

# *Database Marketing* Part 2

“How to Prepare Data”



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VP Data Services

# *Focus of Session*

Plan and Build:

*Consumer Database*

*Prospect Database*

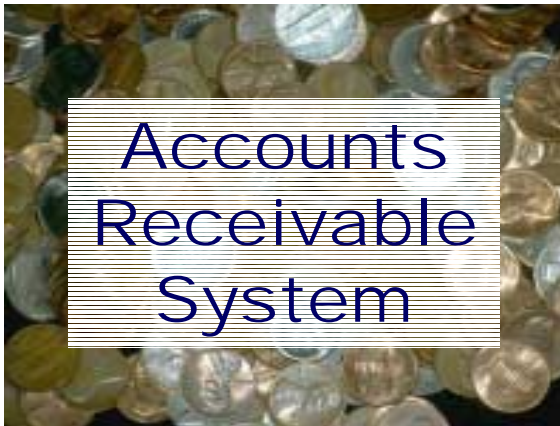
Assuring:

*Quality Data*

*Mailable Data*

# *Typical Situation*

## Disconnected Marketing & Operational Systems



# *Why Can't I Take Data From These Systems and Use it?*

- Numbering system differences
- Multiple names and addresses
- Non-machine readable
- Incomplete information
- Inconsistent information
- Ambiguous information



# *How Do I Get It Right?*

- Standardize current data sources
- Design and build access and storage system for customer and prospect information
- Establish rules for on-going project execution and data analysis
- Analyze standardized data for customer and prospect profile development

# *Analyze Customer and Prospect Profile*



- Determine which indicators show “customer value”
