



TARGUSinfo[®]

On-Demand Data

BRING UNKNOWN PROSPECTS TO LIFE AND MAKE THEM YOUR CUSTOMERS

A TARGUSinfo Thought Leadership Paper

*By Paul McConville, Director of Consumer-Facing Services
and Joe Saunders, VP, Market Development
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*800.6.TARGUS (800.682.7487)
www.TARGUSinfo.com*

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BRING UNKNOWN PROSPECTS TO LIFE AND MAKE THEM YOUR CUSTOMERS

Executive Summary

Trade, one of humankind's earliest defining behaviors, has become astonishingly sophisticated. So far in this century, trade is increasingly a matter of knowledge: who has it, how much they have, when they have it and how they use it.

This four-part series explores knowledge as it applies to interactions between merchant organizations and the consumers who buy from them. The focus is on the few seconds or, at most, few minutes between a consumer's decision to contact a business and the conclusion of that business, whether over the phone, through a Web site or at the point-of-sale.

The series details the importance of having the right knowledge at the right time and the dynamic nature of the underlying data, which shifts like quicksand under the businesses that rely on it. There is a heavy toll in neglecting that data.

Even as the knowledge we have about consumers becomes less reliable, consumers are gaining ready access to terabytes of information about the products they want and the organizations they can buy from. This is the focus of part 2. The balance of power has shifted from the business to the consumer. The Internet has made it easy for consumers to gain knowledge. They no longer rely on a call or visit to a merchant to make a shopping decision. Consumer loyalty is elusive.

Part 3 describes ways that consumer-facing businesses can surmount these 21st century challenges and optimize the moment of impact. It describes the hidden value in having verified phone, name and address information for every consumer calling a business and provides an overview of the reliability of various sources for this data.

Part 4 outlines specific sources for authoritative information about consumers and powerful applications for customer acquisition and retention. This combination enables businesses to wield definitive knowledge at the moment of interaction.

The series concludes with specific real-life examples detailing how household name companies have successfully brought unknown prospects to life, making them customers.

Data Lives: Neglect It at Your Peril

Are you treating your core customer information as the strategic asset it is?

The world is flat. Digital interconnections have toppled boundaries between companies and their competitors, partners, customers and prospects. The instantaneous exchange of information has spawned a marketplace where new products are cloned by rabid competitors even as they are introduced. As products become commodities, consumers are coming to transactions armed with more information than ever. Business is thoroughly unpredictable, and organizations need new ways to compete.

This exhilarating climate has made *high-quality* interactions with consumers one of the last and most important frontiers of business differentiation.


Recognizing this fact, organizations have agonized in recent years over the selection of technologies, processes, systems and frameworks for orchestrating superior consumer interactions. These systems generate demand, capture leads, convert them to offers, close sales, cross-sell/upsell customers and support a wide range of services. With all the attention paid to these systems, what's been grossly overlooked is the rest of the equation, the consumer data that fuels them. Data varies dramatically in quality at least as much as the solutions that consume it, yet too often it is treated as an afterthought in the CRM, ERP, call center mix.

How good can your consumer interaction solution be if the data that fuels it is faulty? Would you put dirty gasoline in your Rolls Royce? Spoiled ingredients into your Thanksgiving dinner?

Too many companies are jeopardizing their businesses because they haven't thought enough about data — the data they own and new data coming in. They've fallen behind the curve. As the Internet turns consumers into *superconsumers*, organizations are quickly losing their grip on consumer identities and attributes.

Consider:

- A consumer calls a retailer, and the operator has no idea whom she's talking to. The consumer feels like a blip on a bean-counter's radar screen because that's what he is.
- A first-time customer places an online order for sporting equipment but mistypes part of his address. The equipment never arrives. The business has lost a customer and paid for the unsuccessful shipping to boot. The customer is angry when he gets to his game and tells all his friends how the company failed him.

