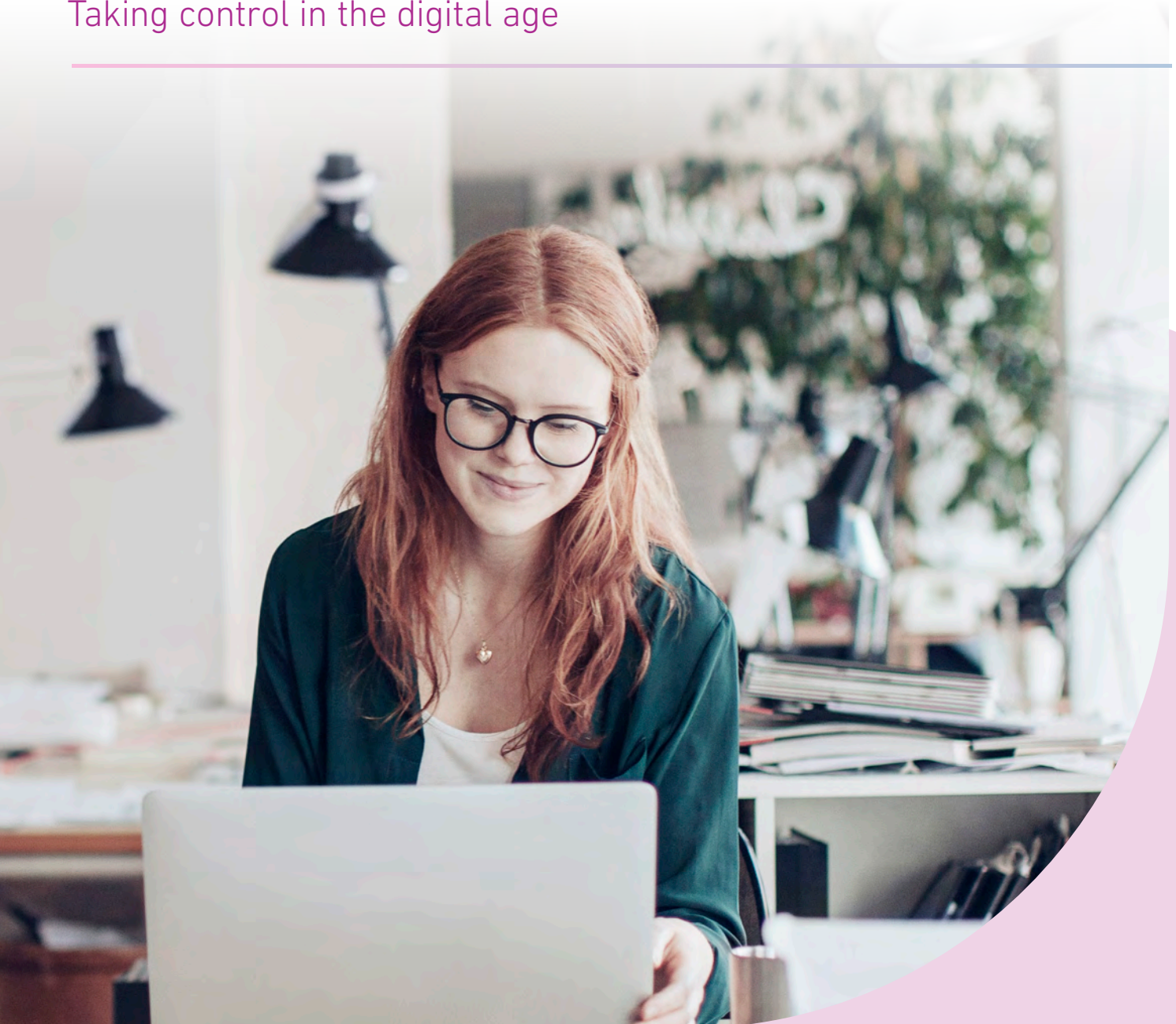


Benchmark
report



2019 Global data management research

Taking control in the digital age





Methodology

Experian conducted a survey to look at global trends in data management. This study looks at how data practitioners and data-driven business leaders are leveraging their data to solve key business challenges and how data management practices are changing over time.