- Devise method for calculating current versus expected value
- Apply to customer base - identify gaps
- Apply calculations to prospect universe
- Identify high-potential prospects

# *Power of Combined Information*

- Understand the entire relationship with the customer
- Track past events
- Identify product usage - cross and up sell opportunities
- Look for prospects with characteristics like those of the "best customer"
- Identify opportunities within a corporate family

# *Intelligent Marketing:*

Not an option - a *REQUIREMENT!*

Begins with  
understanding  
who your  
customers are ...



*Data Mining Discovers:*



Cash  
Cows

# *Data Mining Discovers:*

Uncut  
Gems



# *Data Mining Discovers:*

## Treasure Maps



# *Enhancements Reveal:*

## *Internal*

- Expenditures
- Product Line Interests
- Purchasing Frequency
- Longevity

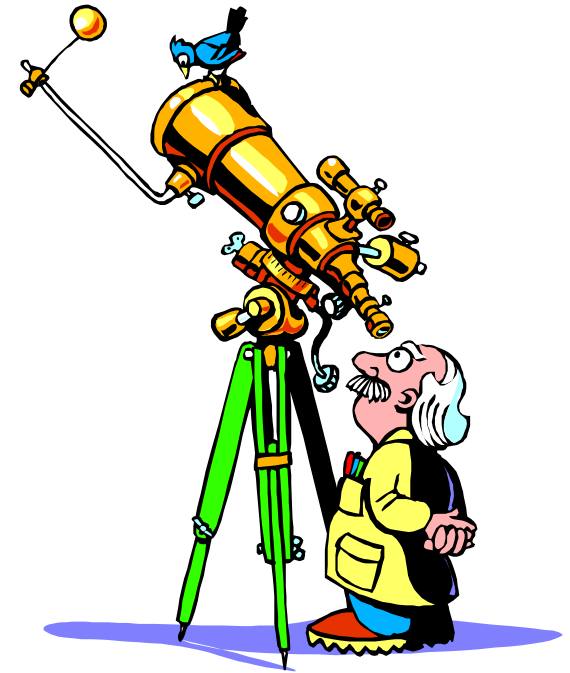
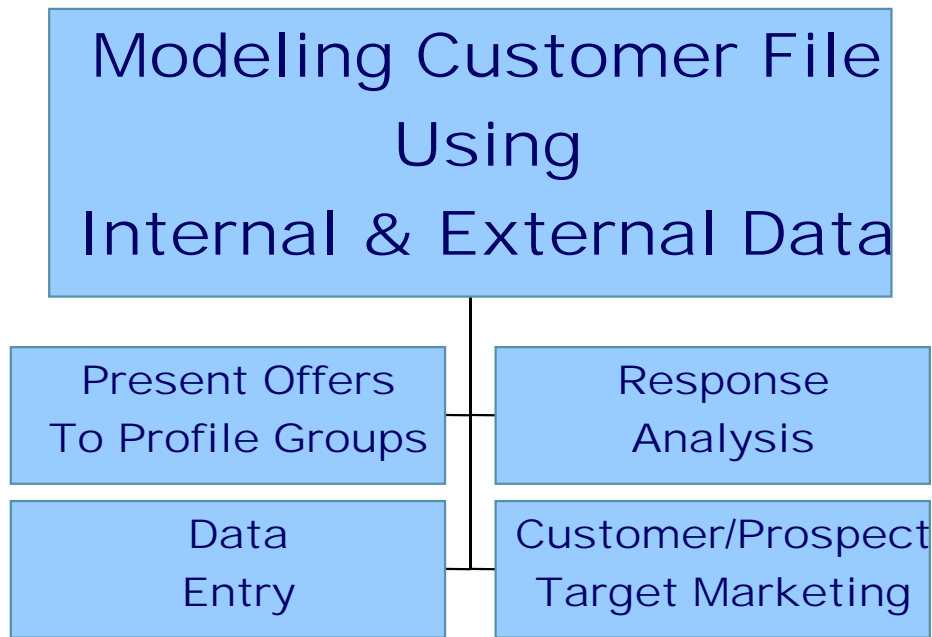


