



"Customer Management: Unlocking The True Potential."

Business Impact of Common Customer Information Quality Problems

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Business Impact of Common Customer Information Quality Problems

The lack of key Customer Information and Data Quality statistics have a profound effect on the Organisation in terms of its on going day to day operations and its ability to effectively serve its Customers and implement strategic and tactical Customer initiatives. An indication of these impacts are outlined below:

1) Customers with customer information errors may cause the following problems:

- The inability to match their records to obtain a complete view of the customer's products and services with the Organisation. This results in:
 - The under-estimation of the level of profitability of those customers affected
 - An inaccurate profile of the customer
 - The undermining of key strategic customer management programs including retention, acquisition and growth programs, with a major impact (reduction) on the value being driven from these programs
- It creates a perception that the Organisation doesn't really know (or care) who I am
- There is potential to continuously re-offend the Customer which reinforces the message 'They really don't know who I am and don't care!'
- Reduced campaign response rates/performance
- Lost marketing opportunities
- Increased cost of operations

Priority to Fix: High

2) Invalid residential addresses will result in:

- Significant on-going levels of Returned Mail
- An inability to match Customer records to obtain a complete view of the Customer's products and services with the Organisation as a Customer's residential address is a key data element used to identify a Customer
- Customer Frustration
- Poor Customer Service
- Increased potential for Bad debts
- Reduced campaign response rates/performance
- Increased cost of operations
- Lost marketing opportunities

Priority to Fix: High

3) Customers with Postal Addresses only will result in:

- An inability to match Customer records to obtain a complete view of the Customer's products and services with the Organisation as a Customer's residential address is a key data element used to identify a Customer
- An inability to use geo-demographic codes to segment the database and consequently improve the targeting of more profitable customers

Priority to Fix: High

4) No Customer date of birth will result in:

- The inability to develop relationship marketing programs to trigger on a Customer's birthday
- The inability to segment the (marketing) database on age and therefore the inability to develop target relationship marketing programs based on a Customer's age profile
- An inability to match Customer records to obtain a complete view of the Customer's products and services with the Organisation as a Customer's date of birth is a key data element used to identify a Customer
- The inability to market appropriate products and services to the Organisation's Customer base

Priority to Fix: High

5) Customer Since Date missing will result in:

- An inability of the Organisation to really determine a Customer's loyalty
- An inability to develop an effective customer loyalty/retention program
- An inability to capture a Customer's full (history) profile

Priority to Fix: Medium

6) Ability to determine whether a Customer is 'active' or not will result in:

- The inability to track 'lost' customers and accurately measure (and subsequently improve) retention or 'churn' rates
- The inability to develop a predictive model of those Customers vulnerable to moving from the Organisation resulting in increased 'churn'
- The inability to develop a pro-active process or program to attract back to the Organisation those customers that have recently left
- The creation of a perception that the Organisation doesn't really know or care that I've left!
- Reduced campaign response rates/performance
- Increased cost of operations
- Lost marketing opportunities

Priority to Fix: High

7) Being unable to determine if a customer is 'currently living at this address' will result in:

- An inability to match Customer records to obtain a complete view of the Customer's products and services with the Organisation as a Customer's residential address is a key data element used to identify a Customer
- Significant on-going levels of Returned Mail
- Confirms the perception at the Organisation that Customers are not important assets of the business and that the Organisation doesn't really know or keep track of their Customers
- Poor Customer Service
- Reduced campaign response rates/performance
- Increased cost of operations
- Lost marketing opportunities

Priority to Fix: High

8) No Customer e-mail address will result in:

- The inability to reduce the cost to serve Customers (including marketing communications, customer service and direct marketing costs) by using 'Internet' or web based distribution channel
- Reduced market share of this customer segment
- Poor Customer service
- An incomplete understanding of the customers preferred way (channel) of dealing with the organisation
- A market perception that the Organisation is not up to date
- Reduced campaign response rates/performance
- Increased cost of operations
- Lost marketing opportunities

Priority to Fix: Medium

9) No Customer First Name available (i.e. only initial) will result in:

- An inability to match Customer records to obtain a complete view of the Customer's products and services with the Organisation as a Customer's first name is a key data element used to identify a Customer
- The inability to personalize customer communications including customer's bill and marketing communications(e.g. direct mail or tele-marketing offers)
- Difficulty in establishing a Customer's gender status
- The perception that the Organisation 'doesn't really know (or care) who I am !'
- Reduced campaign response rates/performance
- Increased cost of operations
- Lost marketing opportunities

Priority to Fix: High

10) No Customer Gender Code will result in:

- The inability to correctly describe a customer (i.e. salutation) and will consequently limit the Organisation's ability to personalize all communications including customer's bill, and marketing communications (e.g. direct mail or tele-marketing offers)
- Continually reaffirming the perception that the Organisation 'doesn't really know (or care) who I am !'

Priority to Fix: Low

11) Duplicate Customers in the database will result in:

- The inability to obtain a single view of all of a Customer's product and services
- A customer potentially receiving the same offer more than once
- Upset customers and poor customer service
- The inability to have a complete profile of a the Organisation Customer
- Difficulty in predicting the next best product sell for each individual Customer
- Increased potential for inappropriate (inadvertent) offers to be made to Customers who may already have the product being offered
- Increased marketing costs, wasted marketing effort and missed opportunities
- An inaccurate (inflated) view of the number of Customers the Organisation has and therefore inaccurate estimates of the Organisation's market-share
- An inability to accurately track what's actually happening in terms of real Customer movement (i.e. New Customer acquisition, Customer Retention Rate, Customer Cross-sell rates, Customer attrition rates and overall actual customer counts)
- Reduced campaign response rates/performance
- Increased cost of operations
- Lost marketing opportunities

Priority to Fix: High

12) Joint Customers in the database will result in:

- Confusion as to who is a the Organisation's Customer
- The inability to uniquely identify (and communicate with) an individual Customer
- An inability to match Customer records to obtain a complete view of the Customer's products and services with the Organisation as a Customer's name is a key data element used to identify a Customer
- The inability to have a complete profile of a the Organisation Customer
- An inaccurate (deflated) view of the number of Customers the Organisation has and therefore inaccurate estimates of the Organisation's market-share
- The inability to personalize customer communications including customer's bill and marketing communications (e.g. direct mail or tele-marketing offers)
- Reduced campaign response rates/performance
- Lost marketing opportunities

Priority to Fix: High

13) Missing or out of date telephone numbers will result in:

- Reduced tele-marketing campaign response rates/performance
- An increased cost of running tele-marketing campaigns and reduced ROI on campaigns
- Wasted marketing effort and lost opportunities
- A significant reduction in the ability (core channels available) to communicate with this customer
- The inability to reduce the cost to serve Customers (including marketing communications, customer service and direct marketing costs) by a call-centre
- Potentially a reduced market share of this customer segment
- Poor Customer service

Priority to Fix: High