

# ***Bring Unknown Prospects To Life And Make Them Your Customers***

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## **A TARGUSinfo Thought Leadership Paper**


### ***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 customer-facing 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 insight at the right time and the dynamic nature of the underlying information, which shifts like quicksand under the businesses that rely on it. There is a heavy toll in neglecting that information.

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. Consumers no longer rely on an in-depth conversation with a salesperson to make a shopping decision. Their loyalty is elusive.



Part 3 describes ways that consumer-facing businesses can surmount these 21<sup>st</sup>-century challenges and optimize the moment of impact. It describes the value of having verified phone, name and address information for every consumer as well as actionable insights into that consumer's behavior, attitudes and lifestyle.

Part 4 outlines specific sources for authoritative insights about consumers and powerful applications for customer acquisition, retention, upsell and cross-sell. This combination enables businesses to wield, for the first time, highly actionable insights 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.

### ***Consumer Insight: Neglect it at Your Peril***

#### **Are you treating your core information about customers and prospects 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 insight 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. Then there is the matter of how to enhance, analyze and apply it.

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? If you *do* have great data to start with, how do you ensure the quality of the decisions you make on it?

Too many companies are jeopardizing their businesses because they haven't thought enough about their customers — who they are and what exactly they want. Businesses have fallen behind the curve. As the Internet turns consumers into *superconsumers*, organizations are quickly losing their grip on consumer identities and expectations.

### Consider:

- A consumer calls a retailer, and the operator has no idea who he's talking to. The consumer feels like a blip on a bean-counter's radar screen because that's what she is.
- 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.
- An elderly woman calls her telephone phone provider in hopes of exploring a new unlimited calling package. The call center agent, reading from a one-size-fits all script, immediately offers a high bandwidth Internet package conceived for young families with kids, who spend a lot of time online.
- 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 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 only discovers this when a direct marketing campaign flops.
- An agent selling gold credit cards has a multimillionaire on the line but doesn't realize it. The card company has completely missed an opportunity to sign her up for the platinum.



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. What they were missing is the power to conclusively identify and qualify the customers they were dealing with and — leveraging experience, household demographics and intelligent analytics such as likelihood-of-need scores — the power to effectively anticipate their needs. The pain 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 consumer insights — ranging from fundamental phone number, name and address information to more sophisticated factors like age, income, children, location and home ownership status — are paramount.

Successful companies, innovating every day just to stay on par with competitors, are beginning to treat consumer insight as a strategic business consideration. They understand that a profitable interaction starts with accurate, relevant, actionable insights at the moment of impact, driven by superior analytics.

And remember: 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 U.S. company are likely to purchase additional products or services from that company later.<sup>1</sup>

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1 Portland Research Group, June 1, 2005.



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.<sup>2</sup> 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 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 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.”<sup>3</sup> 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 their identity and so much more.

To provide that personal touch at the moment of impact, companies need precise, relevant and actionable insights about consumers on demand — even before the phone is answered. Not just a name and address, but deep, verified, valuable knowledge. Age. Income. Children. Home ownership status. Party affiliation. Green sensitivity. Insight like this would enable companies to score consumers according to their behavior, prioritize them accordingly, route them to selected agents and tailor offers on the fly, thereby beginning to restore the balance of power.

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<sup>2</sup> ZenithOptimedia, April 10, 2006

<sup>3</sup> AchieveGlobal, Sept. 1, 2004

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 consumer insight**

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<sup>4</sup>. 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...”<sup>5</sup>*

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.”<sup>6</sup>*

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 insight available about them for brief, real-time, inbound interactions, how does one accomplish this? How *exactly* does one acquire the

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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



necessary knowledge, on demand, to optimize the increasingly elusive moment of impact?

By wielding precise *phone, name* and *address* data at that critical instant, and supplementing it with a wide range of demographic information such as age, income, children, home ownership status and more. This insight can tell you how likely a consumer will become your customer, what offers might most appeal to them most and how you might prioritize your service to them.

This information is the core of consumer insight, and it's constantly shifting as people acquire new and greater numbers of phones, form and change family ties, and relocate with unprecedented frequency.

To improve their real-time knowledge of individual consumers, merchants need to take a hard look at their sources of consumer information. Big, big problems plague the “usual suspect” data sources on which most companies rely, e.g., the white pages and directory assistance. And marketing applications either limit insight to existing customers in a way that can't be leveraged for inbound callers, or they pigeonhole consumers into convenient demographic buckets with little regard to an individual business' needs in targeting them.

So as consumers gain power, merchants need insight. And as transactions go real time, merchants need that insight in real time. The issue isn't just delivering a screen pop — that's easy — but it's delivering actionable insight in that screen pop, e.g., scoring callers on the fly, or routing them to the right agents making the right offer.

*“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.”<sup>7</sup>*

An optimal information service in an on-demand world requires information that transcends the problems of conventional sources and is precise, relevant and actionable. Insight must be delivered on demand, with subsecond 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:

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<sup>7</sup> *1to1 Magazine, October 2005*

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 an agent picks up, Acme deduces from the incoming call's automatic number identifier that Susan is in the top 20% of Acme's Profitability Index. As a result, 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 with Robert ultimately upselling her to a 52-inch plasma — he knows that's reasonable given her profile score — and an Apple TV digital media receiver, which many of Acme's previous plasma TV customers have purchased.