## *External*

- Age(s)
- Family Income
- Marital Status
- Presence of Children
- Home Ownership
- Psychographic Data

# *Customer/Prospect Modeling*

## Research

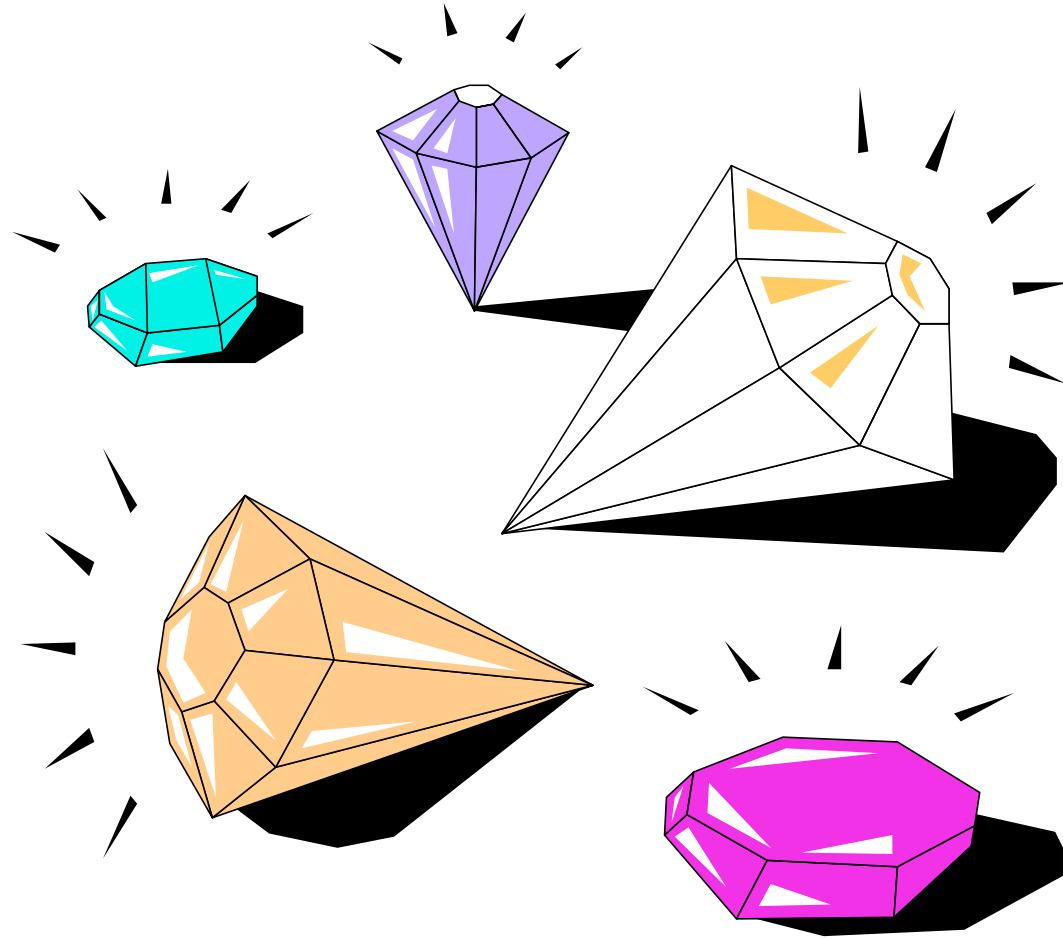


.....Discovers:

# MORE Cash Cows



*.....Discovers:*



*Polished Customer Gems!*

# *Acquire New Treasures*

- Select Gemstones by Offer
  - Map out the Territory
  - Strike the plan



*Go for the Gold !*

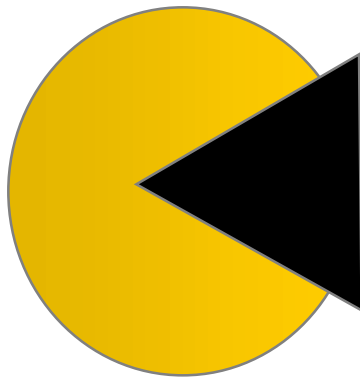
# *Build to Deliver*

- Enriching Database is Step One
- Accurate Use Is Step Two

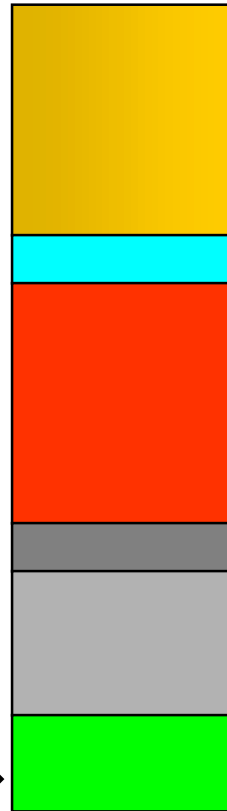
*The Next Section Describes  
How to Accomplish Step Two*