Produced by Insight Avenue for Experian in November 2018, the study surveyed more than 1,000 people across four countries around the globe: The United States, the United Kingdom, Brazil and Australia. Organizations that were surveyed came from a variety of industries, including IT, telecommunications, manufacturing, retail, business services, financial services, healthcare, public sector, education, utilities, and more.

A variety of roles from all areas of the organization were surveyed, which included titles such as chief data officer, chief marketing officer, data analyst, financial analyst, data engineer, data steward, and risk management. Respondents were chosen based on their visibility into their organization's customer or prospect data management practices.



Taking control in the digital age

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Section 1
Customer experience



Section 2
Trust in data



Section 3
Changing data ownership



We see, year after year, that despite our ambitions, many businesses fail to take full advantage of the opportunity that data can provide to improve customer interactions to increase business performance.

Executive summary

With companies facing increasingly complex data challenges that can determine the success or failure of their business, never has it been so important to have accurate and reliable data. Businesses encounter almost continuous disruption – frequently driven by accelerated data insights – and increasing regulatory pressure to improve transparency and ensure consumer privacy. Moreover, the modern consumer brings online expectations and digital demands, requiring companies to respond ever faster and more granularly than before. One-to-one marketing has become the new digital experience.

Companies not only have more data, but also greater access to the technology required to convert increased volumes of data into meaningful, actionable insight. Yet, so many seem paralyzed. Why? The answer is simple: lack of control and poor data quality.

Companies continue to see the importance of leveraging data to improve their customer experience, which remains the top strategic business driver. However, we see from the survey that companies are not achieving this strategic intention, and others, to the degree they deem necessary to be competitive. They struggle in two main areas: gaining timely access to all relevant data and in developing trust in the accuracy of their data. Organizations told us they suspect almost a third of their data is inaccurate, and 70% say they don't have the direct control over data that they need to impact strategic objectives - namely customer experience.

We see, year after year, that despite our ambitions, many businesses fail to take full advantage of the opportunity that data can provide to improve customer interactions to increase business performance. Current data infrastructure and management practices are often not set up to handle today's digital consumer, the volume of data generated, and the multitude of systems collecting the data, leaving users with inaccurate data and limited access. Consequently, they have been limited in their ability to leverage new data talent, technology, and best practices that can help them gain the necessary insight to innovate and stay competitive.

Our research this year explores these areas where businesses are feeling a lack of control. First, we look at how data directly impacts customer experience and why it is important for a department or practitioner to have immediate access and the ability to correct data to achieve that ever-elusive single customer view. Second, the survey considers what is driving poor data quality and resultant lack of trust. An astonishing 95% of respondents indicated that poor data quality undermines business performance. Finally, the survey suggests that an overly centralized process is limiting the ability of business users access data, which is a large source of the quality problem.

When it comes to data, it is important to remember that most businesses are grappling with how to utilize this asset. By exploring these areas in more depth, we hope this research will shed light into best practices around leveraging data.



Mike Kilander
Global Managing Director
Data Quality, Experian

Section 1

Customer experience

Every organization can benefit from having an improved view of its customers. Now more than ever, customer experience is seen as competitive advantage and revenue driver. Our research shows that improving customer experience is a leading driver for creating a single customer view (SCV).

While businesses want to better understand their customers, the definition of SCV is up for debate. For most, as the research shows, a SCV can vary by department and largely depends on the needs of that part of the business. That can mean the view for finance might be different than that of the marketing department. While that may be the case, a large percentage of people still believe a SCV is one central repository for a consistent view across the business, and nearly one in five see it as an individual view based on individual needs.

Even though the definition can vary, the vast majority of organizations face challenges in gaining insight into their customers. That is no surprise considering the number of data sources that are constantly changing across the business. In fact, information overload tends to be the largest obstacle. The volume of information and the number of data sources is the leading challenge for 36% of organizations respectively.

Three key challenges impacting the ability to deliver excellent customer experience



30%
poor data quality



30%
method of interaction changing



30%
legacy systems or lack of new technology

Respondents say 'SCV resides in...'