Susan's husband is thrilled with his birthday gifts, and Robert affirms his status as one of the A-team sales reps at Acme that month.

For this scenario to play out in a world where consumer information goes stale faster than yesterday's bread, one thing is paramount: the data source must be unfailingly current and supplemented by powerful analytics.

Merchants need solutions that tap into the entire universe of consumer and business information, not just the incomplete listings in the phone book. This requires data providers to possess accurate and current name and address data for every phone number, including wireline, wireless and VoIP-enabled phones. The US Telecommunications Network — and the information services underlying it — is the appropriate platform to fulfill these needs. Yet *very* few data providers can offer merchants that access. One company, TARGUSinfo, has worked for 13 years to earn the rare status of a member in good standing *inside* the network.

Still, that's not enough. Merchants must combine this phone, name and address information with powerful real-time analytics. With this combination, they can conclusively identify consumers



at the moment of impact, use that identification to leverage a host of household demographics, compare those demographic profiles to patterns identified within the existing customer base, and act on this insight all in subsecond time. They can score customers according to their value, prioritize them for contact, route them to hand-picked agents, and tailor their messages based on their likely preferences.

Here too, TARGUSinfo possesses unique capabilities with a real-time predictive analytics platform that — building on a trustworthy phone number, name and address service — can score consumers and prioritize leads to dramatically improve business performance throughout the entire customer lifecycle, including identification, contact, conversion and growth of customer relationships.

### ***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 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, insightful and actionable 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 and its powerful ElementOne<sup>SM</sup> Analytics Platform, TARGUSinfo provides an unprecedented set of actionable customer insight 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.

**Classify** consumers and customers at the start of every interaction according to previously decided business rules.

## QUALIFY

**Profile consumers** on the fly, instantaneously prioritizing the most important callers, transferring callers to the most appropriate agents, or flagging leads for targeted follow up.

**Automatically tailor** offers and messages based on real-time information about new prospects.

**Follow up** on hot leads quickly and consistently by automatically sending personalized direct mail to prospects who contact the merchant but don't purchase.

**Improve system-wide decision making**, e.g., by prioritizing the handling and follow up of inbound leads; by predicting conversion, lifetime value or churn possibilities; and by carefully measuring marketing effectiveness.

## 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, addresses, household demographics and behavior scores customized to the organization.



## 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, franchisee or other location (for instance, a commercial shipper's drop box).

## APPLICATION EXAMPLES

**Sylvan Learning Center**, North America's leading provider of private tutoring for children in grades pre-K-12, uses TARGUSinfo On-Demand Information<sup>SM</sup> services to help raise its conversion rates. Sylvan uses On-Demand Location<sup>SM</sup> 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](http://www.educate.com), TARGUSinfo helps us make the most of that opportunity."

**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."

**Metabolic Nutrition** is proving the business value of immediate, prescriptive follow up by using SecondApproach<sup>SM</sup> services from TARGUSinfo to close sales with consumers who respond to a toll-free number but don't immediately make a purchase. The Miami company advertises its SYNEDREX weight-loss formula on TV and in print.

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 unconverted prospect — for instance, a “thank you for getting in touch” note with a discount offer.


“If we lose track of a consumer within a couple of days of their call, we may lose them for good to a competing weight-loss plan or a gym membership,” said Metabolic Nutrition CEO Jay Cohen. “With TARGUSinfo, we are able to conclusively identify callers who don't convert and follow up within 48 hours with attractive direct mail offers. This strategy is improving our conversion rate, maximizing our marketing dollars and helping more individuals reach their weight loss goals.”

A **respected e-learning institution** uses TARGUSinfo services to increase the number of online enrollment leads that it can contact and to prioritize them for follow up. TARGUSinfo enables the institution to enhance leads that are missing address or phone-number information, reclaiming opportunities that might otherwise be missed. The TARGUSinfo solution also enables it to quickly determine lead quality based on how the new leads square with its student history.

“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, On-Demand Information and Analytics services from TARGUSinfo 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 Information and Analytics services from TARGUSinfo help any marketing organization confront the larger challenges of the day, including rapidly morphing personal information, the highly informed consumer, the imbalance of power and the urgent need for insight 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 TARGUSinfo***

TARGUSinfo is the trusted source of valuable insight about prospects and customers while they are interacting with our client businesses. With the right knowledge at the right moment, our information services help organizations increase revenue, create more satisfying experiences and produce savings from new efficiency.

Whenever organizations need it, we instantly deliver the most up-to-date consumer and business data possible, whether it's confirmed contact information or a data-driven view of customer behavior from our ElementOne Analytics Platform. At every stage of the customer lifecycle, our insights empower you to identify your most valuable customers and prospects, target prospects through the optimal communication channel, convert more prospects to customers, grow share of wallet and reduce promotion costs.

We enable our clients to treat unknown prospects like longtime customers, provide customer-facing services such as Caller ID, ensure quality for lead generation, add confidence to risk-management decisions and make call routing more accurate and reliable. Millions of times every day, businesses rely on our data for 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 more than 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 insight to TARGUSinfo customers in subsecond speed, whenever our customers need it.

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



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