# MAJOR ADDRESSING DEFICIENCIES

**Deliverable  
Addresses  
66.9%**



**Errors  
33.1%**



8.6 % Moved

2.2% Apartment Number

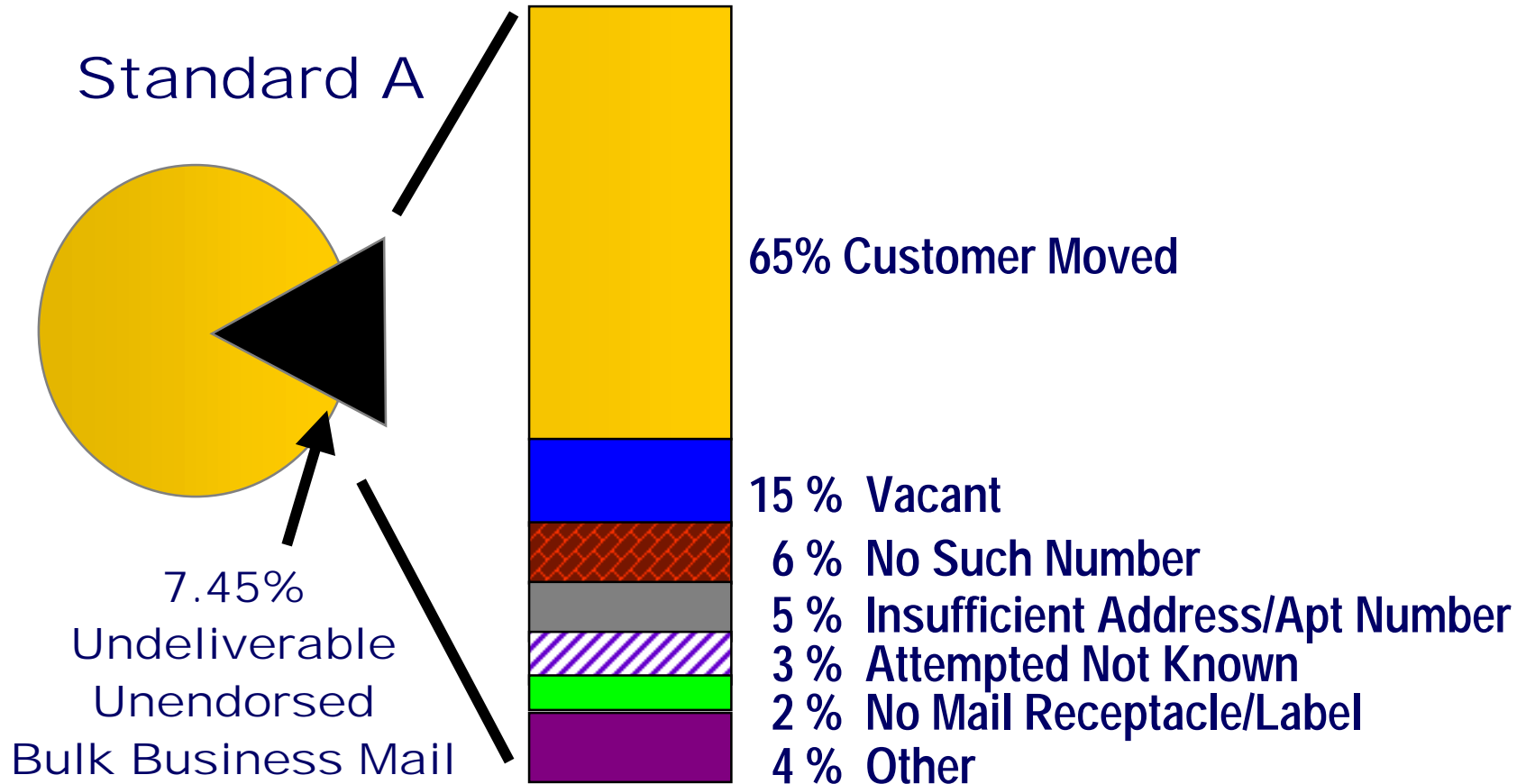
8.9% Directional / Suffix

2.5% Rural Route / Box Number

6.2% Street Name / Number

4.7% ZIP Code / City / State

# UNDELIVERABLE UNENDORSED BULK BUSINESS MAIL



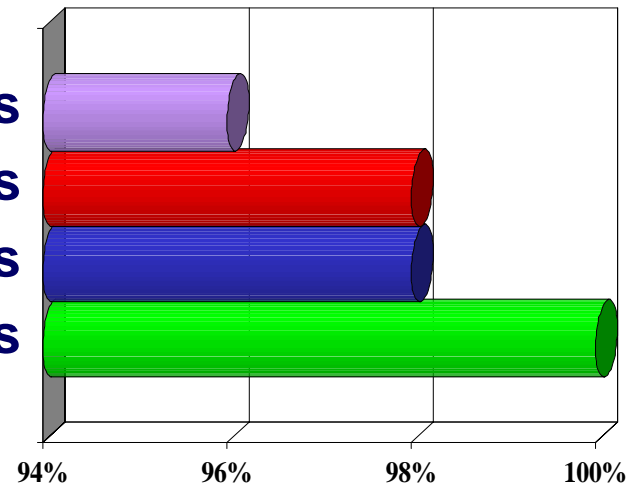
An illustration of an open book with a blue cover. The text is centered on the right page. A red pen with a silver tip is positioned diagonally across the bottom left of the book. A grey calculator is shown in the bottom right corner.

