

# Data enrichment buyer's guide

What every organization should know when selecting a data enrichment vendor

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## Summary

Long gone is the age where marketers could simply batch-and-blast and push-market their way into customers' hearts. Advancements in technology have revolutionized the way people today receive, absorb and retain information. Impersonal, bulk messaging won't do the trick when customers are being inundated with all types of media through an increasing number of channels.

In order to stand out amongst the noise, businesses must be relevant, and to be relevant, businesses must be able to target, organize and segment their customers accordingly. Successful organizations use data enrichment services to understand consumer buying habits, preferences and lifestyles, which then allows them to create personalized messaging that resonates with consumers and ultimately drives more profitable and relevant connections with each and every customer.

### **The data enrichment imperative**

Time and attention have become, without a doubt, two invaluable assets in today's constantly connected age. Consumers no longer pay attention to every single message they receive; communicatory efforts have transformed from personal to perfunctory, from meaningful to mindless. There are simply too many messages, pop-ups, emails and myriad other notifications delivered per day for people to give their attention to everything.

Decision-makers today are tasked with the increasingly difficult responsibility of connecting with consumers who have slowly but surely built up an immunity towards impersonal triggered emails and irrelevant promotional campaigns and messaging. Data enrichment services are necessary to bring personalization to the next level. In order to keep pace with today's spam-wary consumers, businesses need to better understand, target and segment their audience.

### **The goal of data enrichment**

A split-second decision is made every time a customer views an email, a blog post or an update on a social media platform—and that decision is whether or not it's worth committing their time and attention.

The goal of data enrichment is to enhance consumer information to facilitate the marketing and sales process, make sure customers receive a personalized experience and helps drive higher quality leads into their business. Today's organizations must adapt to better connect and engage with the continually-evolving consumer.

## What is data enrichment?

Data enrichment refers to many capabilities, but ultimately aims to help businesses make better data-driven decisions about their consumer base. By itself data enrichment, sometimes referred to as data enhancement, is the processes that enhance customer information. However, in order to augment customer information, businesses require that it be accurate and complete in the first place.

In fact, good, robust data enrichment services should have three main capabilities:



**Providing real-time contact data verification** - Improving the accuracy of inbound data will enable organizations to get more from their marketing efforts. Before any downstream data enhancement, profiling and scoring can occur, the data must be verified for accuracy. In this stage, the solution needs to be able to verify contact details (e.g. name, address, telephone and email), flag questionable data and standardize address information in order to avoid the downstream costs of inaccurate data.

**Enhancing and appending with additional insight** - At this point, the inbound data has been verified and the next step is to gather a more complete profile of the consumer to better understand market fit and priority. In this stage, the solution must be able to deliver additional insight by enhancing the existing internal data with external third-party data from other sources (e.g. life events, interests, financial data, automotive data) depending on the industry and append information on preferred communication channels.

**Using predictive analytics to deliver customer profiling, every time** - Now, with an accurate and complete profile in place, organizations can create personalized messaging that resonates with consumers and helps drive more profitable and relevant connections. In this final stage, the solution must be able to deliver predictive analytics at the point of dialog so that organizations can make business decisions in real time.

## Delivering the business value of data enrichment

### The personalization problem

Today's communication landscape has shifted increasingly towards technology for the main platform for communicating brands, products and services, as well as connecting and engaging with consumers. The problem, therefore, lies in competitive differentiation and being able to personalize communications to each customer. Businesses cannot afford to waste time and resources on ineffective and inefficient communications.

Data enrichment gives businesses the ability to meet and surpass consumer expectations. Personalization, in an age where consumers are getting bombarded by information is vital for letting people know that the businesses they interact with are not just sending them another impersonal email blast, but that time is being taken to craft a custom message worth paying attention to.

Seventy percent of brands are not personalizing messaging sent to subscribers.<sup>2</sup> Only 35 percent of marketers ask customers about their preferences for the frequency of emails; 60 percent don't even allow customers to choose the types of emails they receive.<sup>3</sup> In order to perfect the consumer experience, the personalization and relevance obtained through data enrichment services is key.

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Today's consumers know that their personal information is being collected. *Fifty percent* of shoppers want this information to be used for a customized shopping experience.<sup>1</sup>

“Dear John” at the beginning of every message doesn't cut it anymore. Consumers expect all interaction and content to be relevant and consistent across devices and throughout the shopping experience.

