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Email verification buyer's guide

What every organization should know when selecting an email verification vendor

Table of contents:

Summary

Business success today is driven by many factors; however, one of the most fundamental drivers of that success is effective communication with the consumer. Thanks in part to the advances made in technology, effective communication has never been more simple nor as attainable as it is today. We are now more connected and informed than we were at any other point in history.

That being said, the greatest enabler of this connectivity today is email. It stands heads and shoulders above other communication channels because of its pervasiveness and integrality to the digital consumer experience. Not one piece of consumer data is more sought after than the email address, not only making email a unique identifier, but also making it an essential catalyst in business-to-individual engagement.

The goal of this buyer's guide is to help you understand the push behind email verification solutions, the main challenges behind email data quality and provide specific questions to ask so that you can confidently select the best email verification solution for your organization.

The state of email

Email is much more than electronic mail; it's taken workplace productivity to incredible new levels, replacing all classes of communications like phone calls, in-person encounters and memos. Email is a ubiquitous, essential form of business communication—with some 5.2 billion email accounts to be made as of 2018[1]—and is also one of the only pieces of data that can link individuals across databases.

Email has become so indispensable to business objectives that product promotions, loyalty programs, shipping confirmations and more would be rendered obsolete without it. However, this means that the collection of accurate and complete emails is more important than ever. The cost of bad emails can ricochet across business objectives, starting from the perception of your organization right down to the success of your ability to reach new customers.

Goals of an email verification solution

Email verification solutions are an integral part of ensuring initiatives that rely on email don't go to waste. While it can be difficult to quantify time and other resources into dollars, inaccurate and incomplete emails can impact the potential to generate new revenue and attract more customers—and that's not a scenario businesses want to entertain. Everything from marketing campaigns, prospect and customer engagement and shipping and order confirmations rely on the successful deliverability of emails.

The goals of email verification include everything from ensuring emails get delivered to the inbox and not the junk folder, avoiding being blacklisted or marked as spam, boosting marketing campaign effectiveness or optimizing customer relationships.

Main challenges behind email data quality

Abundance of channels

Taken from our annual global Data Quality Benchmark Report, we have observed that businesses today use, on average, 3.6 channels to collect contact information. As consumer expectations rise about how and when they should be contacted, businesses must balance gathering emails quickly and gathering emails accurately.

The graphs illustrated above show the most popular channels used to collect email addresses. Taken from our 2015 Email Data Quality Trends Report, it's been observed that email quality collected at point-of-sale (POS) is the worst out of all channels. Anywhere from 15 to 40 percent of emails collected at POS are invalid—and when some

organizations aim to add hundreds of thousands of new emails to their databases every year, even a 15 percent invalid rate can represent a huge blow to database integrity.

The numerous collection channels also make the matching and linkage of duplicate records a manually-intensive headache. Businesses often store customer data in multiple databases, which inhibits the realization of a single customer view. For example, representatives in physical stores and call centers may treat the same individual as two separate people, which negatively impacts experience and perception.

Chart 1
Most popular channels used to collect email addresses:

70% Point-of-sale

70% Website

42% Events

41% Mobile applications or mobile sites

36% Call center
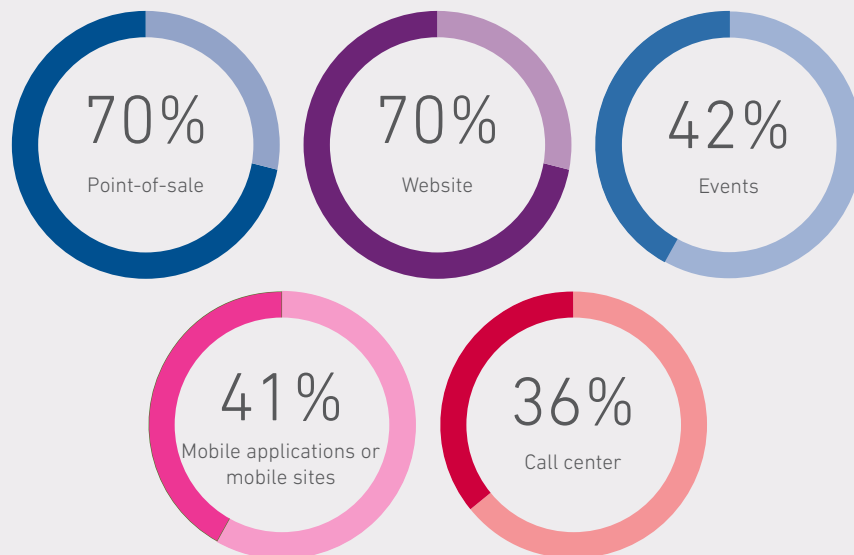
Human error

Anywhere that humans are included in the data entry process is where email data quality can be compromised. Sixty-four percent of companies cite human error as their biggest roadblock to collecting email addresses. A lack of internal communication between departments accounts for 35 percent of data errors—the next most common reason.