**CASS Measures The**  
*Accuracy Of*  
**Address-Matching**  
**Programs**

# *CODING ACCURACY SUPPORT SYSTEM CERTIFICATION*

**To Be CASS-Certified By The USPS,  
Software Must Correctly Code Test  
Records To The National ZIP+4 File  
With The Following Accuracy:**

**96% For ZIP+4 Codes**  
**98% For 5-Digit ZIP Codes**  
**98% For Carrier Route Codes**  
**100% For Delivery Point Codes**



# *DELIVERY SEQUENCE FILE ...*

## *DSF*

Contains Each Of The 135+ Million Delivery Points  
Serviced By The USPS (Except General Delivery)



Offered To Mailing Industry  
By Non-Exclusive Licensees

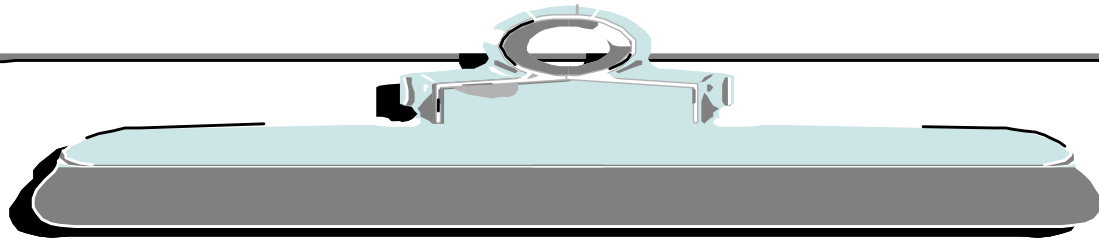
# *DELIVERY SEQUENCE FILE ...*

PROVIDES MAILERS WITH  
THE FOLLOWING:

- **Address Validation**
- **ZIP+4 Coding**
- **Address Standardization**
- **Carrier Route Coding**
- **Carrier Delivery Sequence**



# *DELIVERY SEQUENCE FILE ...*



- **Detects Potentially Undeliverable Addresses For Reasons Other Than Change-Of-Address**
- **Saves Costs By Improving Address List Quality**
- **Indicates Delivery-Type Code For Business Or Residence**
- **Provides Seasonal Delivery Information**

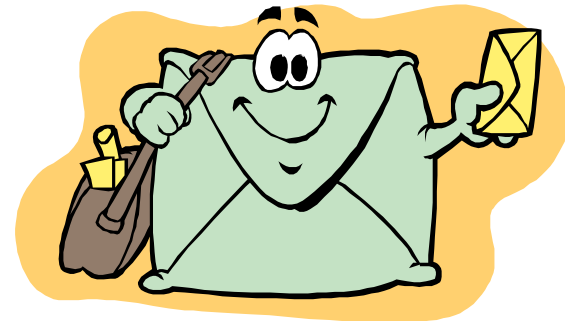
# *NATIONAL CHANGE OF ADDRESS*



- Helps You To Maintain Your Address File
- Provides New Address Information When Your Customers Move
- Processing Services Provided Through Licensees

# *LOCATABLE ADDRESS CONVERSION SYSTEM*

- **Obtain Updates Of Your Addresses Changed Due To 911 Or Other Reasons**
- **Old Addresses May No Longer Be In USPS Data Files. Consequently They Can No Longer Be Barcoded**
- **When An Old Address Can Be Updated To A New Address, You Can Then Barcode The New Address**
- **Processing Services Provided Through Licensees**



# *ADDRESS ELEMENT CORRECTION (AEC)*



*FROM THE  
UNITED STATES  
POSTAL SERVICE*

# *ADDRESS ELEMENT CORRECTION (AEC) A QUALITY PROCESS DEVELOPED BY THE USPS WITH INDUSTRY SUPPORT*

Focuses On Addresses  
Unable To Be Matched  
To A Postal ZIP+4 Code  
Using CASS-Certified  
Address-Matching Software

Focuses On The 33%  
Of All Addresses On Mail  
Containing Deficiencies  
That Might Cause The Mail  
To Be Delayed Or Not Delivered



# *CONCLUSION*

**Database Marketing is NOT a trivial pursuit.**

**Requires continued analysis to improve ROI and update methods to assure accurate targeting.**