

Geocoding is vital to understanding your customer

 By [Gary Allemann](#)

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Geocoding is not new to the South African market; however its use has historically been relegated to the Geographical Information Systems (GIS) team and had limited use within mainstream business

This is changing as the importance of knowing one's customer's location is becoming increasingly obvious for marketing, planning and operational purposes. Location information can bring a vast amount of insight to any business - supporting an enhanced customer experience and optimal use of expensive infrastructure. However, to ensure geocoding provides benefits, quality address data is required.

According to YourDictionary.com, geocoding is defined as: "Converting addresses, place names, or other conventional locators into geographic coordinates." Geocoding can provide a wealth of information and benefits to many industries, such as retail, courier services, insurance and more. Unlocking the knowledge from the information obtained from geocodes can give a wealth of intelligence to an organisation, providing many businesses with the information to give them the competitive edge to their rivals in the industry.

Poor data quality can severely impact on an organisation's ability to geocode address data. Small inconsistencies, such as abbreviations, missing information, spelling mistakes and typing errors, can make it impossible to match existing data against a national address database purchased from an external vendor. While small data volumes can be enriched manually, the large volumes typical in business data sets require an automated solution.

Maximise the value

Organisations should opt for solutions that enable them to maximise the value that geocodes deliver. This means choosing a data quality platform that is able to standardise, validate and format address data before assigning latitude and longitude coordinates. This will ensure that the most accurate location data is available. In South Africa, for example, this may require translation to standardise addresses into English variations, correct common spelling or typing errors and add the correct postcode. Multinational corporations need to consider a solution that can deliver decent results in every country in which they have a presence.

Quality address data, which results in quality geocodes, will result in improved efficiency, cost savings and better decision-making.

Geocoding allows organisations to integrate address information with other business data, enabling organisations to make improved decisions, review opportunities and empower the organisation with planning, marketing and other activities.

Geocodes allow organisations to visualise address information, ensuring better decisions can be made, based on the results. With the current focus on improving the customer experience, understanding your customer's location relative to your services can be your competitive differentiator. It can also save you money by ensuring that new infrastructure investments are located where they will add the most value.

Accurate address data

The logistics industry is particularly dependent on accurate address data. Profitability depends directly on quoting correctly based on the distance that will be covered. Too high and you lose the business to a competitor, too low and you deliver at a loss. The ability to plot delivery addresses on a map quickly means more accurate pricing and more efficient route planning.

Location is also playing an increased role in managing insurance risk. Insured locations can be plotted against high-risk areas, such as flood plains, in order to provide a more accurate risk profile for each insured party.

Geocodes can provide an organisation with a wealth of benefits: improved customer experience, cost savings, targeted marketing initiatives, and more. Accurate address information that is standardised, validated and complete is necessary for organisations to reap these benefits. Location intelligence, once unlocked, can provide organisations with the edge they need in this competitive business world.

ABOUT GARY ALLEMANN

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