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- A consumer sees a powerful ad for a weight loss program and dials the 800-number. Because she lives on the edge of her ZIP code, she is directed to a store location that's three times as far from her home as the nearest center. It's too long a trip, but she really wants to lose weight. So she calls the competing diet chain and visits their nutrition center instead.
 - A wealthy executive intending to switch banks waits on hold while low-end customers monopolize financial advisors' time. He decides it's too much trouble to switch to this bank and hangs up.
 - A lender receives 100,000 mortgage leads through the Internet. Many are fake names, mistyped entries and bankrupt consumers. Only 25% are worth the effort but the lender doesn't know that until a direct marketing campaign flops.

In all of these cases, the business in question had little or no clue about the individuals it was dealing with and lost significant revenue as a result. These and other instances of poor-quality customer data cost US businesses an estimated \$611 billion a year, according to The Data Warehousing Institute. The pain further reveals itself in customer acquisition problems, failed CRM initiatives, lost sales, lost customers, inefficient call centers, missed upsell/cross-sell opportunities, undelivered mail, logistical nightmares and more.

Much of this waste traces back to a single root cause. Companies have yet to grasp that the most fundamental data about consumers — starting with phone number, name and address — is paramount.

But it's also dynamic. This data constantly shifts underneath organizations and threatens to swallow profits like quicksand. Too many companies elect to believe a consumer's core identification data is as static as the telephone book.

Phone number? People commonly have three or four phone numbers these days — office, home and mobile — and switch services when better offers come along. Name? A marriage, divorce, death, adoption or whim may have changed it yesterday. Address? More than 18 million US households and businesses move every year. Data about consumers simply *never* stops changing. A quarterly data cleansing is like waxing a rusty car.

Successful companies, innovating every day just to stay even, are beginning to treat new and existing data as a strategic business consideration. They understand that a profitable interaction starts with accurate, relevant, refined and actionable data at the moment of impact. And the nature of that impact is changing.

The customer or prospect knocking on your door is now a superconsumer. This is good, but it can put a merchant in a position of weakness. Consumers know all about you, but what do you know about them? Is there any way to level the playing field?

Consumers Have the Power

Will you be able to level the playing field?

Things were so different 20 years ago. A consumer in the market for, say, a new TV had one good source of unbiased product information — *Consumer Reports* — and one good way to confirm price — deal with a salesman. Once a skilled salesman was on the case, the merchant had the power.


Twenty years later, the power is now firmly in the hands of the consumer. Today's consumer is informed by a staggering volume of high-quality product information from a plethora of sources on the air, online, in print and in person. Today's consumers never need to relinquish their power to a salesperson, or even call one up on the phone. Finding the lowest price and best product no longer requires extensive research, careful notes or driving around the state. Enter one or two words in Google and you're done.

Consumer mindset has followed the power. Today's consumers are emboldened. They have come to expect — *demand*, really — exactly what they want, when they want it, at a cut rate. Like it says on the commercial, your bank doesn't dictate your interest rate anymore: Now banks compete, and consumers win.

So how, specifically, did this power shift come about? One big factor is the *democratization of information*, meaning that more and more high-quality product information comes from someone other than the vendor. Consumer advocates, industry watchdogs, pundits and real-life customers run rampant in the news and on the Web. There are more channels on the TV, more online media forms like blogs and podcasts, and more burgeoning discussions, not only on every imaginable consumer product, but on every distinguishable component of every product. Information on demand. If you like what you learn, click through and buy.

Amazon.com, eBay, Google and Yahoo! — the names that are synonymous with the Internet — catalyzed the shift in power to the consumer. Amazon.com expanded choice and began reading customers' minds. eBay reset expectations for variety and lower prices. Google educated the consumer by putting unprecedented volumes of information just one click away. Yahoo! Shopping and its ilk compared prices and features, turning the Internet into a bargain-hunting machine. The combined effect is an ultra-informed consumer with infinite choice.

Consumer power feeds on a new anonymity. Today's consumers never have to set foot in a showroom again unless they want to. They can remain blissfully anonymous until they step up to make a purchase, and even then stay at arm's length. Bottom line: Consumers know you, but you don't know them.