28%

say it resides in a marketing automation platform



27%

say it is hosted with a service provider



21%

say it is in a data lake



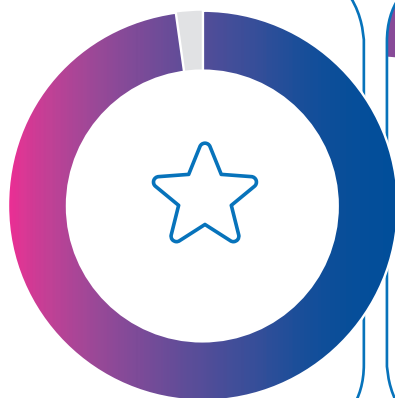
42%

say in a central CRM



98%

of companies use data to improve the customer experience.



The biggest driver for achieving a SCV

Improve customer experience	42%
Improve operational efficiency	38%
Improve strategic decisions	37%
Increase customer retention	36%
Increase customer sales	36%
Reduce costs	33%



Customer experience takes center stage

Kevin McCarthy, Director of Product Marketing, Data Quality, Experian NA

Customer experience has been a staple for businesses for decades, but it is undeniable that the strategic importance of customer experience is at an all-time high. It's the number one priority for businesses over the next year, as cited by 53% of our survey respondents. This is significantly higher than objectives like reducing risk and gaining cost efficiencies, which could be considered operational in nature. As businesses continue to participate in an increasingly competitive and evolving digital marketplace, customer experience is quickly becoming the key differentiator between brands. And the best avenue to improve customer experience is by using data.

How data is used to improve the customer experience

Organizations are working to improve the customer experience in a number of ways, such as by developing a better understanding of customers through data, surveying customers to measure satisfaction, and increasing personalization. While the need for data to power these uses is undisputable, data can also provide businesses with insights that can help them improve communications, better handle complaints, and improve delivery or fulfillment of products. Each of these efforts requires a vast repository of consumer data, and more than that, the data on hand must be high-quality, trustworthy, and paint a holistic view of each consumer.

This flood of data into businesses is providing opportunities for better customer engagement, but it is not without risks. In fact, 69% of organizations agree that inaccurate data itself is undermining their ability to provide an excellent customer experience. This paradox illustrates the major challenge that organizations are grappling with. It also further highlights the additional challenges the study found, such as poor-quality data, the ways in which customers want to interact changing too frequently, the drag of legacy systems and a lack of new technology.

Given that so many organizations are struggling under information overload, it is not surprising to see poor quality data top this list. We predict that data quality concerns will continue to plague organizations, in one way or another, until they can implement the right processes and technology to scale with modern data demands. What is surprising to see here is that changing customer demands are the second largest problem. This is tricky because most data management and governance programs aren't flexible enough to account for the changing needs of the business. This really puts a spotlight on the third challenge here: inadequate technology that cannot scale or provide the required flexibility to meet business evolution.



We understand that customer experience is paramount for businesses, the question of ‘who is your customer?’ is not an easy one to answer. Different departments may have different answers to that question based on what their needs are and the messages they are trying to get across. Marketing to a household may be very different than executing on bill collection to an individual. This is why there is so much debate around a single customer view or SCV today.

Is a SCV good enough?

The perception around SCV is changing. Some respondents believe it is based on individual departments, others believe there is one central repository, and still a few believe that a SCV is dependent on the individual needs of the user. For now, most single customer view programs reside in a single CRM; however, 29% of businesses say that there are different views of the customer across the business.

This data shows we are moving in a direction of a contextual customer view more than a traditional, more technical single customer view. This new model directly impacts the need for technology to be flexible enough to morph its definitions based on the context of the business definition.

Giving context to your SCV

Today’s emphasis on customer experience and SCV is indicative of the general trend toward the needs of the individual over and above the needs of the masses. Consumers want and expect (and take) things personally, and they have more ways than ever to communicate their pleasure, or displeasure, with a product or service. Getting an accurate view of the customer for the business is imperative in today’s world, which is why there is a renewed sense of urgency around these efforts.

Regardless of how these businesses define a SCV, half of them believe that they have a SCV today, and another 38% plan to have a SCV in the next twelve months. What this tells us is that while businesses are relentlessly focused on understanding their customers, the needs of the business determine the granularity of that view.

Achieving flexibility

Based on what we now know about the evolution of SCV, organizations need to consider the people, processes and technology around developing a better understanding of the customer to achieve the contextual view the business requires, without compromising accuracy.



