



MAKING SENSE OF THE NUMBERS

How to Interpret Results from a Data Evaluation

How do you determine what the data evaluation results are telling you?

In part 1 of this series, we described how to get the most from a consumer identity data evaluation with a third-party vendor by providing the right kinds of data, clarifying your goals and diversifying your sample.

Evaluation results shouldn't be just a set of numbers.

Results should provide intelligence about individuals, actionable insights that steer you toward successful strategic and tactical engagements, and context around the quality of your initial dataset.

Infutor's team of experts put together some benchmarks and guidelines to help best determine value of the data you receive from potential partners through the evaluation process.

This is part two of a three-part series from Infutor about evaluating and selecting data providers. In this installment, we take a closer look at how to interpret the results you receive from providers during a data evaluation.

In part three, we will discuss what to consider when making your final decision in choosing a data partner.

What You Get Back

You'll see the best results from a vendor who constantly mines multiple trusted sources along with its own identity graph of historical and current intellectual property

Depending on the evaluation you perform — such as a CRM cleanse, full identity completion, data append of lifestyle and predictive attributes, or data hygiene—the provider may return a range of information for you to review. This can include:

ID or data verification score. This number expresses the accuracy and validity of the identity markers you submitted—including name, address, phone and email—typically on a scale from 0 to 100.

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Match rate. This indicates the percentage of identity markers and/or data attributes appended that the provider matched to the original dataset you provided. For example, if your initial dataset includes 400 phone numbers, and the provider matched 300 of those numbers with new identity markers and/or attributes, the match rate equals 75%.

75%

Keep in mind, there are multiple ways for vendors to match information. There's a big difference between individual matches, household matches, and in some cases address or zip code matches. Make sure you know how the vendor performed that match, so your results reflect the specific audience you expect to engage with.

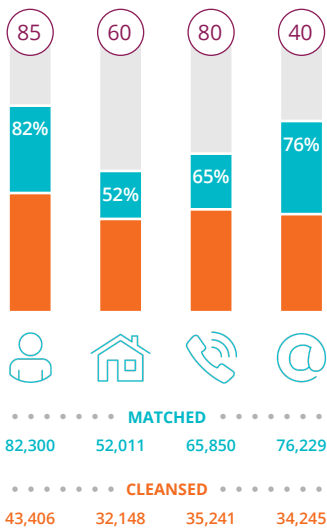
The amount of linked identity markers. Identity markers are the building blocks that together create a complete consumer identity. These include email addresses, names, physical addresses and phone numbers. Vendors with deep, wide coverage of identity markers resolved to a single identity are better equipped to link with what you provide.

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Context. A solid evaluation should return an input score to indicate the quality of the information you provided. How the vendor treated your data is another important consideration. For example, if your input information was out of date, miskeyed or missing, did the vendor run hygiene processes to optimize the data before performing the full evaluation?

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If they used your initial data as-is, you're more likely to receive suboptimal results. You'll see the best results from a vendor who constantly mines multiple trusted sources along with its own identity graph of historical and current intellectual property.



Understanding Scoring

What's important aren't necessarily the numbers themselves, but the intelligence behind the scores—the key to higher ROI

It's easy to obsess over match rates, but **the results aren't meant to be interpreted in black-and-white terms**. In other words, a low match rate isn't necessarily an indication of bad data on your or your vendor's behalf—it could be a marker for valuable intelligence about an individual.

For instance, a low score may simply mean the phone number, email, physical address or other identity marker you have on file may have changed since you obtained it. **Even just knowing about this change is helpful** in better understanding where customers are along various life stages. A name change, for example, may indicate someone who's recently gotten married. And if the vendor appended a new address, the change may help identify individuals who are commonly transient.

This information helps segment groups of consumers into personas [see next page]. Personas use identity markers and attributes to paint a bigger picture of who these individuals actually are and provide signals as to how their lives may change in the future, and when. Mei Yang Selvage, research director at Gartner, said *"innovative organizations like Airbnb and Amazon are using good quality data to allow them to know who their customers are, where they are and what they like."*

The quality of data returned after an evaluation helps you know which personas are your **most desirable customers** or **most predictive leads**. If you find that frequent movers are your best customers, that's an important persona for you to track.

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Aside from changes in an individual's life, low scores can also indicate incorrect information, including:

- Bad typing/data entry (including data in wrong fields)
- Deliberately false entries
- Business phone numbers
- Improper punctuation and hyphenation
- Wrong format of phone numbers and/or addresses

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Top data partners will provide validation or confidence scores so you can differentiate information that's obviously wrong and information that's recently changed, giving you the intel to distinguish between personas.

