

THE COST OF POOR DATA

Your Customers, Your Revenue, Yours to Win or Lose

Think about your business, companies you have worked at or companies you partner with. Do these organizations need customers? Chances are your answer is “Yes, of course, who doesn’t?” It is hard to think of a thriving establishment without people who are supporting it through the purchase of services and goods. It’s a simple business model: more customers = more revenue.

Customers are acquired through a myriad of channels and companies keep track of these valuable clients typically through some kind of database. These records hold contact data that is vital to the future health of the business and significant resources are spent on continually acquiring, retaining, and servicing customers in that database. So, not surprisingly, the quality of this information plays a critical role in how well these functions perform.

Industries like retail, legal, not-for-profits, publishing, real estate, religious organizations, schools, wholesale distributors, utilities, and trade unions all rely on accurate customer data. Yet, knowing how important precise customer data is to the success of a business doesn’t mean that everyone automatically maintains good customer records. In fact, many companies have databases that are antiquated with outdated or incorrect information. These companies, lacking an address quality program, not only face increased costs that directly impact their bottom line, but also suffer from inefficiencies and lower levels of customer satisfaction that can affect their entire organization.

How Much?

In most cases, accurate customer data is centered around mailing addresses. A mailing address is not only an identifier, it’s also where the customer receives their communications and deliverables. Every year there are on average of 40 million change-of-addresses filed with the USPS, as well as, over one million new delivery points added to the network. Add in keystroke errors and omissions of new contacts being created and it’s easy to see why data deteriorates quickly.

The Mail Recovery Center (MRC), which is the U.S. Postal Service’s official lost and found department, receives items with no valid addressee or sender information. “The U.S. Postal Service processed more than 155 billion mailpieces in fiscal year (FY) 2014, 6.6 billion (4.3 percent) of which were undeliverable as addressed (UAA). UAA mail is costly, since it must be forwarded, returned, or treated as waste. The Postal Service spent nearly \$1.5 billion handling UAA mail in FY 2014, and the mailing industry incurs about \$20 billion in UAA costs annually.” (USPS Report Number MS-MA-15-006) In 2015, more than 6 billion pieces of undeliverable mail were captured, of which, 4 billion pieces were treated as waste. In 2016, that number increased resulting in 400 million more destroyed mail pieces.

It Keeps Going

Aside from the obvious costs associated with mail not reaching its destination, organizations with poor control over address quality often face critical issues that affect their bottom line, both directly (increased

costs) and indirectly (impact on service and reputation). Also, poor data greatly impedes the ability for businesses to appeal to their customers on a personal level. Think about what you do with any communications that are addressed incorrectly. You discard it. That is a lot of lost revenue, lost connections, and lost opportunities.

As if the noticeable losses weren't bad enough, there are also masses of non-obvious damages. When bad data is acquired, companies can reap the penalties of: waste in materials, increased packaging and labor, decreased ROI for marketing campaigns, weakened operating efficiency, uninformed decision making, inconsistent data shared across all departments, declining reputation for great service, and a less "green" organization.

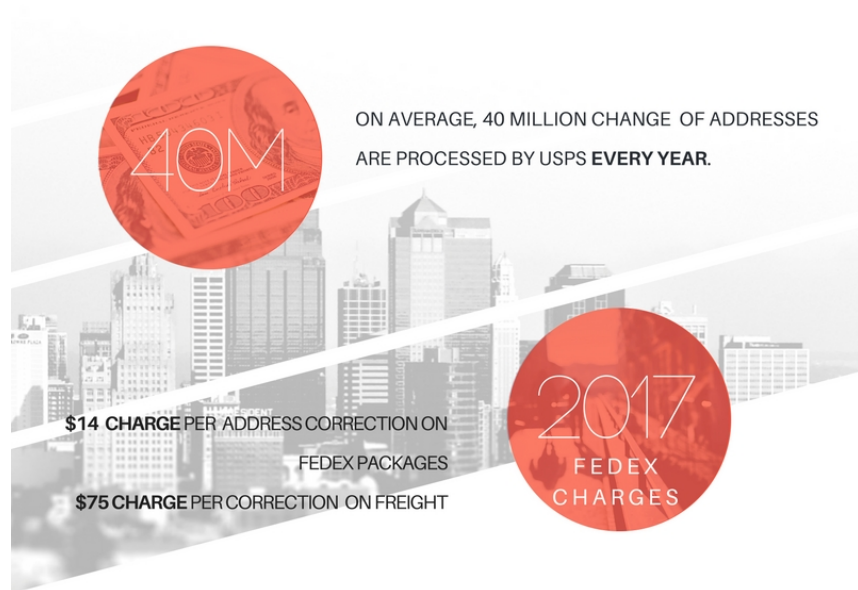
A Simple Solution

Whether you are a Financial Institution looking to ensure the accuracy of your customer address data, a Call Center wanting to increase the efficiency of entering customer address information, or a Mailing House looking for an all-in-one address hygiene and postal presorting application, there are solutions for you. The losses associated with incorrect address information can quickly be turned around. In this ever-changing world, you can rely on SmartSoftDQ's software and services to evolve and meet your demands as you seek to resolve the issues and costs associated with poor data.

Contact us for product information and/or a demonstration on how you can quickly, easily, and confidently manage your database so that you gain the rewards of total address quality.

THE COST OF POOR DATA BECAUSE OF :

ADDRESS DATA DECAY



USPS MRC

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IN 2016

More than 30.6 million pieces of undeliverable first-class mail with personal protected information were captured, destroyed and recycled. An increase of more than 5.3 million pieces of mail captured compared to 2015.

BUSINESS MAILER

USPS reports that approximately 35% of undelivered mail is from business mailers. Most of the errors has to do with insufficient addressing.

1.4 BILLION

Quality data increases USPS sustainability efforts and decreases wasted fuel and emissions. Distance traveled by postal vehicles in 2016: 1,398,909,648 miles



TOTAL UNDELIVERED MAIL

2012

6.8 Billion

2013

6.8 Billion

2014

6.6 Billion

2015

6.5 Billion

2016

6.8 Billion