Cultivate the right talent

The people who can speak in both a data and business language are going to be critical in bridging the gap between technically achieving a SCV and driving the requirements of the business. Data analysts, data engineers, and data scientists are emerging roles that are bridging the gap. Collaboration among this trio of individuals (IT, Business, Data) will be the key to ongoing success.



Account for context

Processes around data will need to be structured enough to build trust in the results, but flexible enough to modify those results based on the context of the data usage. This could not be more applicable than in the construct of SCV, or as we’ve described, a contextual customer view.



Buy technology for all

Technology will need to be modern, modular, and manageable. This means that IT needs to feel comfortable with technology choices that fit into their current stack as a seamless component. Additionally, the business units have to feel comfortable interfacing with the software to plug in their own (often departmental) data rules, transformations, and logic to provide a holistic and contextual view of their pool of data.



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Section 2

Trust in data

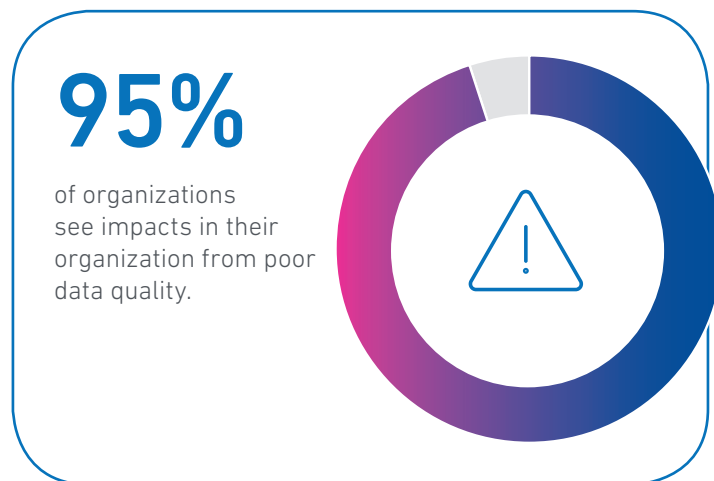
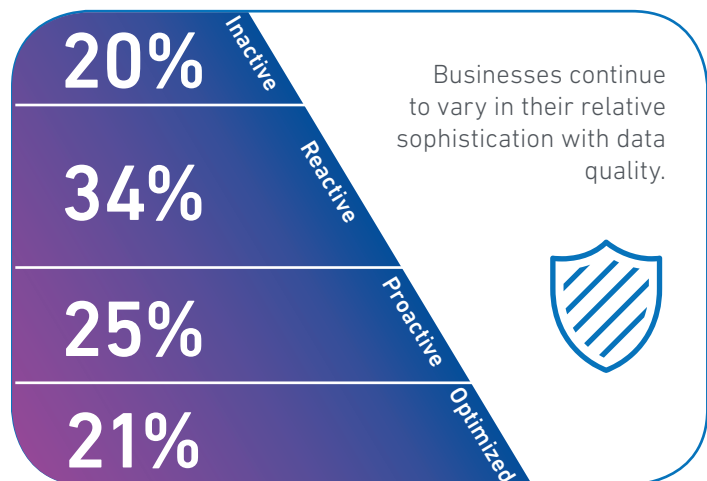
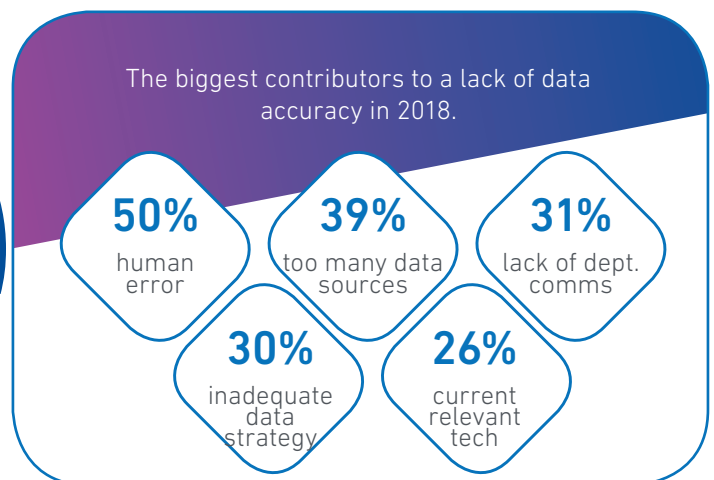
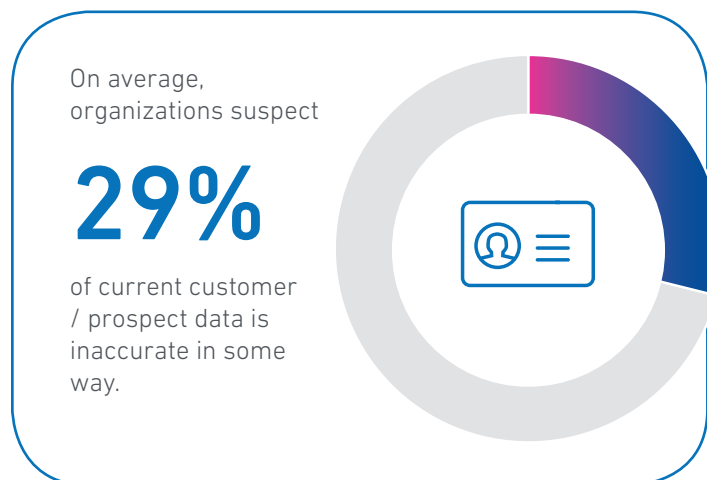
Data has become the key driver for critical business initiatives. As such, organizations need to become serious about managing their data as an asset. Trusted data enables businesses to make more informed decisions, foster profitable relationships with consumers, accelerate innovation, and gain competitive advantage.

