



Understanding International Address Data



Executive Summary

When communicating with customers or prospects your address database should be the core of your business strategy. If your database is filled with inaccuracies it will cost you dearly and could prevent your business from growing. When this is on an international level, it is even more vital to ensure your data is accurate before you undertake any cross-border marketing.

Ensuring address data is accurate and (critically in international marketing) has the correct country format, offers benefits such as improved company image, reduced cost of mailing due to less risk of undeliverables, reduced exposure of the business to identity fraud and better customer service.

In this paper, the author argues that accurate addresses are the key to fulfilment and ultimately customer satisfaction. He suggest that there are some basic and more advanced steps that a marketer can take to ensure their international address data is effectively managed and adds value to an international marketing strategy.



CONTENTS

Executive Summary	2
Introduction	4
Use available technology to support a data quality routine	4
Identify international address data requirements	5
Leverage additional datasets to enhance address data	5
Consider quality of address datasets and sources	6
Get the format right and make sure it is supported by technology	6
Case Study	8

Introduction

Marketers taking advantage of the international market have long held the premise of ‘think global, act local’ at the heart of any strategy. Markets have now become increasingly international; for businesses looking to successfully sell across borders, accurate address and contact information is critical. Selling into another country is difficult at the best of times, trying to do this with a database riddled with fundamental addressing mistakes can highlight a lack of understanding to customers and prospects, as well as making timely order fulfillment or direct marketing all but impossible. Getting the fundamentals wrong creates a bad impression and wastes both time and money.

In the first instance, many companies rely on lists of prospect data purchased from third party sources. Another critical issue here is even though the source is qualified, most international address data lacks detail. If the original source is, for example, an online form filled in by the prospect in question, it can often be incomplete.

According to a recent PWC Global Data Management survey, 75% of companies in Australia, America and UK fail to report significant problems as a result of defective data. Ensuring address data is accurate and (critically in international marketing) has the correct country format – there are over 120 in total – offers benefits such as improved company image, reduced cost of mailing due to less risk of undeliverables, reduced exposure of the business to identity fraud and better customer service.

There are some basic and more advanced steps that a marketer can take to ensure their international B2B address data is effectively managed and adds value to an international marketing strategy:

1. Use available technology to support a data quality routine

It is common sense to assume that a sizeable proportion of data degrades the moment it enters a database - in this instance consider relocation of businesses or change of contact name. Regular cleansing, maintenance and



updating international address databases using the address management or data integrity technology available will ensure that these risks are reduced and in many cases eliminated. Validation of address data at the point of capture (e.g. on a website form, EPOS system or call centre), is also a good tactic to take to ensure the database is not polluted with incorrect data from the first instance.

2. Identify international address data requirements

First and foremost, the business requirement for international addressing and datasets must be identified. Determine how often and in what volume address data needs to be validated or cleansed, as well as whether this is done at the point of capture or post-capture. Also, consider whether there is the necessary expertise and resources to manage the process in-house. A high volume user will benefit from implementing a desktop or enterprise solution, delivering quicker processing and significant cost savings long-term (e.g. a contact centre, global website or an enterprise using MDM (Master Data Management) or ERP (Enterprise Resource Planning) systems such as SAP).

On-demand and hosted services break down barriers to the international market for the more sporadic user, providing online access to multiple country address data sets on a pay-per-search basis. This method offers a convenient low risk, cost efficient route to an accurate international address database, without significant licensing and implementation costs. Truly international projects can take considerable time and resource and it is worth considering using an on-demand service as a valuable starting point.

3. Leverage additional datasets to enhance address data

Enhancing the international address data with external datasets such as Geocoding, lifestyle and various B2B information can add considerable value to the data already held by the business. Some international address management systems and services add further substance through linking customer/prospect data from other databases, legacy systems or web-based sources. Such supplementary information can help increase the effectiveness



of targeting in an international direct marketing campaign, especially if there is little knowledge within the business of particular overseas markets.

4. Consider quality of address datasets and sources

The quality of the address datasets referenced when using addressing technology is of vital importance, even more so when dealing with international customers. In the UK and the Netherlands, because the postal file provided by the national authorities is near comprehensive and of good quality, a postal code and house reference is generally sufficient to return an accurate address, but elsewhere address data isn't necessarily this accurate. The quality and coverage of the raw postal data provided by national postal authorities can vary tremendously from country to country. Ireland for example does not have a comprehensive postcode system that covers the whole country; whilst countries like Germany, France and Italy have postal files that contain data to street level only for specific urban areas. Often standard postal authority data – as used by many address management providers – is not up to the task. An example is Germany where Deutsche Post's postal file data covers only 35-40% of all German addresses.

Whilst the raw address data provided by a number of national postal authorities provides a useful starting point, for real accuracy this frequently needs to be enhanced with data tables derived from other sources such as government agencies, publishing houses, utilities, associations and private companies. This data enrichment is vital as it measurably improves the level of accuracy, so the customer can be confident that their own database can be reliably updated against the best possible source data.

