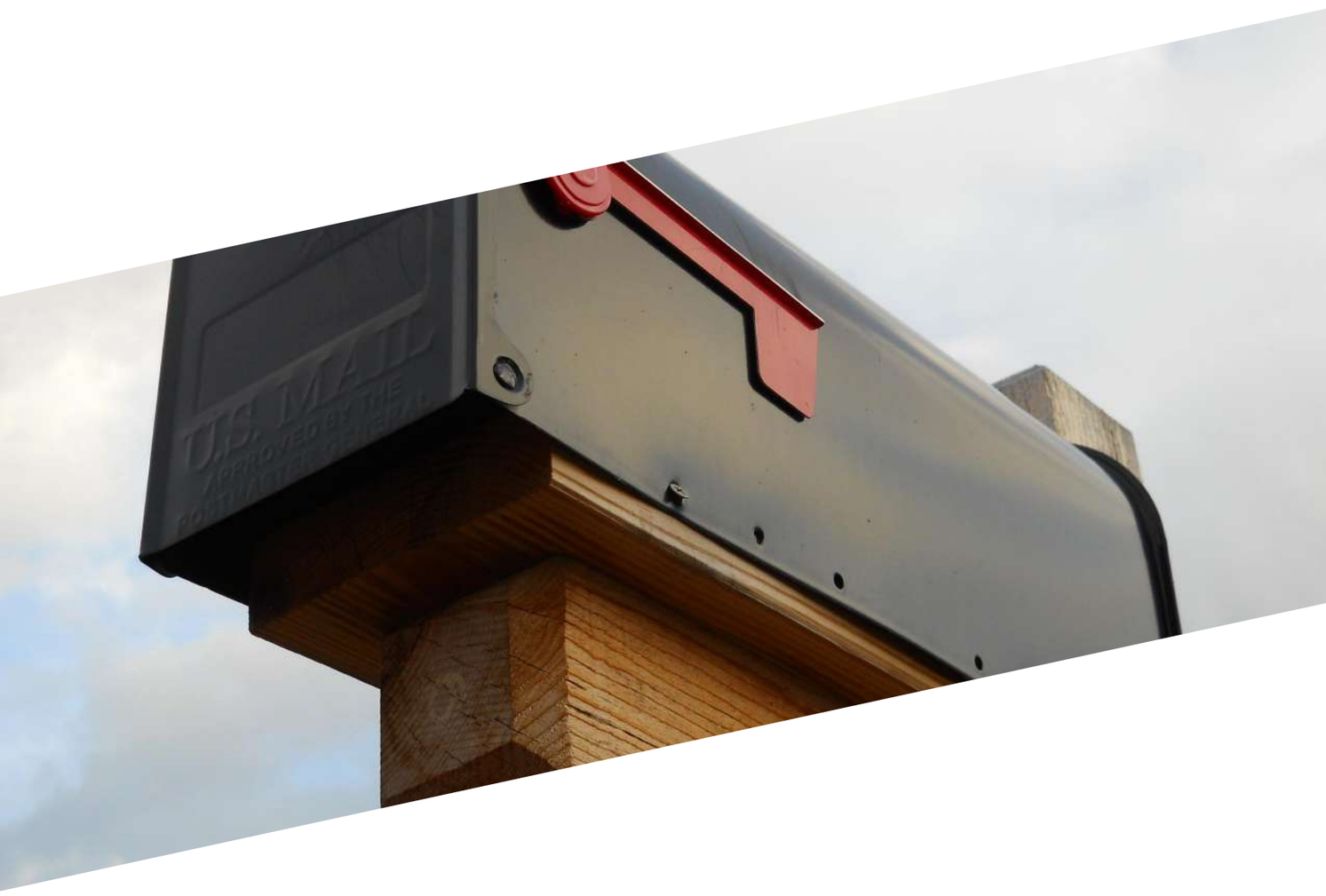
easypost.

The Importance of Address Verification



FOR INQUIRIES, CONTACT **SUPPORT@EASYPOST.COM**
417 MONTGOMERY STREET, 5TH FLOOR, SAN FRANCISCO, CALIFORNIA, 94104

Overview

A lot of things can knock a package from its intended path. As your support team already knows, the last thing a customer wants is an undelivered package, and the first thing they'll blame is your business. Even if it's for a reason entirely out of your control, your support team has to perform some damage control, usually in the form of a discount or free product, which means even more money out of your pocket.