Yet just because they know you doesn't mean they love you. With so many choices and so many efficient ways to exercise those choices, consumer loyalty is all but an oxymoron. Loyalty must be sown anew in every experience with a customer or prospect. According to one recent study, only half of consumers calling a US company are likely to purchase additional products or services from that company later.¹

This evolution has grave implications for business. Customer relationships are now formed not over decades of face-to-face dealings but at the point of interaction. Sensing this shift, companies are spending billions driving consumers to their stores and storefronts. Global advertising spending was \$404 billion last year in major media alone.² But what's happening when these consumers arrive? You have a consumer standing before you whom you are less likely to know but who is more knowledgeable, more demanding and more likely to shop elsewhere than ever before. This consumer has the ability to make real-time decisions about which of a dozen or more organizations from which to buy. You have one chance to connect, and you'd better be acting in real-time yourself.

More than ever, companies must aggressively seize every opportunity at the point of interaction, whether it occurs over the phone, on the Web or at the point of sale. Companies must leverage every resource at their disposal to close the knowledge gap with their consumers and bring knowledge to bear in an intelligent dialogue that spawns a rich, rewarding, revenue-generating relationship. Each and every interaction must become a *moment of lasting impact*.

Achieving lasting impact from a fleeting interaction starts with knowing the consumer. It's the bedrock of every social and economic transaction. There's a tacit understanding that if you want a consumer's money, you care who they are. And if you are a decent business, you will know who they are or be able find out fast.

"What was your name again?" just doesn't work. Even in this highly wired world, consumers crave connection. Studies show consumers want service to be "seamless," "trustworthy," "attentive" and "resourceful."³ They don't want to languish at the point of sale reciting their name and address when all you need is a phone number to unlock the rest of their vital information.

To provide that personal touch at the moment of impact, companies need precise, relevant and actionable knowledge about consumers on demand. This knowledge will help them provide superior interactions, and even targeted offers on the fly, thereby beginning to restore the balance of power.

1 Portland Research Group, June 1, 2005.

2 ZenithOptimedia, April 10, 2006.

3 AchieveGlobal, Sept. 1, 2004.

What if you knew all about the consumer on the other end of the phone before you picked it up? Not just a name and address, but deep, verified, valuable knowledge? Location. Propensity to buy. Credit risk. Income.

The good news is that you can have this knowledge at the moment you need it. And with the right moves, you can reclaim the power. You have one chance. Make it count.

How to Optimize the Moment of Impact

Come to interactions armed with deeper, more precise knowledge

Notwithstanding the billions that merchants spend to attract their interest, nearly one in four consumers say their contact center interactions fail to meet their expectations.⁴ This is just one bit of evidence indicating that merchants urgently need to better prepare themselves for interactions with previously unknown consumers. The stakes for improving these interactions are soaring, and so are expectations for merchants to be more agile:

“The consumer now has the ability to make real-time decisions about the organizations they buy from. If customers can make decisions in real time, it is imperative that the [merchant] enterprises enable real-time decisions also ...”⁵

Not only are interactions more fleeting than ever, they’re now being initiated by an informed consumer likely to be an absolute stranger to the merchant. This phenomenon is yet another trend empowering consumers — and the rare merchant who can react effectively.


“As traditional outbound channels become less effective and more regulated, marketers are shifting their focus toward making cross-sell and upsell offers, as well as focusing on loyalty programs, during inbound contact to the Web site, point of sale, or through [integrated voice response]. Inbound marketing that uses dialogue — highly targeted and highly effective sets of communications with key customers — can fundamentally change the success metrics of these interactions.”⁶

Okay. If the power has shifted to newly emboldened, less loyal consumers — and if it’s critical for merchants to arm themselves with the most current knowledge available about them for brief, real-time, inbound interactions — how does one accomplish this? How exactly does one acquire the necessary knowledge, on demand, to optimize the increasingly elusive moment of impact? By wielding precise phone, name and address data at that critical instant.

⁴ Aspect Software/Leo J. Shapiro Associates, Friday, Dec. 2, 2005.

⁵ DM Direct, May 2006, article on predictive analytics.