There's no avoiding human error. Retailers, for example, will sometimes incentivize sales associates to collect emails at the register as part of an initiative to increase their customer database. This initiative, as well-intentioned as it may be, can lead to a decrease in email address quality, either from "willful" entry of bad data to reach incentives or from genuine mistakes.

In the financial sector, as another example, 87 percent of companies believe inaccurate and incomplete customer or prospect data costs their organization money, with 21 percent going so far as to say that their revenue is completely wasted.

While the cost of one bad email may be minuscule, no company has just one bad email address. Larger companies with millions of emails in their database often have a sizeable portion of inaccurate or incomplete emails that can result in costly mistakes.

Humans will continue to be included in data entry at some level even as businesses turn increasingly towards automation to quicken processes and data collection. However, the key to preserving quality while increasing quantity lies in verification technologies to negate the effects of human error.

A third (**33%**) of companies don't know how many of their emails are invalid.

And what's more so, organizations feel that **20%** of their email database is invalid or inaccurate.

Database decay

It's not just inaccurate and incomplete emails that will hurt your deliverability efforts; email databases are also quick to decay. The average database naturally degrades by about two percent every month due to people changing personal and/or work emails, abandoning old emails or opting out of email communications.

Engaging in unsavory email practices also hastens database decay. Practices such as buying email lists from third parties can add to poor database integrity, and land you in spam traps and legal troubles.

The need for email verification

The cost of bad email data quality

Thanks to heightened security measures implemented by email service providers (ESPs) and internet service providers (ISPs), email recipients can now avoid most spam and other objectionable email practices. However, these stricter regulations mean harsher penalties for businesses that don't adhere to good email protocols.

For example, sending emails to a large number of undeliverable email addresses that result in hard bounces or being marked as spam can do irreparable harm to your email efforts. Not only does poor email address quality cause your company's authenticity and deliverability to take a hit, but your customers will also view your company in a negative light if emails they expect don't reach them.

Email remains the most popular channel for businesses to communicate with consumers. However, successful promotion of products or services, welcome and transactional emails and cross- and up-sell opportunities are often left uncommunicated as a result of bad email address quality.

Deliverability issues plague an astonishing 78 percent of organizations globally—up 11 percent from the past year. When you think about the ways in which email is used— from loyalty programs to observing trends in consumer desires and interests to boosting growth and recognition— having inaccurate or incomplete email addresses in your database is tantamount to watching valuable budget go down the drain.

Consumers expect to receive relevant and timely information in their inboxes. To avoid losing out on opportunities, businesses must ensure that they deliver on those expectations.

Did you know **24%** of companies purchase email lists?

You can never be sure about the quality of the addresses you purchase from third-parties—and doing so can hurt your database even more.

The ROI behind email verification

There is no one number to quantify the value of email to a business. While one may use email purely for informational purposes and not have any revenue tied to it, another may use email to launch campaigns directly tied to revenue generation. As such, the value of an email will vary greatly depending on the industry and business dependency.

While it can be difficult to attribute a concrete sum surrounding the revenue of an email considering the number of factors, the revenue per email was found to be $0.08 in 2015.[1]

Let's walk through an example:

We've seen, through industry research and client interaction, that 20 percent of the emails that businesses collect will be invalid. If an organization collects 100,000 net-new emails during a time period with a five percent conversion rate and average order value of $50, they would see a potential revenue of $250,000.

$$100,000 * .05 * 50 = \$250,000$$

$$\$250,000 * .20 = \$50,000$$

However, assuming that 20 percent of their emails were invalid, they would lose out on an additional $50,000 per year simply due to poor email quality!

Use cases for email verification services

Keep in mind that email validation is not a cure-all solution. While it is a critical component to a holistic, comprehensive data quality strategy, organizations should not rely solely on email validation as the root fix to their problems, as there are often numerous factors that can affect a company's email marketing success.

What problems do email verification solutions mitigate?

- Invalid email addresses

- High bounce rates

- Negative sender reputation

- Low inbox placement rates

- Decreased performance of the email marketing channel

Web forms
Possible users: Users going through the signup or checkout process

Use case: Almost every online interaction requires an email address for an organization to further communicate with their audience. Whether it's a newsletter signup or filling out a financial form, there are multiple chances for user errors to occur when entering data. Verification services will alert the end user of possible mistakes to eliminate the chance of bad data entering the system and creating unnecessary re-work later on.