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Here are some typical personalization problems that data enrichment services solve:

- Understanding your customer's propensity to purchase
- Identifying consumer demographics (household income, household value, age group, presence of children, etc.)
- Developing a good understanding of customers' characteristics

### **The data quality problem**

The next business objective that data enrichment addresses is the problem of data quality itself. U.S. companies collect data from an average of four channels and believe that over a third of their data is inaccurate in some way.

Just some of the consequences of poor data quality are wasted departmental budget, mailings sent to wrong addresses, the same communications sent to the same customer multiple times and when these issues occur too frequently, all lead to losing customers. The problem with so many channels used for data entry and collection is that data becomes sloppy and disorganized.

With the amount of data being created and collected rising at an increasing rate, there's no debating the need for quality control.

However, it should be noted that enrichment services should be used in conjunction with verification services—augmenting bad data would be the same as not augmenting data at all.

### **The customer profiling and lead scoring problem**

Many businesses turn to data enrichment services for help scoring leads. How does Customer A compare to Customer B? Does their behavior match what we've defined as an ideal customer? Can I use behavior metrics such as number of assets downloaded to determine the sales-readiness of prospects or customers? Data enrichment services enable businesses to personalize messages they send to prospects and customers in order to make an otherwise disorganized lead scoring process much more succinct and defined.

The following are the top driving factors behind employing data quality solutions:

- Three-fourths of companies do not have a sophisticated means of improving data quality
- Almost all companies (97 percent) are affected by inaccurate contact data
- Ninety percent of companies who state contact data to be essential to marketing success identify at least 20 percent of their data to be faulty

Aside from being able to personalize messages for more effective communications, organizations who use data enrichment services must first understand how to use that enriched data. They are entranced by the ability to append additional information about their consumers; however, when tasked with using the enriched data for scoring and prioritizing leads, they are simply at a loss for where to begin.

In this case, having the ability to drill down into consumer data is only effective if you know what information is important to your organization—otherwise, you're likely to disappear into a rabbit hole of data and come out with insights that may not be what you started off searching to obtain.

## Why enrich?

In summary, just using the data that's been captured at point of sale is no longer adequate in today's competitive market. Organizations ahead of the game are using data enrichment services to better market to their customers and make sure that money is well spent and wastage is reduced.

There are six main reasons for businesses to enrich their data:

### Better targeting

Enhancing datasets allows for successful targeting, with tailored messaging and products, better retention of customers as well as the identification of new ones.

### Better personalization

Enrichment leads to more opportunities to up- and cross-sell. As customer understanding grows, so does the ability to push more accurate and relevant products fitting consumer interests.

### More accurate communications

More accurate communications lead to less wastage. The right people are targeted with the right products.

### Better segmentation

The ability to group people with similar purchase patterns and behaviors allows for the creation of appropriate messaging and purchase propensity models.

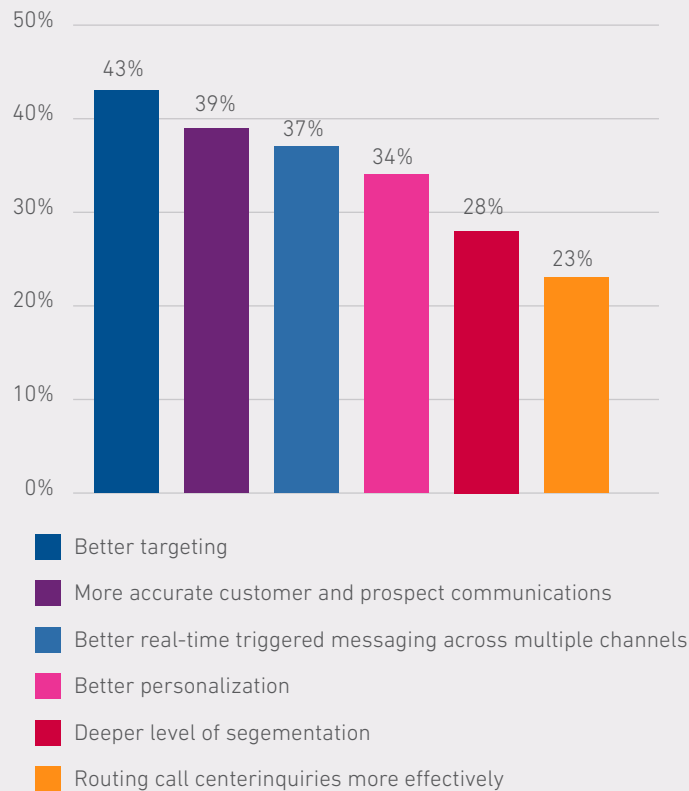
### Real-time triggered messaging

Identifying key customer behaviors and preferences will ensure customer interest is maintained because of a perceived. Products can be pushed according to recorded preferences.

