica to realize their information potential and drive top business imperatives. Informatica Vibe, the industry's first and only embeddable virtual data machine (VDM), powers the unique "Map Once. Deploy Anywhere." capabilities of the Informatica Platform. Worldwide, over 5,000 enterprises depend on Informatica to fully leverage their information assets from devices to mobile to social to big data residing on-premise, in the Cloud and across social networks. For more information, call +1 650-385-5000 (1-800-653-3871 in the U.S.), or visit www.informatica.com.



Worldwide Headquarters, 100 Cardinal Way, Redwood City, CA 94063, USA Phone: 650.385.5000 Fax: 650.385.5500
Toll-free in the US: 1.800.653.3871 informatica.com [linkedin.com/company/informatica](https://www.linkedin.com/company/informatica) twitter.com/InformaticaCorp

© 2013 Informatica Corporation. All rights reserved. Informatica® and Put potential to work™ are trademarks or registered trademarks of Informatica Corporation in the United States and in jurisdictions throughout the world. All other company and product names may be trade names or trademarks.