CASE STUDY

Shippo

Reduced undeliverable packages with over 420M+ verified addresses

Challenge

Inaccurate and invalid address labels disrupt shipping, causing delivery delays, increasing operational costs, and creating customer dissatisfaction.

Solution

Implement Smarty's US Address Verification and International Address Validation APIs to ensure that all customer addresses in Shippo's database are valid and verified.

Results

By making Smarty® the first touchpoint in its address verification process, Shippo has reduced undeliverable packages, improved delivery performance, and cleaned up its mailing database.

PRODUCTS USED

US Address Verification

International Address Verification

smarty

The client: Shippo

Shippo, a global shipping and logistics platform with hundreds of employees, offers a simple way for businesses to compare postage costs, purchase and manage labels, and track packages for efficient delivery. With integrations across 100+ carriers and services used by enterprise clients, small businesses, and individuals, Shippo facilitates accurate and efficient shipping across the globe. "Shippo gives you scalable shipping tools, the best rates, and world-class support."

The challenge: Reduce the amount of duplicate, incorrect, and bad address records

Deliverability is a critical KPI for Shippo's customers. "Deliverability is everything in shipping," said Saurabh Sharan, Product Manager at Shippo. "We have to be able to determine if an address by itself is deliverable or not."

Businesses expect shipping efficiency from Shippo to print accurate and deliverable customer address labels so their packages reach their intended destinations. If Shippo supplies invalid, bad, or inaccurate addresses, its customers encounter shipping delays, increased labor and expenses, lost revenue, customer mistrust, and a poor brand reputation.

Shippo handles millions of domestic and international addresses annually, so attention to detail is vital for its and its customers' success. Even a tiny mistake can have costly repercussions over time, so reducing the number of undeliverable packages because of low address quality is a high priority.

While outperforming its competitors, Shippo sought an address expert partner to enhance its premium offerings.

The solution: Implement Smarty's US and International Address Verification

In 2021, Shippo integrated Smarty's address validation APIs into its processes to ensure accurate shipping data and minimize failed deliveries. With clean address data, Shippo could reduce undeliverable packages due to address-related errors, improve deliverability logistics, and provide efficient delivery processes for customers of all sizes and locations.

Implementation and usage

By implementing Smartys US Address Verification and International Address Verification products into their existing systems and processes, Shippo hoped to eliminate bad addresses, improve delivery efficiency and data accuracy, and do the same for their customers.

Shippo offers multiple touchpoints where address validation occurs within their product:

- **Address validation pre-shipping:** Customers can validate addresses before shipping, ensuring the entered information is accurate to avoid returned or undeliverable packages.

- **Carrier service options:** Using Smarty's metadata and categorizing whether an address is residential or commercial, Shippo provides customers with the most relevant carriers(e.g., FedEx, DHL, USPS, etc.), services(e.g., FedEx Ground vs. Home Delivery), and prices.

- **À la carte address validation:** Smarty's address validation API is the first touchpoint in the standalone service Shippo offers for non-shipping businesses, such as insurance companies that want to validate current addresses.

The results: Reduced undeliverable packages and added value

Implementing Smarty's API's was straightforward. According to Saurabh, "The documentation was very easy to understand. Smarty's API also allowed [Shippo] to build in additional business logic, such as validating addresses to different levels (city, street, apartment) based on available data, so that was incredibly helpful for our use cases."

Identifying the API responses with Smarty's support team was incredibly useful. "Specific technical and product questions we've had were answered with very clear and quick solutions," stated an Engineering Manager. Saurabh agreed: "The support team, in combination with clear documentation, really helped."

Being able to integrate Smarty's products swiftly encouraged equally swift results

Reduced undeliverable packages: Saurabh shared that after integrating Smarty's Address Validation API into their web application, they saw an overall reduction in address-related errors reported by carriers, specifically errors caused by a bad address in their customer address database. Shippo noted that the enhancement increased delivery efficiency and reduced undeliverable packages due to improved address validation

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Product Manager at Shippo

early in the shipping flow. Although exact percentages are under analysis, the trend is positive and growing.

Enhanced accuracy with metadata: Shippo relies heavily on the metadata points returned by Smarty's validation service for address quality insights. For example, Smarty's address verification allows Shippo to distinguish between residential and commercial addresses, which informs customers of relevant and accurate shipping services for their packages. This added layer of detail ensures customers don't choose inappropriate shipping options that could lead to delivery failure or increased postage costs.

Additionally, having address records with current address data is extremely important when calculating labor and shipping costs. Saurabh said, "There's definitely an improvement in our web app deliverability because of this new address enhancement that we've done with Smarty."

Fast and reliable performance: "I think the first thing that surprised us about using Smarty is definitely uptime and response times, which have been consistently fast." stated Saurabh. "That's crucial for us to build a stable product." With enterprise customers concerned about SLAs and response times, Smarty's APIs consistently perform exceptionally well, with response times around 300-400 milliseconds for high volumes of data processing, according to Shippo. This efficiency ensures that Shippo's products operate seamlessly for its customers, especially during peak shipping periods. The uptime has also been dependable, providing Shippo with the essential reliability to keep its operations running smoothly.

Scalable address validation across multiple regions: Shippo uses Smarty's API for address validation in the US and is exploring ways to leverage Smarty's property data and enrichment APIs for improving deliverability, particularly in areas where secondary address data, such as apartment

numbers, may be missing. Shippo complements Smarty's data with other validation services for international shipments.

The Smarty advantage: Shippo's team praised Smarty's documentation clarity, responsive support team, and reliable uptime. An Engineering Manager noted that even when technical questions arose, Smarty's support team provided comprehensive explanations and potential solutions. Shippo is confident in continuing its partnership with Smarty for future address validation needs.

Conclusion

By integrating Smarty's address validation APIs, Shippo improved address accuracy, reduced undeliverable packages, and enhanced the overall customer experience. With robust API performance and responsive support, Smarty helped Shippo elevate reliability and accuracy to maintain its leading status as a scalable address labeling and shipping platform for all sizes of businesses worldwide.

With 419 million domestic and 7 million international addresses validated in 2023, Shippo diligently pursues accuracy across all regions and address types.

Discover the benefits of accurate address data. Talk with an address expert today!