Results: Any organization with an online presence can attest to the inefficiencies created by bad data. Being prompted to correct data as an error pops up will only help to improve the way organizations communicate and interact with consumers in the future.

Point of interaction
Possible users: Company representative or associate, end-users engaged in any real-time interaction

Use case: The people who collect data during point of interaction are often multi-tasking and can enter information that has superfluous characters or are not completed nor standardized. Any time where employees or consumers are required to enter in email addresses are where verification services can be implemented.

Results: Benefits of utilizing verification services during point of interaction include: fewer complaints, lower emailing costs, improved inbox placement rates and more usable leads. For retailers, this can mean additional sales that directly benefit the bottom line. For email newsletters, better inbox placement rate can mean greater brand exposure and more responses to ads, thus generating repeat advertisers and higher advertising rates.

Loyalty programs

Possible users: Marketing manager or email campaigns specialist

Use case: Loyalty programs are a counter balance to increased choices and empowered consumer behavior—they ensure that when consumers are browsing and shopping, they are being incentivized to do so by their preferred store and thus increase cross- and up-selling opportunities. However, inaccurate email data—being one of the most requested-for piece of information—means that once a customer has signed up, marketers are unable to communicate with them in the desired channels, thus wasting a valuable opportunity to send email confirmations or offers around upcoming sales.

Results: When a customer signs up for a loyalty program, they want and expect to receive regular communications from the company. Making sure customer sign-up goes smoothly, collecting quality data and using that data for timely communications that reach the inbox are key

Events

Possible users: A marketing or sales manager

Use case: Events are great opportunities to collect leads and promote brand awareness. Most business cards or contact information collected include emails, which makes validating that data important for event follow-up.

Results: Most leads gathered at events will be hot and should be followed up within three or four days after the event. Some can wait, but an acknowledgment or commitment is important to send out quickly so companies are still fresh-in-mind. Valid emails ensure that leads are contacted in a timely manner.

Reactivation campaigns

Possible users: A marketing or sales manager

Use case: Reactivation campaigns are geared towards past customers who haven't engaged with you in a while. Up to 75 percent of email subscribers can be inactive in your database, so engaging in these campaigns are great ways to reconnect.

Results: Email databases degrade by about two percent every month.2 By running a data cleanse against your database before you run your reactivation campaigns, you can identify and remove invalid and harmful email addresses, help avoid deliverability issues and make sure that you're sending messages to the right recipients.
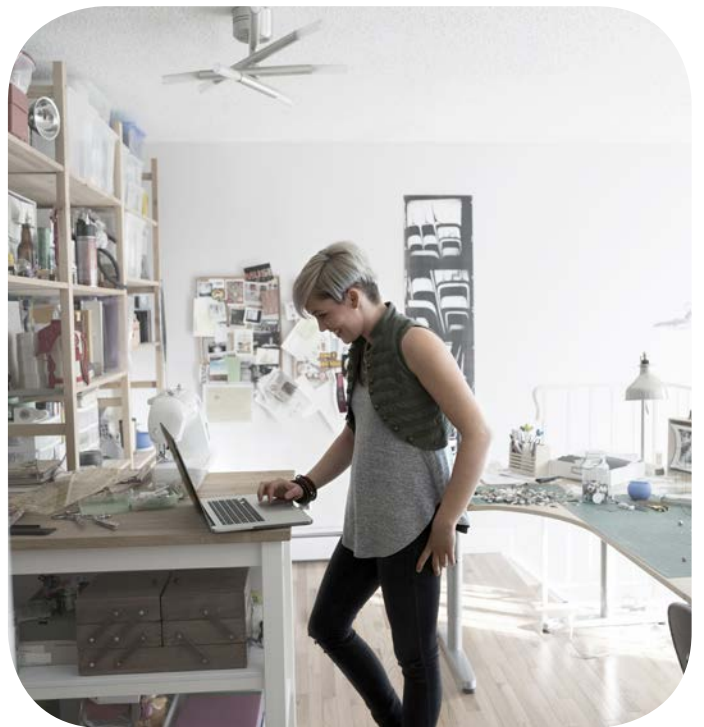
Top questions to ask email verification providers

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 nine key questions that every business focused on good email data quality should pose to vendors.

QUESTION 1

Does the vendor's verification tool include syntax, domain and active verification checks against every ISP?