However, trusted data is not a reality for most businesses. On average, organizations suspect 29% of current customer / prospect data is inaccurate in some way. Information is often incomplete, spread out across multiple sources and difficult to manipulate to gain meaningful insight. In fact, one third of the organizations surveyed think that one of the biggest challenges in leveraging data to achieve top business initiatives is the lack of trust in data.

Despite an increasing demand for data and insight, we have not seen organizational data management maturity improve in the past three years – actually, most remain relatively

immature in their data management practices. As such, human error continues to be the largest contributor to this level of inaccuracy, which becomes more prevalent with the increasing volume of data. Challenges like the number of different data sources and volume of data are not going away any time soon; in fact, they will only get worse as more digital channels and data assets become available.

To turn this level of inaccurate information around, it is crucial for businesses to have the right people, processes, and technology to manage data and make sure it is sound, complete, valid, accurate and reliable.





Leveraging data to its fullest potential

Steve Philpotts, General Manager, Data Quality & Targeting, Experian AUS

One of the biggest challenges in leveraging data to its full potential is a lack of trust.

Data is growing exponentially, flowing from multiple sources and stored in disparate systems. While companies are working to gain a competitive advantage by leveraging data to innovate, their data management practices have not evolved for several years to keep up with the high volume, velocity and variety of data. Legacy practices for managing information have resulted in poor data quality and an associated lack of trust in it across the organization.

The level of distrust is high

The high degree of distrust is hurting the bottom line. Data-driven insights and business projects are slowed to a crawl when organizations can't trust their information. Our study shows that 95% of organizations see negative impacts from poor data quality, resulting in wasted resources and additional costs, ineffective business initiatives, poor customer experience, delayed data migration projects, and much more.

One of the key ways organizations are trying to improve their customer experience is by generating better insight through a SCV. We often see organizations struggle with data management projects, like achieving a SCV in all aspects of the engagement because of poor data quality. This can be tied back to incomplete, inconsistent or inaccurate data. The context of data (i.e. where did it come from, when was it captured, who captured it, what it can be used for, where it goes, and when it was last updated) also plays a key role in having better understanding and control over it.

Lack of trust in data paralyzes organizations, preventing them from making decisions and embarking on strategic projects. Distrust can cast doubt on an entire project, even when only a small segment of the data is inaccurate. This results in two scenarios. Either businesses bury their heads in the sand and execute projects using inaccurate information, or a lack of trusted data acts as an excuse for decisions not to be made and keeps businesses from innovating. Either way, the outcome is negative.

Steps to building trust

The only way to break this inertia is to build trust. Organizations need to have a better understanding of their data and systems, develop an overarching data strategy, and identify quick wins to build confidence in data and new processes.



