Your CRM data is probably one of your company’s most valuable assets. But, how good is your data really? The sobering truth is that at least 25 percent of most companies’ data is probably inaccurate, according to industry analyst Gartner.

And, how much is all that bad data costing you? Consider the “1-10-100 Rule” which posits that it takes $1 to verify the accuracy of a record at point-of-entry, $10 to clean it in batch form, and $100 per record if nothing is done (which includes the ultimate costs associated with undeliverable shipments, low customer retention, and inefficient CRM initiatives). Simply put – it’ll cost you more in the long run to not have a data quality solution in place to verify, cleanse, and guarantee you have valid customer contact information.

With this in mind, here are four steps to improve the quality of your CRM data.

1. CHECK DATA AS IT ENTERS THE SYSTEM
   The first line of defense for improving CRM data and saving money is to employ a “data quality firewall” at the point-of-entry to immediately verify the accuracy of information as it comes in through shopping carts, Web forms, or calls into a call center. If a potential customer or your own data entry personnel submits invalid contact information, a real-time data verification solution can be applied to prevent bad data from entering your database in the first place.

   “Garbage in, garbage out” may be a cliche, but that doesn’t mean it is any less true. Verifying and correcting contact data at the point-of-entry will save you time and money, and those benefits can’t be ignored. The end result is a cleaner, more accurate database of customers and prospects – one that will fuel better response rates, enhance analytics, and improve customer satisfaction.

2. FILL IN THE GAPS – ADD MISSING DATA
   Even though most CRMs have validations to check for mandatory data fields, it’s not always easy to ensure a value for every field at the time a record is generated. For instance, if your contact source is a tradeshow list of attendees with only contact names, job titles, and phone numbers, it has very little value if you plan an email campaign or direct mail follow up. These gaps in data can adversely affect lead generation and revenue potential – and prevent you from gaining a holistic view of your customer. A periodic data append effort can add missing information to your records including verified street addresses, email addresses, phone numbers, names, and other key demographics – helping make every record as complete as possible.

3. ELIMINATE DUPLICATE RECORDS
   An estimated 10 percent of contact records in an average CRM database are duplicate records. Identifying duplicates and merge/purging them are critical components to improving CRM data. But it’s not as easy as it sounds. For example, a “Beth Smith” can be recorded as “Smith, Elizabeth” in another database – but the two entities are actually the same person. There are a number of software or technology-based deduplication services that can help weed out duplicates and merge multiple records into one “Golden Record,” for each customer – which helps you gain valuable insight into your customers to improve your sales and marketing efforts.

4. KEEP YOUR RECORDS UP-TO-DATE
   Every year, around 11 percent of individuals, families, and businesses relocate. As a result, data is ever-changing, leading to outdated, inaccurate information – a huge blow to the quality of your CRM database. The key is to continuously update your database with change-of-address information. Look for a data quality service provider that has access to multi-sourced change-of-address records and can return the most current addresses of those who have moved. Move updating your contact data once every quarter is the ideal, but twice a year should be sufficient. (Unless you’re going to mail to that list and then it has to be updated 95 days before each mailing to qualify for postal discounts.)

   All four steps should be done on a regular basis as part of a data cleansing and enhancement regimen to improve lead generation, customer satisfaction, and ultimately CRM ROI.

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ABOUT MELISSA DATA
Since 1985, Melissa Data has been a leading provider of global data quality specializing in address, name, phone and email verification. To find out more about Melissa Data’s CRM solutions, visit www.MelissaData.com/crm.

Headquartered in Rancho Santa Margarita, California, Melissa Data has an operating presence in North America, Europe and India.

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