What's important aren't necessarily the numbers themselves, but the intelligence behind the scores—the key to higher ROI. The more you can weed out bad or outdated identities, the more you can cater to more promising ones and make faster and more meaningful connections.



A Closer Look at Consumer Personas



Personas are groups of individuals who share certain tendencies, attributes or identity markers, indicating similar lifestyles, life stages and propensities.

As counter intuitive as it may seem, personas like the ones below are often uncovered as a result of data evaluations. They may result in low data evaluation scores, but **could actually offer you valuable intelligence** on which segments overperform or underperform for your specific business:

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- **The Settled Individual:** Often an older professional or retiree, these consumers tend to be more established. Their information doesn't change very frequently.

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- **The Accidental Roommate:** Current economic conditions are such that many millennials continue living at home with their parents longer than previous generations. They may share a physical address, but they have their own phone number and email—resulting in some confusion around their identity.

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- **The Movers:** This persona reflects the 36 million people who change addresses each year.

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- **The Newlywed (or Newly Split):** Recently married or divorced individuals account for some of the two million name changes reported annually.

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- **The Untethered:** In 2017, more than 49 million prepaid phones were active in the U.S. These phones are appealing to certain populations, including recent college graduates growing more independent from their parents and looking to save money. Some data partners can identify pre-paid phone service providers.

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- **The Shopper:** Every year, 40% of consumers change or add emails, including avid online shoppers looking to dodge inbox clutter. Receiving multiple emails from your evaluation can provide you with intelligence about reaching these shoppers through digital, social or alternative email channels.

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Examining Intelligence

As we stressed in part 1, the data you receive from an evaluation should be **specific to your business requirements and goals**. Depending on who you're trying to engage with, your evaluation results can include a variety of intel-enhancing attributes about the consumers in your file to further articulate an individual's identity.

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These attributes include:

- Home ownership
- Auto ownership
- Income
- Marital status
- Number of children
- Wealth score
- Age
- Gender



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These are just a few of the attributes that further complete the puzzle of a consumer's identity. You can also benefit from receiving propensity indicators, which **identify individuals who are likely in the market** to buy a car or house, for example. Attributes also help you identify individuals who buy certain categories of goods, like apparel, technology and more.

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Your data evaluation results will vary depending on your use case. For example:

- If you're evaluating a potential data partner for **identity verification and completion**, you should receive a score with additional identity markers. This score will provide you with instant intelligence about the accuracy of an individual's identity, as well as providing additional information for incorrect or missing data.
- If your evaluation is for **appending data**, you should ensure the appended data is exactly what you need to optimize your campaigns. For instance, if you are looking to target a consumer online (through an email append), are you getting all household and individual email addresses tied to the individual or just a single email address? Additional email addresses will improve your online matching, enabling you to extend your audience reach.



No matter what, ask yourself:

Am I getting back what I need to be successful, and is that information complete?

How can I test this evaluation data against my own truth set to ensure its accuracy?

Ask Questions

Remember:

Results aren't meant to be interpreted in black-and-white.

A low match rate isn't necessarily an indication of bad data—it could be valuable intelligence about an individual.

Don't be afraid to ask your provider questions.

How do they create confidence markers, matching scores and other accuracy indicators?

Confidence scores provide insight into the last time an identity marker was updated or validated. Validation scores will provide you with a confirmation that the vendor is able to accurately resolve identity markers to a consumer. A quality data vendor will be confident in their solution and offer transparency regarding the processing they perform on your data.

Also discuss with any data provider how the data evaluation results will translate to implementation:

How will this information help me improve my consumer outreach or interactions?

A data vendor ahead of the curve will explain your evaluation results and how they apply to your goals. They'll keep a finger on the pulse of your marketplace and consult with you if consumer behavior is changing. They strive to ensure, at the least, your business needs are met. The best data vendors are consultants that help you grow your company beyond your expectations.

Up Next: Onboarding a New Data Partner

You've conducted the evaluation. You've analyzed the results. Now you're ready to team up with your vendor. **What comes next?**

There's plenty to consider for the onboarding process, especially when it comes to technical options and timelines. You'll need to make some determinations around the types of development, weighing the merits of API versus batch or on-premise delivery.

We'll cover all of this in part 3 to help you make the best choices for your business.

Learn more about the **Consumer Identity Management Experts**

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