Understand the status-quo

When thinking about trusted data, it is important to remember that this doesn't mean perfection. It is never going to be 100% accurate, but it should be as close as possible and organizations need to know their limitations and weaknesses.

A good place to start is by assessing the data landscape. It is critical to identify where it originates, how it is used, and the technologies in place to manage it and manipulate information over time. Understanding the root cause of data quality issues enables the organization to better understand the problems and take actions to remediate these issues. Developing practices around data remediation and data monitoring will help maintain high levels of quality over time. Those practices help build trust and understanding, which allow you to leverage data across more business initiatives.

“Our study shows that 95% of organizations see negative impacts from poor data quality, resulting in wasted resources and additional costs.”



Develop a data strategy

Many organizations today lack a firm data strategy that has the buy-in of the C-suite. That lack of management support is part of the reason we believe the level of sophistication around data management has stayed relatively stagnant in recent years. While the C-suite certainly understands the importance of data and the potential insight it can bring, they do not always invest effectively in managing that information over time.

Part of the challenge is that organizations often approach data management from a technology-first perspective. This means they look at data governance or data quality as a finite project. They believe they need to source and purchase a technology, implement it, and then all the management issues will go away, and the data will just work.

Unfortunately, there is no silver-bullet for building trusted data that can be leveraged across the organization. Instead, a long-term strategy needs to be created to look at how information can be improved and maintained over time, but importantly the strategy needs to include quick wins to build momentum. This doesn't just happen with technology; the organization needs to invest in data talent and create an organizational shift around processes to make them more data-centric. For example, unless you put processes in place to prevent human error, there are always going to be data quality issues. Looking at a long-term strategy is critical to moving the needle on leveraging data in the digital economy.



Identify wins

Organizations need to build momentum for data changes and identify quick wins that can demonstrate success to the business. The issue with some data management projects is they can take months or years to yield results. That will only frustrate the business and potentially result in a reallocation of funding.

While you should keep an eye on longer-term initiatives, it is better to start with small projects and cherry-pick easy wins to build momentum. Start by benchmarking your data quality levels first to get a baseline with data profiling, then use that to demonstrate improvement. This will create credible reference points that can be leveraged to gain support from the more resistant departments. Areas for consideration include projects like improving contact data quality at the point of capture - fields like customer email and mailing address are often riddled with errors. Other areas include using sophisticated matching technology to eliminate some of the duplicates in your system and start to consolidate records.

These quick wins will be different for every business. It is important that you use the first section around understanding your data to determine which issues are having the biggest impact on your business and then determine if there is any way to ease the burden with quick data management techniques.

Developing trust is a journey

We live in the era of data explosion and disaggregation. Data is a strategic asset that can help organizations improve operations and provide a better experience to their clients. This is only possible by having trust in data. It is imperative that organizations look at investing in their data management strategy to drive innovation and business transformation. Remember, developing trusted data is an ongoing journey and everyone in the organization has to take accountability and play their part.



Unfortunately, there is no silver-bullet for building trusted data that can be leveraged across the organization. Instead, a long-term strategy needs to be created to look at how information can be improved and maintained over time, but importantly the strategy needs to include quick wins to build momentum.