This is why it's important to increase deliverability in any way possible, and one of the biggest reasons for undelivered packages is bad shipping addresses. It can be because the customer completely misspelled their street name, or they put in the wrong format for their unit number, or they got a couple numbers wrong on their ZIP code. So even if the customer's at fault for providing bad address information, it's still in your best interest to verify the customer's intended address. You could lose an average of $5 per shipment in wasted postage when you send out undeliverable and unverified packages.

Current address verification makes it possible to prevent shipments from going out with bad address data. Whether you do this at the checkout stage or the shipping stage, it's important to patch the shipment leakage associated with bad addresses. In this whitepaper, we'll go over how address verification (AVS from here on out) should work for U.S. addresses, how it should work for international addresses, and the overall benefits of applying it to your business operations.

How Domestic AVS Should Be Done

Certain companies will rely on mapping services like Google Maps to drive their address verification. It's a logical solution, seeing as how many people rely on mapping services to get them from point A to point B. While this is a step in the right direction, it's also not the best solution. Mapping services are usually address approximation services, meaning that they'll accept bad address data and approximate the closest location where the address could be, without actually verifying if the entered address is valid to begin with.

Address approximation services also can't tell the difference between physical and shipping addresses. Certain businesses will only accept mail and parcels at their shipping address, not their physical address. Address verification services can tell the difference between the two (and mark their physical address as undeliverable if that's the case), but address approximation services can not.

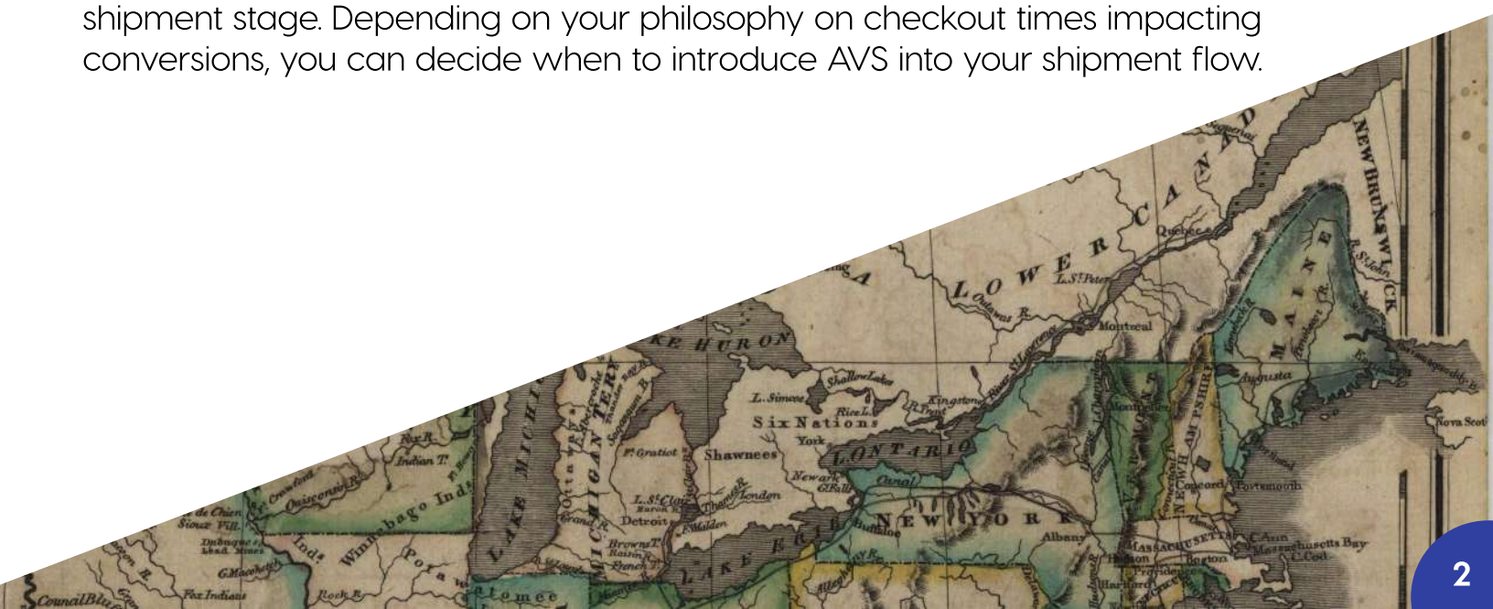
For true address verification, it's best to integrate with CASS (Coding Accuracy Support System) certified services, which leverages the USPS' database of addresses and provides actual verification to every address that goes through your system. The USPS maintains a comprehensive and standardized database of virtually every U.S.-based address, which ensures complete verification of any U.S. address that is entered into your system.