5. Get the format right and make sure it is supported by technology

To the outsider, the four or five lines and postal code (if available) that constitute an address may seem simple, but handling the humble address at an international level, is far more complicated than it may seem. Many countries have a unique way of formatting an address – there are over 112 formats in existence. It is therefore essential that the technology in question is



flexible enough to return addresses that are correctly formatted. Don't forget that it is also important to incorporate support of spellings and characters such as accents and umlauts. Getting these seemingly simplest elements right can mean the difference between further business with the customer/prospect and your correspondence and relationship with them going (literally) in the bin.

Top tips for better data management:

- Regard data quality as the most important aspect of your database management programme.
- Parse, standardise, validate and augment data.
- Keep the data up-to-date.
- Collect good data in preference to correcting bad data.
- Envisage everything that can go wrong and prepare for each eventuality.
- Match data only on unique attributes.
- Adopt cutting edge tools and technologies.
- Apply common sense.



Case Study - Ideal Hardware

Ideal is one of the UK's most successful suppliers of IT products and services, supplying a full range of hardware, software and services, from components to high-level consultancy. Its software licensing business manages the license requirements for computer dealers, VARs, integrators and resellers. It has the largest UK market share for

Microsoft licence sales (35%) and manages software licence sales for Symantec, the world's largest security software vendor.

"Using Capscan's on-demand service we have reduced data entry from 50 keystrokes to an average of seven keystrokes per order, whilst significantly improving the quality of address data. We now validate 60,000 addresses each year and plan to rollout the solution to other Ideal services, including hardware and software distribution."

*Head of e-Services Europe at Ideal,
Karl Harris*

To simplify the distribution of software licenses, Ideal uses its License Desk Internet (LDi) tool. It allows Ideal customers to automatically calculate and purchase the most cost-effective licensing solution for its client over the web, to ensure they remain compliant with software regulatory bodies including the BSA and FAST. As part of the ordering process, the customer is required to enter the address details of the client for invoicing and delivery. When entered correctly, the address is matched against previous purchase records in the database and the order processed.

Yet despite having required fields for address components such as company name, street and postcode, Ideal were constantly finding fields partially completed, or even filled in with just a single character. Head of e-Services Europe at Ideal, Karl Harris explains, "Customers making bulk orders on behalf of a number of clients found the process too time consuming. We hold more than 15,000 active addresses in our database and the data that was being entered would often not match any of them. Even if they were an existing customer."



Incorrect addressing was having direct impact on Ideal, using time and resource to track the correct address. This was ultimately risking delay in the dispatch of software licenses and disruption to both the customer and client. Ideal also exports licenses to mainland Europe and some countries impose export restrictions that also demand an accurate, full address.

Ideal recognised that by integrating an online address validation tool integrated with its LDi it could streamline data entry and provide accurate European addresses for completion of each order, delivery and invoicing, whilst maintaining a healthy database.

The leading address management suppliers were evaluated, with Capscan and QAS being short-listed. Harris explains the reasons for choosing the Capscan hosted service, "Capscan's hosted service provided the perfect compliment for the LDi and was something that QAS did not offer," he continues, "The breadth of countries also meant it covered our customer-base across Europe for no extra cost to us. The icing on the cake was the value for money. It was well within our budget and billing was based on the number of addresses validated."

Using the Capscan OnDemand service the customer registers on to the website (<http://ideal.license-desk.com/>) and enters a postcode or partial address into the LDi. The data is immediately sent via an encrypted and authenticated SSL-based two megabyte weblink to the Capscan OnDemand where the WEB-address-server checks the data and returns an accurate, valid address in real-time. This ensures Ideal maintain a cleanly populated database of correct delivery addresses and minimises delays for both the customer and their client.

Harris adds, "Using Capscan's on-demand service we have reduced data entry from 50 keystrokes to an average of seven keystrokes per order, whilst significantly improving the quality of address data. We now validate 60,000



addresses each year and plan to rollout the solution to other Ideal services, including hardware and software distribution."

"The hosted service is ideally suited to Ideal as we are not burdened with the inherent cost and risk of implementing an enterprise application, which needs updating and servicing over time," says Harris. "The sheer scalability of the Capscan OnDemand means we can easily implement it across the entire organisation and are currently looking to make it central to our business process as we expand our activities."



About Capscan Ltd

Capscan is a leading supplier of international address management and data integrity services. The company's flagship product, Matchcode, is a fully functional address management system, available as a stand-alone programme for data capture, a web-based tool for online data capture and as a tool for batch cleansing of commercial databases. Capscan now supports comprehensive addressing functionality for 240 territories worldwide including the UK, Germany, France, Spain, Italy, Netherlands, Austria, Switzerland, Belgium, Luxembourg, Portugal, the USA, Australia, Canada and Scandinavia. In addition, Matchcode UK address data can be integrated with Ordnance Survey data sets to allow mapping and logistics rationalisation. Capscan is also expert in the integration of lifestyle and business data sets from Experian into address databases to support and rationalise canvassing or marketing activities throughout Europe. For more information on global addressing, call Capscan on 020 72428 1255 or email enquiries@capscan.com. Alternatively, visit Capscan's website at www.capscan.com.