≡experian™

drugstore·com™
the **UNCOMMON** drugstore

Drugstore.com implements real-time address verification

Incorrect addresses compromised Drugstore.com's ability to fulfill customer orders within desired service times and resulted in costly address correction fees for the company.

Objective

With more than 9.5 million unique customers since inception, drugstore.com is a leading online provider of over 30,000 health, beauty, vision, and pharmacy products. The company was founded in 1998 with a clear mission: to serve health, beauty, and wellness consumers by offering selection, convenience, information, personal service, and a trustworthy and reliable pharmacy.

With more than 5 million packages shipped annually, drugstore.com is committed to providing superior customer service, ensuring that on-time delivery of customer orders is a top priority for the company. Ron Kelly, Vice President of Customer and Pharmacy Services at drugstore.com, explained that the company's ability to meet on-time delivery goals was threatened by a significant number of incorrect addresses.

Kelly also noted that drugstore.com spent more than $150,000 annually on address correction fees, and with business volume growing by over twenty percent each year, the number of incorrect addresses, and the costs associated with correcting them, was likely to escalate even further. In addition, the company faced a less tangible, but equally damaging, cost: diminished customer service.

Most orders are submitted by customers through the drugstore.com website. Kelly said, "If a customer made an error to their address on the online order form-by transposing the street number or misspelling the street name, for example- we didn't have the ability to correct the address in real-time. These incorrect addresses led to

additional shipping costs and, more importantly, to delivery delays." He then explained that in nearly all cases, the customer still received the re-routed package, but because service times can be directly linked to customer satisfaction levels, any time a package didn't arrive as promised, the relationship with the customer was threatened.

Solution: Real-time address verification supports positive customer experiences

In its search for a solution to mitigate address correction fees and improve customer service, drugstore.com researched a number of verification products, including free tools available online. The company chose QAS Pro and QAS Pro Web, two tools that validate addresses against official postal records and provide options for partial or incorrect addresses in real-time.

According to Kelly, the fact that Experian Data Quality software is comprehensive and easy to use was important in drugstore.com's decision to select Experian, but the key

Learn more about real-time address verification.

Get started

differentiator was the product's flexibility. "In everything we do, our focus is on the customer, so the deciding factor for us was that the Experian Data Quality product would have virtually no impact on the quality of our customers' experiences," Kelly explained.

Kelly noted that the tool can be configured to work 'behind the scenes,' interrupting the order process only when absolutely necessary. "Our website processes an average of 16,000 transactions each day, and it was essential that the product we chose would make address verification invisible to the customer. Experian Data Quality does that." If a transaction has to be interrupted, the software does so noninvasively with a user interface that is simple for customers to understand and use.

In addition to using QAS Pro Web on its website, drugstore.com uses QAS Pro in its call centers to help maintain the accuracy of address information input by the company's staff, who handle customer service issues and take orders over the phone. "Our system is now designed so that every address, whether entered by a customer or an internal employee, is validated by Experian," Kelly said.

Results: Cost savings and satisfied customers

To date, drugstore.com has significantly reduced address correction fees by $100,000 annually. "With Experian Data Quality, we have the potential to realize even greater savings," he said, "but we've chosen to take a less intrusive approach that allows us to use the software to correct a significant number of addresses, yet limits the burden placed on our customer, preserving the overall customer experience-a philosophy that works well within our business model."

Our website processes an average of 16,000 transactions each day, and it was essential that the product we chose would make address verification invisible to the customer. Experian Data Quality does that.

— Ron Kelly Vice President, Customer and Pharmacy Services, drugstore.com

Improvements in customer satisfaction are harder to quantify, but Kelly is confident that a sharp reduction in the number of incorrect addresses has meant that more packages are delivered on-time. "On-time delivery translates directly into improved service levels, and by extension, more satisfied customers," Kelly noted. "While it is hard to say that 'x' number of packages each year are delivered more quickly or that customer satisfaction levels have increased by 'x' percent, it is clear to us that with Experian Data Quality, we're realizing significant cost savings and service improvement."

Want to try address validation in your organization?

Start your free trial