Section 3

Changing data ownership

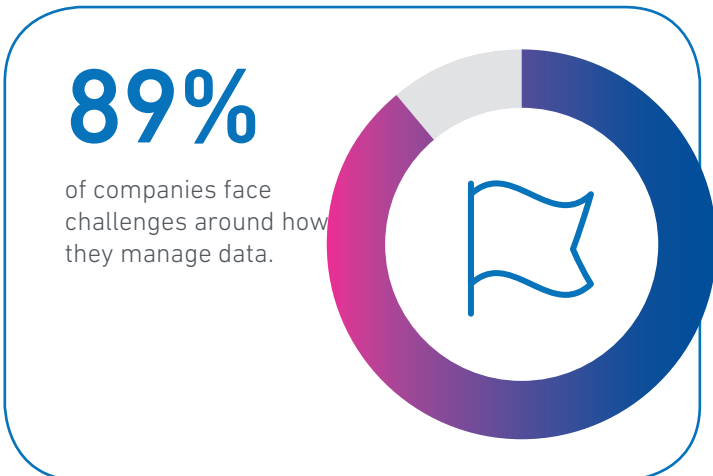
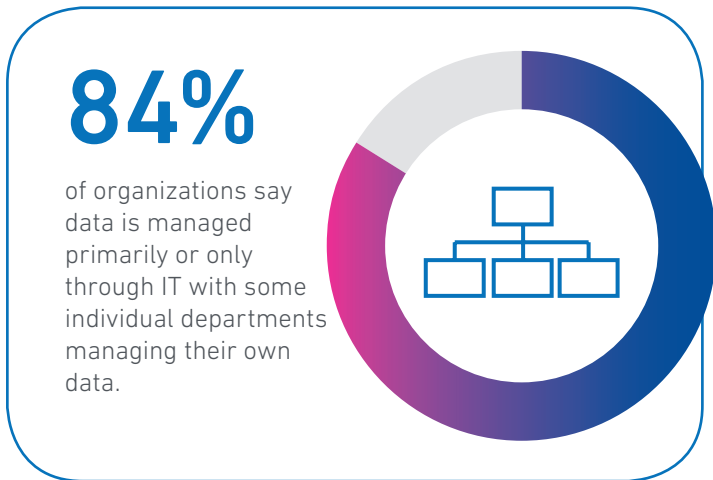
In the data management space, a trend is emerging which exposes how control of data in an organization is evolving. This new research study sheds some light on reasons why businesses are struggling to derive value from their data.

Eighty-nine percent of businesses report that they struggle with managing data. These struggles include delays in insight and a lack of trust in underlying data. While these challenges are common to all approaches to managing data, in 84% of cases, data is still managed primarily or only through IT. This is a team that has priorities other than data quality or analytics and sometimes lacks an understanding of the business drivers behind a particular task.

This reality is not in line with how organizations actually want to see data managed. 75% think responsibility for data quality should ultimately lie within the business with occasional help from IT. Add to this that 70% of businesses say not having direct control over data impacts their

ability to meet strategic objectives and the message is clear. We're seeing notable desire for change - namely a decentralization of data management from the IT department.

IT may manage data in 84% of cases, but when it comes to who is driving change through data management projects, we're seeing encouraging signs that business owners are at least starting to get involved. IT teams are only leading these initiatives in 53% of cases, with 28% claiming it's a combination of departments, and 24% of cases, the Chief Data Officer's team drives them. Change is needed in data management if organizations are going to reach their data-driven objectives.





Are you in control of your most important asset?

Paul Malyon, Data Strategy Manager, Data Quality, Experian UK&I

Whether data is a strategic and valuable business asset is no longer up for debate. However, unlike property (controlled by Facilities) or money (controlled by Finance), data is an asset which has unclear and variable ownership. As we can see from this year's research, this is leading to challenges.

Most concerning to me are the delays in gaining insight and a lack of trust in data. Regardless of where control sits, these issues are likely to affect the value of analytics and impact business strategy, customer experience and regulatory compliance. Organizations need the structures, processes and tools in place to ensure only high-quality data is provided to enable the right insights and sound decisions to be made.

Who is in control?

Data ownership is starting to shift from a central department to a decentralized model. When we think about control, we traditionally think about when a single department has sole responsibility for managing and providing access to an organization's data. We're beginning to see a growing desire to make that shift to a decentralized model, where at a basic level, you are removing the ringfence and giving responsibility and access back to the business users who need the data to do their day jobs. This is very much in line with a theme we're hearing more about

these days – the democratization of data. According to the Harvard Business Review, "Companies that want to compete in the age of data need to do three things: share data tools, spread data skills, and spread data responsibility."

Our research shows most organizations still operate in a centralized model, with management of data sitting mainly within the IT organization. While many IT teams are well qualified to do this, they have their own important 'day jobs', such as securing the business (the top priority for 65% of IT professionals). They should not be expected to wrangle data or provide reports and analysis on top of an already heavy workload.

Businesses are feeling the effect of this stretched resource. 56% do not feel that IT fully understands the data management needs of users (including 57% of IT respondents themselves) and 70% claim that a lack of control is impacting their ability to meet strategic goals. This is a dangerous disconnect for the effectiveness of analytics and decision making. It's likely to be a major factor in this emerging trend for decentralization of data control, especially in light of a clear appetite for responsibility for data quality to lie within the business.