Most CASS certified software will either correct addresses or flag them as invalid when they're entered. Below is an example of what CASS software can do to correct a bad address:

The input of:
417 MONTGUMURY STREET,
SN FRENCISCO, CA, 94101

Can be corrected to:
417 MONTGOMERY STREET,
SAN FRANCISCO, CA, 94104

With most AVS APIs, you can provide this functionality at the checkout stage or at the shipment stage. Depending on your philosophy on checkout times impacting conversions, you can decide when to introduce AVS into your shipment flow.



How International AVS Should Be Done

Unlike U.S. AVS, international AVS is a little trickier, with differing difficulties associated with different countries. There are four major reasons for this.

1. Different countries have differing qualities in their address data. Some countries will have the same strong databases that are equivalent to the USPS', but other countries may not, especially if they're developing countries.

2. Another reason is the lack of address standardization for certain countries. Take China for instance, they have fungible standards for urban and rural addresses', which makes it even harder to maintain a strong standardized address database.

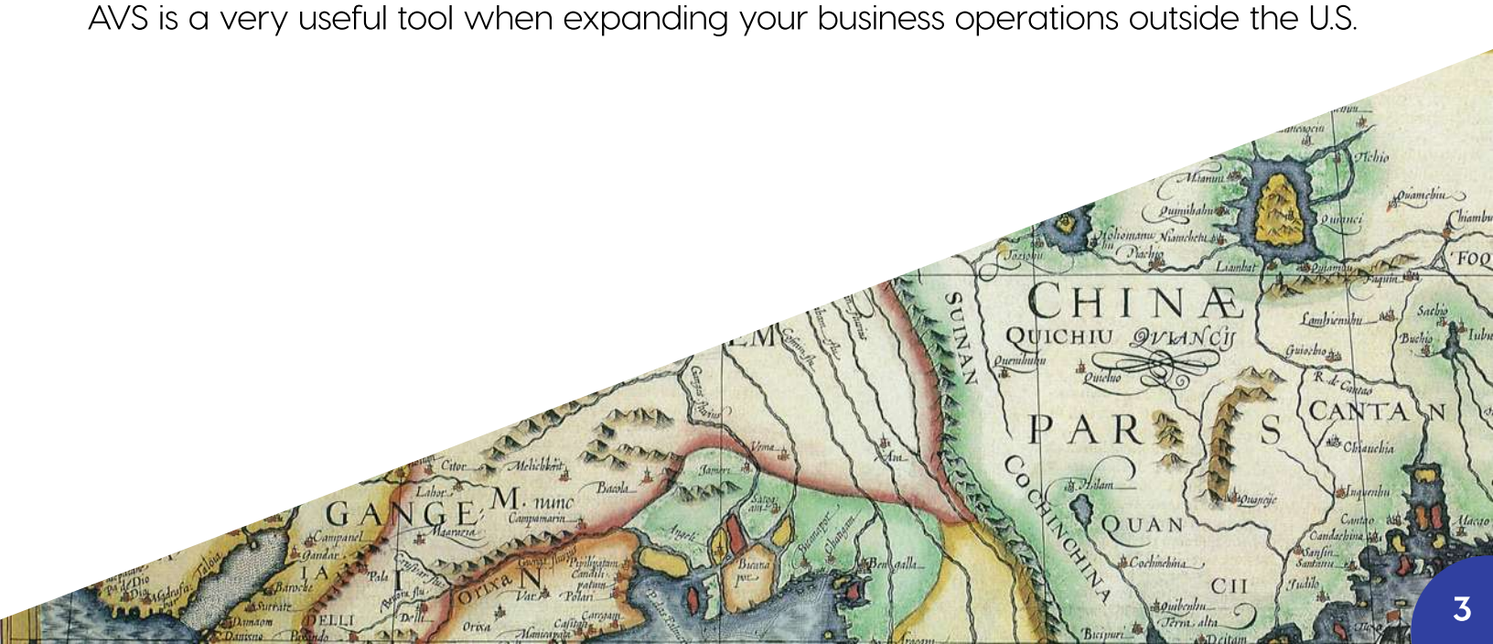
3. Language complexity also plays a factor. For example, Japan uses three different alphabets (katakana, hiragana, and kanji) in their written language, which adds even more difficulty in standardizing their address system.

4. Finally, certain countries may not have the technology to provide good endpoints that are required for smooth integration, making it tougher to provide AVS support for that country.

Because of these complications - and the fact that certain countries charge more for their database access - international AVS is markedly more expensive than U.S. AVS. Given the price and the varying quality of international AVS, many companies may balk at implementing international AVS into their systems. But this only reopens the problem of undeliverable packages being sent internationally, which represents an even bigger loss.