### More efficient call centers

Real-time enrichment of customer data allows call center reps to personalize messages or direct individuals to the right people.

Chart 1  
Primary objectives behind data enrichment



## Use cases for data enrichment services

### E-commerce sites

**Possible users:** A digital marketing manager or e-commerce marketing manager

**Use case:** A data enrichment service would typically be implemented in an external-facing e-commerce website. During a checkout, customers would enter a shipping or mailing address for their purchase. The contact information should be first verified and standardized to ensure that the address is usable, and then enriched with additional data in real-time during the checkout. When the customer submits their order, the next screen or follow-up order can be tailored based on the enriched data.

**Results:** The e-commerce site would be receiving this granular insight into the customer in real time, with no perceivable disruption to the customer's buying cycle. They are able to increase cross- or up-selling opportunities and increase the likelihood for repeat purchases.

### Point of sale

**Possible users:** A marketing programs manager for a large retail company

**Use case:** When a sales representative records the contact data of a person at point-of-sale or in a CRM system,



additional demographic or other data elements are added to the customer record for use in targeted marketing campaigns.

**Results:** By adding on information to a consumer's record, the retailer would be able to send them personalized and valuable assets, and lead to an increase in conversion rates, whatever they are defined to be.

### **Customer relationship management (CRM)**

**Possible users:** A call center representative at a bank

**Use case:** As a call center representative verifies a client's name and address, data enrichment services can enhance that information to bring up customized call scripts that can offer the best products or services to that client.

**Results:** Call center representatives can provide more relevant and timely offers to customers, which ultimately drives customer satisfaction and increases the likelihood of successfully closing the deal.

### **Higher education**

**Possible users:** A director of student acquisition at a college or director of information services in the higher education industry

**Use case:** College admissions processes are a time-consuming and stressful period for both prospective students and colleges. The longer-than-normal conversion process—that is, the months it can take for a prospective student to make initial inquiries to actual enrollments—makes it difficult for those in the higher education space to see if their marketing efforts are resonating and thus be able to implement timely adjustments. Data enrichment services enable colleges and universities, as well as businesses that provide marketing and other information services to the higher education industry, to increase the chances of students completing their education through a better student-to-school matching process.

**Results:** Data enrichment services enable higher education institutions to maximize their marketing spend through improving campaign messaging to target and connect with the ideal prospective students.

### **Automotive**

**Possible users:** An e-commerce manager of a car brand

**Use case:** If an interested customer goes to a website looking through luxury car pages, data enrichment services will allow the business to determine the likelihood of that individual actually purchasing a car, or whether they are merely "life style enthusiasts."

**Results:** By enriching customer data with demographic, geographic and psychographic attributes, businesses can determine how likely a person will convert, which will give them more control over where to designate follow-up campaigns and man hours.

## Top questions to ask data enrichment providers

Knowing the right questions to ask potential vendors can be extremely helpful in narrowing down the field to only the vendors who can truly support your organization and vision. To help guide you during this process, here are 11 key questions that every business looking for a data enrichment solution should ask.

### QUESTION 1      What types of demographics are available on consumers?

Data enrichment services should, at the very least, include geo-demographic lifestyle, attitudinal and channel preference, demographic and interest-based consumer data elements.

What differentiates a good data enrichment solution between a great solution is their ability to provide data quality capabilities like verification, matching and standardization.

### QUESTION 2      What analytics resources can you provide to help improve my conversion rates and reduce customer acquisition costs?

There is a high cost of guiding best-fit, quality individuals to the relevant businesses. Finding a strategy, tactic or offer that is relevant and captures the attention of potentially interested parties is a top challenge for organizations today.

Real-time lead scoring enables companies to make each customer interaction tailored to specific demographics, preferences and purchasing propensities of that individual.

### QUESTION 3      How can your product help me better understand my consumers and market more effectively to them?

All businesses should have a basic understanding of their ideal customer; perhaps they even have specific marketing personas built out. However, data enrichment services provide point-of-interaction granularity into customers that allow for immediate action over the phone, online and through marketing communications.

Leading data enrichment solution providers should have access to consumer behaviors, preferences and attitudes aggregated off multiple sources to ensure that the enriched data paints as accurate a picture as possible.

## QUESTION 4

How can you help me deliver targeted messaging that really resonates?