Every robust email verification solution should have the following offerings: Syntax checks, domain checks and active verification against ISPs. This means they should check that the email is well-formed and complete, that the domain is able to receive emails and also should check in real time with ISPs to confirm an address can be mailed to.

A robust offering shows how well a vendor understands and responds to the overall email landscape, and how well they innovate against it.

QUESTION 2

Can the vendor perform a free accuracy test on a sample file to show how robust the solution is?

The accuracy of the results generated is an important element of an organization's broader contact data quality strategy. Ultimately, the results should be simple to understand, yet provide enough granularity for you to have actionable insights.

Different providers will have different variations of the same response codes, which can make head-to-head vendor comparisons challenging. We encourage you to engage in active communications with vendors to make understanding their unique response codes easier.

QUESTION 3

Can the vendor handle the volume of emails your company needs processed?

Solution speed is a critical factor that must be considered from the outset. Ask vendors how well they can handle the volume of emails your business needs processed, for either real-time or bulk file validation.

You should have a thorough understanding of the volume of emails your business handles. Once you have a ballpark figure, you should communicate with the vendor to see if they can give you the response or turnaround times required to meet business objectives.

QUESTION 4

How does the vendor solution deal with greylisting?

Greylisting is a method used to test suspected spam email addresses. Mail servers will "hold" emails from a sender they do not recognize. If the email is legitimate, the original server will try again after a delay and the email will be accepted.

If the verification solution is not programmed to deal with greylisting, you will find all email addresses governed by an ISP utilizing greylisting unable to be validated.

QUESTION 5

How does the vendor identify spam traps and other invalid email addresses?

Similar to greylisting, spamtraps are tools used by ISPs to catch spammers and stop them from reaching inboxes. Spamtraps are email addresses implemented by organizations that aren't active, but are actively monitored. If an email is sent to a spamtrap, then unsavory email practices have been used, which can result in ISPs blocking any further email activity.

Companies should be wary if a vendor claims they can remove all, or even a high percentage of, spam traps. Most can identify *some* spam traps, but no company should claim to remove all.

QUESTION 6

How does the verification solution deal with ISPs with "accept-all" address policies?

Some ISPs, such as Yahoo!, have "accept-all" policies, where the returned response will always be valid. In other words, the mail server will accept all email even if the email address does not exist. This will have consequences for businesses who receive valid response codes for addresses that have long been inactive, which lowers their trust in future results.

An email verification solution should conduct additional interrogation methodology to return accurate, valid and actionable responses, which may overwrite the initial response given by the ISP. You should also ask vendors if they charge for "unknown" responses.

QUESTION 7

How many response codes does the verification tool return? Will you be charged for unknown responses?

Verification result codes should be simple to understand and easily actionable. The responses should not overwhelm you into inaction, but provide just enough explanation so you know what actions to take.

Clear and actionable response codes give organizations the ability to make strong decisions with the data they hold or are collecting. They can, for example, implement training exercises to improve data collection processes.

QUESTION 8

What are the deployment options for the tool and how can you access and monitor the tool?

When purchasing software, data security should be high on your list of priorities. It's important to have confidence in the solution's ability to perform as expected but also that the solution is safe, secure and has the necessary International Organization for Standardization (ISO) accreditations.

Having a secure data center will also give your organization the reassurance that your data is protected and limit solution down-time.

QUESTION 9

What distinguishes you from other email verification solutions?

A good email verification solution should have an experienced project management, support and data analyst team to work with you.

Look for a vendor that has a history of successful project completions, updates their database daily, has superior customer service and complies with legal and compliance standards assuring clients they are using appropriate data.

Learn how ALDO shoe stores uses email verification to improve the accuracy of emails collected at the point of capture.

Read the case study

Conclusion

Email has grown to be the preferred method of communication for businesses and consumers around the world. It is faster and less expensive than traditional mail, and many customers choose to receive messages from the companies they interact with through this particular channel.

Having successful email campaigns and marketing programs depends on your subscribers being able to receive the messages you send. Effort spent optimizing the content, relevance and timing of emails is wasted if subscribers never actually see these communications.

Deliverability is an important component of email marketing success. By consistently and thoroughly validating the emails on your list, you can keep it clean and improve your sender reputation. A cleaner email list also means high inbox placement rates, and subsequently more opens, clicks and better marketing results.

Email verification solutions enable you to prevent bad addresses from permeating your list, improve deliverability and capture more leads.

Getting emails to inboxes is essential for marketing success. Our email verification solutions ensure the emails you collect are well-formed and accurate. See for yourself how our verification solution works.

Try a demo