Since software providers can't control the data quality or formatting of a country's address database, there are other innovative ways to ensure good international AVS. For instance, EasyPost will log bad addresses that have been used before, so that our systems can continuously refine upon the country's true address layout - even if their address database is rarely updated.

Innovation is the key to ensuring good international AVS. And good international AVS is a very useful tool when expanding your business operations outside the U.S.



The Benefits of AVS

We ran a three-month study comparing packages sent with AVS against packages that were sent without. It covered a million packages from a wide variety of customers, and we came to two major conclusions:

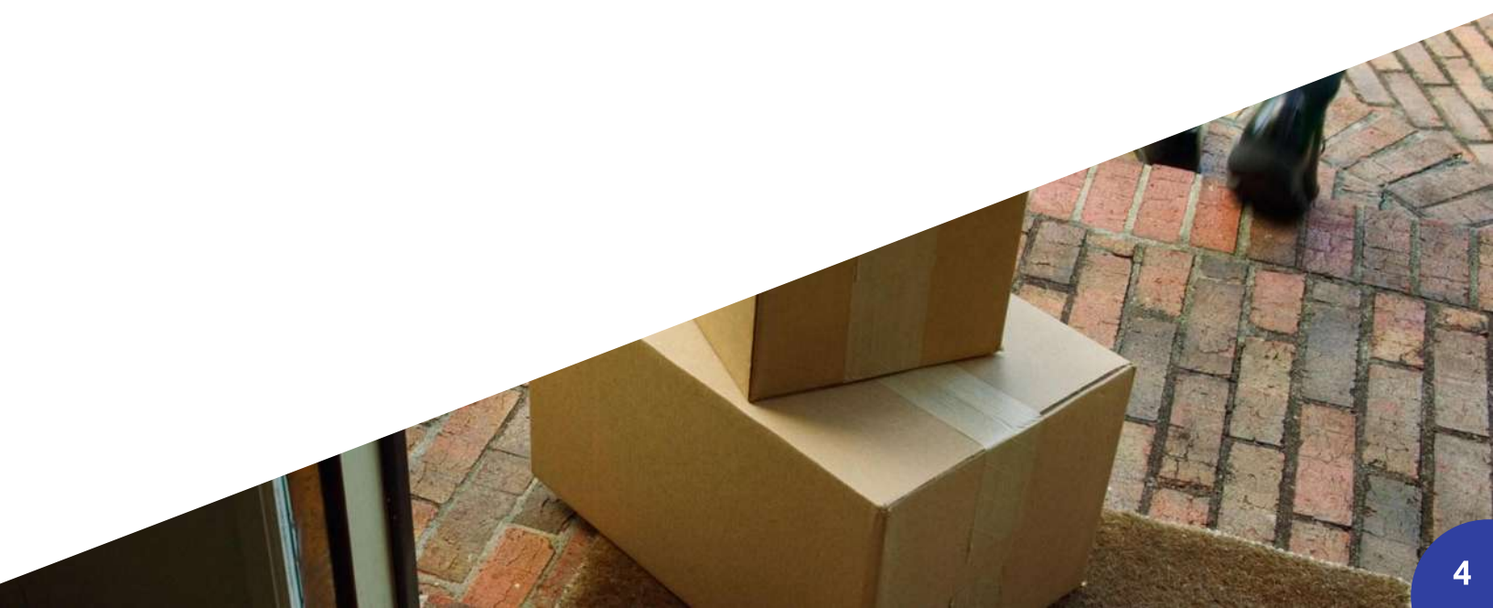
1. The vast majority of customers do NOT verify their addresses, seeing as how the unverified package data set was almost 41 times larger than the verified data set[2].

2. Verified addresses improved deliverability of packages by 62% over unverified addresses[2].

Cutting down your undelivered packages by 62% is a substantial figure, one that represents saved revenue from something as common as an address typo. Given the ubiquity of U.S. AVS solutions and their relative affordability, there really isn't an excuse for businesses to go without AVS for their U.S. customers.

It becomes even more important on the international level. Customers from countries without a Roman alphabet can easily screw up their address on your U.S.-based eCommerce store. There's much more room for error, which dooms a package's deliverability before you can even package it. Even if most international AVS services can't offer the level of verification as their U.S. AVS, it's still a tool that can help guarantee deliverability and preserve your business growth abroad.

In all, consider AVS as a welcome guardrail against the inevitable entropy of doing business. Customers are going to make mistakes on their shipping address, but that shouldn't stop them from receiving their package, and it shouldn't stop you from completing your sale to them. Especially not when the tools exist to help prevent such a simple, yet costly, mistake.



Support & Resources

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