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Dealing with customers on the Internet or through contact centres throws up both old and new challenges – we can cope with international contact details but how do you verify email addresses? Robert McLuhan investigates.

Internet Data Verification

The arrival of the global economy is shifting the focus of address management into new areas. Factors such as Internet data gathering and worldwide access to ecommerce sites have introduced extra elements to the equation. Increasingly too, call centres handle multi-national enquiries, and the use of email for service and marketing is also on the rise. And the rise of email is posing even more problems – how do you verify an email address?

An international market

One aspect of globalisation is the way address management companies are exploiting a new international market. UK businesses want to be able to carry out the same

kind of direct marketing approaches in the US, Australia and Europe that they now take for granted here. Marketers overseas can also take advantage of British expertise in batch cleansing and data capture for their own domestic use as well as internationally.

Clearly, the needs and conditions vary from one territory to another. In the US, for example, there have been batch solutions available that clean and verify addresses, but the data capture side has been less well served. QAS has stepped in to fill this gap opening an office in Boston in November, and has been acquiring new customers each month.

Closer to home, a typical scenario is the case of NEC Computers International, which has imple-

mented QAS's QuickAddress World at its pan-European call centre in the Netherlands. This provides address management for customers from the UK and France as well as its local base and will extend further as QAS adds new countries.

"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 strategy," says Berndt Berggren, vice president of service and support for NEC Computers International.

QAS sees that trend continuing to grow over time as more organisations look to centralise their call centre functions. Another early client was the now defunct Australian telecoms company

One.Tel, which has two offices in Europe that handle continental enquiries.

The utility of non-UK data for overseas customers has been further demonstrated by the same company's Australian product, launched two years ago, and now used by sixty companies in Europe. In 2000 it followed with a Dutch file, and others from America, France and Spain. By the end of the year QAS aims to cover up to eighteen countries, eventually expanding to around thirty and covering most of the developed world. Many other vendors like Hopewiser, Capscan and Optima also offer international addressing solutions.

For the moment there is no firm decision about what to do in the case of Asian countries with radically different scripts, such as Japan and China, which would require a special system capable of recognising the characters. In other respects, minor cultural variations are outweighed by the similarity of business needs across all territories.

"If you are a bank in the UK, France, Australia or the US, you still want to capture accurate data on your customers quickly, keep it in your database and ensure the quality is maintained," says marketing director Catherine Meader.

One driver is that as mailing technology improves larger customers can get mailing discounts through bar-coding, either added at source or in the sorting process. That increases the speed and effectiveness of the national posting authority, while the customer gets a significant reduction in postage costs.

But in the longer term there is also the possibility that postal authorities will increasingly become privatised, which could be a barrier to entry for competitors. "Whoever holds and maintains that data is in a strong position," Meader says. "If you think about the structure that Royal Mail has with 150 sorting offices, it is in a good position to offer discounts to its mailing customers, so on a long term basis it can look to retain that market."

However the ease with which address files can be created notoriously varies. At the top of the scale are countries such as Germany and the Netherlands, which for two decades have used the Royal Mail model that goes down to street level. More recently, Australia implemented a postcode system in order to provide barcoding discounts, adding "delivery point identifiers" to all the addresses in its national file within a space of two years.

In the US however, the zip code only goes down to district level. It is true that there is also the optional zip plus 4, with four extra digits offering a high degree of precision, but individuals are much less likely to know their code than in the UK, which makes it difficult to capture.

In many other parts of the world addressing is still quite rudimentary, going down to village level at best. That can even be the case with countries such as

Belgium, at least outside Brussels. Less surprising is the case of Eastern European countries such as Estonia, where Data Discoveries has a client and where any kind of postcodes have yet to be introduced.

Wildly different address formats also make it difficult to ensure accurate data capture via the internet. In Russia, for instance, the town comes at the beginning of the address instead of at the end, while in Germany and the Netherlands the number is placed after the street name.

How do you solve that?

Clearly all this makes it difficult to provide the standard of verification that UK direct marketers are used to. Often it is possible to confirm whether the address exists or not, but not to correct it by offering an alternative. The ability to verify also depends on regular updates from national postal authorities, and this again happens to varying degrees.



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Catherine Meader, marketing director, QAS.

"In a lot of countries there simply isn't the data to verify," declares Phil Good, managing director of Hopewiser. "They all claim to have a pathfile but in many cases, even in a Western country like Portugal, that turns out to be all houses within 20 kilometers."

Hopewiser is involved in international addressing, handling Australian data as well as a working version of American address files, although Good says the latter is not a big market. Users are travel and hotel groups, whose staff and customers travel all over the world and need standards to rely on.