⁶ 1to1 Magazine, October 2005.



This information is the core of consumer knowledge, and it's constantly shifting as people acquire new and greater numbers of phones, form and change family ties, and relocate with unprecedented frequency. This data is vital for successful consumer relationships, increasingly formed in a single interaction, yet it also unlocks deep knowledge such as income, credit risk and propensity to buy. By the same token, there are myriad documented examples of how stale or otherwise incorrect phone, name and address data can foul consumer transactions, putting revenue and relationships at risk.

To improve their real-time knowledge of individual consumers, merchants need to take a hard look at their data sources. Big, big problems plague the “usual suspect” data sources on which most companies rely:

White Pages. Merchants don't literally flip the pages of the phone book to obtain their data, but they purchase electronic compilations of the White Pages that contain the same flaws as the paper variety. Look at the phone book and you'll notice gaping holes in listing data — e.g., post office boxes instead of street addresses, initials instead of first names and year-old numbers that are out of service or assigned to someone else. There is no information about unpublished numbers, direct-dial phones within a business or anything whatsoever around wireless or VoIP end points. Although White Pages listings are affordable, companies that rely on them are getting only what they pay for. This data source is weak and getting weaker.

Directory Assistance. Companies are tapping into Directory Assistance databases — the same ones the operators are using. These cost more than five times what the White Pages cost, but merchants only get names and numbers for landlines and main desks of businesses, not the direct-dial lines. Merchants perceive they're getting the best information because it comes from phone companies, not White Pages brokers. Perceptions, however, aren't reality. Directory Assistance has the same gaps as the White Pages: no unpublished numbers, no additional name or address information, nothing on wireless, nothing on VoIP.

Credit data. This is valuable in high-end transactions and tends to be accurate on the name and address level. It can be way out of synch, however, when individuals move and decline to supply new addresses to creditors. In any case, there are tight commercial restrictions on how credit data can be used in marketing, rendering it of limited value in the successful execution of commercial transactions.

The shortcomings of these conventional sources are compounded by the perishable nature of even the best phone, name and address data in an increasingly fragmented telecommunications market

and increasingly mobile society. The situation is even worse when bad data gets into a system, e.g., a marketing database via transcription error, and the system corrupts from the inside out. So as consumers gain power, merchants need data with deeper accuracy assurance. And as transactions go real time, merchants need real-time data — not just screen-popped in real time but delivered from an authoritative, continuously refreshed source at the moment of interaction.

“It is critical to ensure the integrated view of the customer is not only consistent across the entire organization, but also enriched with outside data services to ensure the most dynamic information is used during a real-time interaction.”⁷

An optimal information service in an on-demand world requires data that transcends the problems of conventional sources and that is precise, relevant and actionable. Data must be delivered on demand, with sub-second response, to the point of interaction. Here’s just one example of how good information can make a big difference at the point of interaction:

Susan Smith, recently married, is interested in buying a 42-inch flat screen TV for her new husband’s birthday, two days from now. She sees an ad in her local newspaper offering a special deal on an interesting model from Acme Corp. She calls Acme’s 800-number. Before reaching an agent, Acme’s systems deduce from the incoming call’s automatic number identifier that Susan is in the top 20% of Acme’s Profitability Index, so she is routed to one of the company’s top-performing sales agents, Robert Jones.

Agent: Hello, thank you for calling Acme. My name is Robert Jones. How can I help you today?


Susan: Well, I’m interested in big screen TVs, and I see in my newspaper here that you have a special offer ...

The two continue their conversation and Robert closes the order with Susan. When it comes time to get shipping information, Robert already has Susan’s married name and address on his screen (utilizing his data provider’s unique ability to link an incoming telephone number to name and USPS mailing address). Robert quickly recognizes that the address Susan gave was missing one component:

Agent: Susan, you said you live on 123 Main Street — might that be 123 East Main Street?

Susan: Yes, thank you for catching that. I just moved so I sometimes forget. Without the

7 1to1 Magazine, October 2005



“East” there’s a good chance I wouldn’t get the delivery here on time. Thank you!