Customers, new or old, want to be treated as individuals. Generic, "Dear John," plain messaging and offers are no longer acceptable. Today's consumer knows their data will be collected, but they expect that information to be used to make their shopping experience seamless and disturbance-free.

In the end, it's up to you how you use the information received. However, the data enrichment provider should provide you with sufficient data to help you build a complete profile and ease your ability to craft targeted messaging.

## QUESTION 5

What is the source of your data?

For any data enrichment project, it is important to know the source of your data. Your organization will make strategic decisions based on this information; therefore it is extremely important that data remains trustworthy and accurate.

Look for a vendor that can provide information about data sources. It's also important that the vendor receives information from multiple sources to cross reference information. This will ensure that the most accurate information is used to enrich customer files.

## QUESTION 6

How often is the data updated?

Data update timeframes are as important as the sources of information. You do not want old information being used for a data enrichment solution. It is important that information be kept up to date or algorithms be incorporated to avoid reference data for certain data assets.

Look for vendors that can provide a schedule for data updates or can demonstrate how often enrichment data is checked. If you are able to implement cloud solutions, data should be kept up to date at all times.

## QUESTION 7 Can you talk to the speed of this solution?

Consumers today move faster than ever before and so should your data enrichment solution. Consider a vendor's ability to rapidly enrich, process and analyze information in a scalable, flexible environment.

Find a vendor that can work within your time frames to process simple files quickly and efficiently. Remember, though, there is a difference between enriching large data files or profiling your entire database, and enriching a single incoming customer record in real time.

## QUESTION 8 What data quality capabilities can you execute in real time?

If you remember, data enrichment encapsulates good overall data quality in general. There are a variety of data quality options available to suit specific business needs, but it is important that they verify, enrich and score information as soon as it is collected.

Look for vendors that can supply at least a portion of your data quality tools in a real-time capacity at the point of capture. This will ensure only accurate information is collected and that data can be leveraged quickly.

## QUESTION 9 How will your product help me improve the efficacy of my marketing spend?

Real-time data enrichment services can help businesses become more responsive in the way they implement feedback to improve future campaigns. By improving the timeliness of marketing analytics, organizations can reduce marketing spend because they know what messages will and won't resonate with consumers.

Find data enrichment providers that can customize the solutions to work in your environment and whose analytics teams will go the extra mile to make sure everything from the implementation to the technology itself runs smoothly.

## QUESTION 10 How can you ensure that the information you're using to enrich my data is valid?

Robust data enrichment offerings should pull from a wealth of databases to offer the most complete, "truthful," image of the customer. That being said, not all service providers assess their data for integrity, nor do they ensure proper consideration is given to all interests, rules, regulations, guidelines and philosophies that impact data use and business initiatives.

The best way to make sure the information you're using to enrich your data is valid is to work with a trusted, reputable vendor with a proven track record of implementing successful projects.

## QUESTION 11 What distinguishes you from other data enrichment services?

Each data enrichment provider should have distinguishing features that make it stand out against a competitor. However, as you do your research there should be certain features that every solution provider should have.

Look for a vendor that intensively tests and processes their data, updates their database daily, has superior build methodology, fully relational architecture that combines data in unique ways for flexibility and complies with legal and compliance standards assuring clients they are using appropriate data.

Learn more about how Education *Dynamics* used data enrichment to reduce unnecessary marketing spend and achieve a 50 percent increase in the volume of prospects.

[Read the case study](#)

## Conclusion

Technology is changing the way consumers choose to engage with organizations. Increasingly sophisticated and marketing-literate consumers are utilizing improvements in technology as well as multiple channels, all of which challenges the way organizations communicate and interact with them.

Organizations must respond to this challenge by developing a personalized approach to marketing communication in order to optimize consumer engagement.

It can start with a simple exchange of information. Once contact details have been verified for accuracy, additional insight from other sources can provide a more holistic view of the consumer to better understand market fit. With an accurate and complete profile in place, it is then possible to use analytics at the point of dialog to enable data-driven decisions. And, of course, this verification, enhancement and scoring process all needs to happen in real time.

In order to maximize the business value that data enrichment provides for your organization, select a vendor that delivers a fully configurable solution with a flexible feature set, which can be integrated into your existing systems.

Look to data enrichment services to increase the value of the data within your business and help make every customer interaction a profitable one.

Understanding your customers is the first step to creating powerfully relevant, personalized and timely messaging. Experian can help you improve marketing spend efficacy and increase conversion rates with our industry-leading data quality and data enrichment services.

Want to learn more about what kinds of information data enrichment services can deliver? Check out our interactive, real-time demo.

[Try a demo](#)



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