The company also has several UK mail order clients that supply crafts and ornaments to customers overseas and need to ensure accurate fulfilment. "Those who use it tend to be the few that are really interested in customer service," Good says. "If you can write to someone in Germany with a German salutation, it looks that much more professional."

A major contribution that address management can make to global commerce is to enable accurate data gathering online. The barrier here, according to QAS's Meader, is that marketers overseas tend to behave as they did here until ten years ago, preferring to rely on a batch cleansing to correct errors at the end of the process rather than focus on getting each one right first time.

However Neville Hilton, business development director for AFD Software, says prospective clients are



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Marcus Brook, business development director, Data Discoveries.

increasingly aware of the risks. "This is a big issue for e-tailers: a third of USA mail is incorrectly addressed and 20 per cent of Net orders were not delivered last Christmas because of poor or ambiguous address details," he points out. "We say to any business that intends to do business on the Internet, don't risk damaging your reputation with letdowns."

AFD's rapid addressing product ZipAddress Internet recently enabled the global FMCG company Reckitt Benckiser to carry out an online sampling campaign for a detergent product. The aim was to ensure that respondents entered accurate postal addresses quickly to web forms, in order to guarantee swift fulfilment and create a database ready for analysis. These objectives were achieved, with 120,000 competition entries received and fulfilled, two thirds of them in the US.

But when it comes to email there is little prospect of a facility for address verification. In fact the concept itself seems almost by definition to be impossible, since email addresses are so personal and changeable, and few address management companies are willing to start negotiating the minefield that presents.

Certainly, some kind of validation can be undertaken in terms of the syntax, checking to see that the form of the message corresponds to the correct format. However, this is of limited use and involves a certain amount of guesswork, inserting or moving the "@" symbol, for instance, or perhaps replacing a lost ".com" or ".co.uk".

Jeff Barnes, managing director of e2 Communications, argues that the most reliable way for a company to validate email addresses is to handle the job in-house, updating the ones it has collected instead of struggling with those supplied externally. He also reports that the past few months have seen a trend by large corporates to grow their own email address database.

Barnes points out that an address given voluntarily is easier to keep clean than one that is not. "Some companies think that if a message bounces back it is because the customer doesn't love them," he says. "But others analyse the bounce list, and where possible get in touch by phone. In most cases they find the address changed simply because the owner changed service provider or jobs." A bounce is actually good news, he suggests, since it provides an opportunity to make contact with the customer.

The fact that individuals increasingly hold more than one address adds yet another level of complexity for email marketers. "I have three email addresses which I use continually at the moment, and that is not unusual," says Marcus Brook, business development director at Data Discoveries.

"Many people started with an ISP such as CompuServe three years ago. Since then they may have been given another address at work, as well as signing up a Hotmail account for personal use." Around 20 per

cent of employees in the UK change jobs every year, he points out, and even a shift within a company can make an existing address redundant.

Trying their best

Brook shares doubts about the viability of hit-and-miss methods in email address management. He knows of a company that is marketing a list of 400,000 business contacts, in which the email address has been "discovered" by attaching random permutations of the individual's name to the company's URL, sending them out, and deducing the correct one by looking to see which one hasn't bounced back.

"It is a simple matter to splice the data up and run little routines that create spurious email addresses, but just because it didn't bounce it hasn't necessarily arrived," he points out. "It could have gone to the wrong place, or simply been sucked up by the security firewall and not passed on."

Brook thinks the ultimate answer to email verification lies in the creation of a national repository. Data Discoveries is working on this with service providers and large organisations, and Brook expects the process to take up to 18 months, eventually covering up to 85 per cent of email addresses. However he concedes that the work will never be complete, and that although it will create some structure, there will still be a long way to go to provide a reliable resource.

Brook is also fully aware of the challenges in such an ambitious enterprise. One is to obtain the co-operation of service providers, since they own the data, in itself a major undertaking. Another is to ensure that data protection rules are kept, which is difficult in the absence of clear guidelines.

"There needs to be directory enquiry for email, but it has to be carefully monitored for privacy and include an ex-directory facility," he says. "The Data Protection Act is not clear enough in this regard. If I receive email from a friend and want to forward it to a colleague I have no way of knowing whether or not that person agrees to their address being in the public domain." Ideally there would be a central body that could help co-ordinate the task and ensure continuity, he argues.

It is also important to keep a connection between the email and the postal addresses, Brook stresses. "The address that person registers in the site and the email they give me are different things," he says. "Email is a very cheap way of making contact, but it needs a link with the bricks-and-mortar world to provide an appropriate context."

Marketers with ambitions to achieve reliable verification with overseas and Internet addresses will have to live with imperfect methods for a while yet. Important beginnings are being made, but while the global economy is adjusting to the dynamics of greater international co-operation and new technologies, it will be a while before they come to full maturity. ■



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