Agent: No problem ...

Robert closes out the order and the new TV is delivered on time. Susan’s husband is thrilled with his birthday gift, and Robert affirms his status as one of the A-team sales reps at Acme that month.

John Williams, the VP of Marketing, receives Susan’s contact information in his CRM database, with confidence that the name and address are correct, allowing John to add Susan to his mailing programs in the future.

For this scenario to play out in a world where phone, name and address data goes stale faster than yesterday’s bread, one thing is paramount: The data source must be unfailingly current and meticulously tended by experts in data acquisition, management and syndication for the express purpose of real-time interactions.

What’s more, merchants need solutions that tap into the entire universe of consumer and business information. Yet *very* few data providers can offer merchants that access.

Specific Solutions to Improve Customer Acquisition and Retention

And a sampling of companies that have improved the return on their marketing efforts

Merchants desperately need to reclaim a share of the power they’ve lost in the marketplace as consumers equip themselves with unprecedented knowledge about products and services they might buy — and about the vendors from whom they can choose.

A merchant’s best hope in seizing precious sales opportunities is to arrive at the moment of impact with unfailingly accurate information about the individuals it is dealing with. Since the underlying data is alive and perishable, merchants need to draw on the most authoritative data sources available in real time, on demand, whether consumers are contacting them: via a wireline, wireless or VoIP-enabled phone; through a Web site or at the point of sale.

Leveraging its unique status as a longtime trusted member of the US Telecommunications Network with more than 90 other data sources, many of them proprietary, TARGUSinfo provides a powerful set of On-Demand Data services for organizations with pressing needs for accurate information.

These services help merchants:

IDENTIFY

Capture precise information, including names, addresses and phone numbers of everyone who contacts them — instantly — even after hours.

Receive lifestyles and purchasing-patterns information about each individual, at the start of every interaction with consumers and customers.

Profile consumers on the fly, instantaneously transferring callers to the most appropriate agents, triggering tailored offers and scripts, or segmenting leads for targeted follow-up.

Follow up on hot leads quickly and consistently by automatically sending personalized direct mail to prospects who contact the merchant.

Improve system-wide decision making, e.g., prioritizing the handling of inbound leads as well as following up with them, based on profiles, lifestyles or buying-propensity scores.

VERIFY

Confirm that any names, addresses or phone numbers offered by consumers in real time or online are accurate and current.

Enhance incomplete or inaccurate contact information with verified names, phone numbers and addresses.

LOCATE

Pinpoint callers geographically in order to send them to the most appropriate location, ensuring merchants capitalize on all sales or retention opportunities. When a customer dials a phone number, whether toll free or local, TARGUSinfo services automatically determine the caller's location and route the call to the correct store, franchise or other location (for instance, a commercial shipper's drop box).



APPLICATION EXAMPLES

Crate and Barrel, one of the most admired names in retail, is using TARGUSinfo services to better understand customer buying patterns, optimize marketing campaigns and ultimately improve sales at more than 145 locations nationwide.

“Seventy percent of our catalog customers make their purchases from our retail stores, so it’s critical for us to identify as many of those retail purchases as possible,” said Doug Rothery, Customer Analytics Manager for Crate and Barrel. “By capturing customer information at checkout, TARGUSinfo helps us optimize customer acquisition through our retail stores, build up our mailing list and follow up with first-time visitors. Without contact information, we’re flying blind.”

Sylvan Learning Center, North America’s leading provider of private tutoring for children in grades pre-K-12, uses TARGUSinfo On-Demand DataSM services to help raise its conversion rates. Sylvan uses On-Demand LocationSM services to capture the name and address of everyone who contacts its national 800-number and inquires online. Sylvan receives demographic data on each lead, enabling it to rate prospects, prioritize leads for follow-up, and segment its direct mail efforts.

