Q&A

An executive
conversation with
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Why do e-retailers need to have more and better customer data?

The top reasons: to increase conversions, ensure timely fulfillment, and keep customers satisfied and coming back for return business.

Without good data, e-retailers run the risk of returned shipments due to a bad address, decreased ROI, and a poor customer experience. However, if a retailer has good data about customers, how can that be used to offer a better user experience on the retailer's website?

By leveraging good customer data, retailers can create a more personalized experience by offering special promotions that are more relevant to them.

What are some beneficial uses of data that most smaller e-retailers might not think of?

Smaller retailers can benefit from cleaning and enriching their data with valuable information like marital status, household income, presence of children, credit information, occupation, residence data, and more. By appending this information to your data, you'll be able to define the unique attributes of your best customers, predict likely future buying behavior, and identify prospects most like your best customers.

How can customer data be used to reduce shopping cart abandonment online?

Shopping cart abandonment is a big pain point for retailers. About 77% of online retail orders were abandoned instead of purchased, according to data from Statista last year. That's huge. So how can retailers use data to reduce shopping cart abandonment? It's all about making it super easy for your customers to order items from your site and letting them know delivery dates and shipping costs upfront. Retailers can create a more seamless, speedy checkout experience by utilizing an online tool that auto-completes verified addresses as customers type in their data while ordering—allowing the customer to choose a valid address that's also easily recognized by shippers. This automated process cuts data entry keystrokes in half and ensures you capture only accurate addresses to increase order fulfillments. Another powerful way to reduce shopping cart abandonment is to offer predictive shipping. This calculates the shopper's precise distance from distribution points to enable quick calculation of shipping costs at several price levels. When customers can choose the right shipping option before checkout, they're less likely to abandon their carts at the last minute.

How can better customer data help prevent fraud?

Credit card chargebacks—the charges to cover return costs and other penalties—are other huge pain points for retailers. Fraudulent activity is often the cause. A recent study by ClearSale cites that 30% of chargebacks occur due to a purchase made by a stolen credit card. But there are proactive steps retailers can take to prevent fraud and reduce chargebacks. One step is to employ an ID verification solution that will verify that all elements of customer contact data—name, address, phone number, email address—are all correlated with each other. By cross-validating that a customer lives at a deliverable address, has a callable verified phone number that belongs to that individual, and has a reachable, up-to-date email address—retailers can determine that the customer is indeed, a legitimate contact. Another step is to use entity resolution to verify a customer's national ID—such as Social Security Number or driver's license—to quickly confirm an age to prevent the activity of under-age, consumer-not-present activities.