“All of our Sylvan Learning Center and TARGUSinfo projects are focused on using data and tools to meet our customers’ needs more effectively,” said Sara Costello, Sylvan Director of Direct Mail and Conversion Marketing. “Our end business goal is an improvement in conversion to enrollment in a Sylvan service, and we work toward that through improvements in lead management, prioritization and verification. Every time someone calls 800-EDUCATE or visits www.educate.com, TARGUSinfo helps us make the most of that opportunity.”

Dozens of enterprises use On-Demand Lead VerificationSM services from TARGUSinfo to confirm, in a split second, the quality of the vast numbers of leads they capture online. This automated solution performs a comprehensive evaluation of each lead, verifying that each lead’s name, address and phone number are not only correct but relate to that person.

Many companies use SecondApproachSM services from TARGUSinfo to follow up with customers who call them but don’t convert. SecondApproach services automatically capture the caller’s phone number, supply a verified name and address, and within 48 hours send the TARGUSinfo client’s personalized direct mail piece to the prospect, for instance, a “thank you for getting in touch” note with a discount offer. The automated contact information capture saves customer service agents time and guarantees accuracy.

“Every marketing department, regardless of industry, is under intense pressure to improve accountability and productivity,” said Adam Sarner, Principal Research Analyst for Gartner. “Showing a return on investment must be considered for any automated marketing technology, so solutions that directly increase response and conversion rates carry heightened value.”

As these scenarios show, TARGUSinfo On-Demand Data services can improve performance in a wide range of business processes occurring in a variety of settings, including customer service agent interactions, online transactions, interactive voice response (IVR) dialogue and during face-to-face conversations.

Powerful On-Demand Data services from TARGUSinfo help any marketing organization confront the larger challenges of the day, including rapidly morphing personal data, the highly informed consumer, the imbalance of power and the urgent need for knowledge at the crucial moment of impact.

About Paul McConville

As Director of Consumer-Facing Services for TARGUSinfo, Paul McConville is focused on improving marketing effectiveness for consumer-facing Fortune 1,000 businesses and outsourced call centers.

Prior to TARGUSinfo, Paul spent seven years in global-management consulting, working with Fortune 100 companies including GE, MetLife, Prudential and Ernst & Young. He received an MBA from Drexel University and is a graduate of Moravian College.

About Joe Saunders

Joe Saunders is Vice President of Market Development at TARGUSinfo and is responsible for launching and managing industry solutions and data services.

Prior to joining TARGUSinfo, Joe co-founded Audiopoint, a speech ASP company, where he was responsible for leading product and business development activities. While at Audiopoint, Joe was instrumental in launching the first nationally available voice portal over a toll-free number and transitioned the company from a consumer service provider to a standard product solutions provider.

For the prior seven years, Joe was a management consultant for PricewaterhouseCoopers (Coopers & Lybrand) and a software consultant for Universal Computer Systems. Joe has an MBA from George Mason University and a BS in Mathematics from the University of Michigan.

About TARGUSinfo

TARGUSinfo is the trusted source for name, address and phone data that organizations use as they interact with prospects and customers.

With the right knowledge at the right moment, our information services help organizations increase revenue, create more satisfying consumer experiences, produce savings from new efficiency, and manage risk.

Whenever organizations need it, we deliver the most up-to-date consumer and business information possible. Millions of times every day, businesses rely on our data to optimize transactions initiated by their prospects and customers, whether they are over the phone, on the Web or at the point-of-sale.

To provide this unique level of service, TARGUSinfo has built a foundation of data from the nation's telecommunications providers, making our information exceptionally precise, relevant and actionable. Drawing from a proprietary network of over 90 data sources, TARGUSinfo uses patented processes to link together the most complete and accurate name, address and phone data possible. Those linked elements also connect to information such as demographics, location, predictive buying behavior and risk-assessment factors. A real-time query-and-response network delivers this exceptional data to TARGUSinfo customers in sub-second speed, whenever our customers need it.

A privately held company, TARGUSinfo is headquartered in Vienna, Va.



TARGUS*info*[®]

*8010 Towers Crescent Drive
Fifth Floor
Vienna, VA 22182
800.6.TARGUS (800.682.7487)
www.TARGUSinfo.com*