What's the alternative?

Organizations need to evaluate and move away from pure IT ownership. The alternative is adopting a decentralized approach, which can bring significant benefits when managed carefully.

The challenge of decentralization is less straightforward and can pose risk if clear rules are not set in areas of



regulatory compliance, data quality, ethics, security and so on. However, these are areas that are made easier to manage if the organization has a strong Chief Data Officer (CDO) that reports into the Board.

The clear distinction here is that the CDO function does not replace the IT department. Rather it delivers the strategic direction to ensure the right people have the right tools to manage or access relevant data and deliver the best outcomes for the business. I'd imagine that some of those 13% who already have a decentralized approach are not yet organized in this way, and it could explain why they appear to experience the same challenges as those still mainly controlled by IT. Encouragingly, we're seeing signs of change with some now also using a CDO to drive forward the development of specific data capabilities.

The path to a CDO-led approach

It is clear that there is still a way to go until we see a business-led, holistic approach to managing data and supporting technologies. With data management projects often run by IT, there needs to be a clear set of requirements and budget coming from the business. While the department running a data management project normally holds that budget today, if the project is run in a disconnected manner or without the end users in mind, the budget may not always deliver the desired results.

Fuelling this appetite for change is a realization that current approaches to managing data simply aren't delivering. Businesses believe that around 29% of their data is inaccurate in some way. This statistic has remained unchanged now for several years and points to the fact that under IT control, the basic foundations needed for today's digital business aren't in place.

However, we are starting to see change. We looked at the factors influencing purchasing decisions of data management technologies. Happily, the top requirement was ease-of-use for business users at 43%. This is a positive sign that giving control to business users is moving from being just desirable to an essential requirement from both IT and non-IT respondents that will start to drive change.

Putting a CDO in place is a visible sign that organizations are investing in data and are more likely to drive a data strategy that will support this business intent. If not, even under a decentralized model, other decision makers within the business may not be clear on why investing in the fundamentals, such as operational data quality, is the only way to get the most value from advanced analytics.

Is decentralization the next big thing?

My main take home is that organizations need their data management solutions to flex to the needs of an increasingly diverse group of stakeholders who want more control of their mission critical data.

The solution is less clear. If you're considering the benefits of decentralizing your data ownership, there are three main areas to consider before you set the wheels in motion.

Strategic objectives – Deciding who in the organization can access and control data should always be anchored back to high-level business objectives. Customer experience, efficiency, growth; you need to understand the role of data in delivering these things and from this you can decipher who needs what data to make it happen.

Leadership – Decentralization is most certainly not a 'one-size-fits-all' model. It provides more control to the business, but ideally should be anchored around a CDO. Organizations do not have to have a CDO by name to have success with a decentralized model. A CTO or department head passionate about data can also serve that function.

Technology – Having the right technology in place is critical when moving data out of a more technical IT environment. It's critical that you properly scope out not just the core features but also whether it's intuitive enough for non-technical business-users. They are going to need agile, user-friendly tools that let them overlay business context to leverage valuable insights from that data.



Businesses believe that around 29% of their data is inaccurate in some way. This statistic has remained unchanged now for several years and points to the fact that under IT control, the basic foundations needed for today's digital business aren't in place.

Conclusion

Seizing back control of data can unlock a number of possibilities. For businesses, it can help them better understand and interact with their customers, improve efficiency and operations, and also enable more informed decision-making. However, many businesses globally have not been able to unlock data's potential because they are losing their grip to some degree by under-investing time and resources into their data management strategy.

When we consider trends like decentralization of data ownership or building a contextual customer view, those are in direct response to the needs of a wider group within the business requiring data and insights to perform even daily tasks. Soon the days where data just sat in IT and business users made requests for reports will be gone. Now data is required everywhere within a business for both operational and strategic gain.

Without trusted data, organizations cannot be truly efficient, nor can they innovate and maintain a competitive advantage in a market moving faster than ever. While analytics and insight are the dream, organizations have to make sure they are getting back to basics first, investing in the data talent, technology and processes that are going to allow them to build trusted data sources that can enable operations in today's digital economy.

Key learnings

Across this report, we have looked at key trends around data usage and management and how organizations can improve people, process, and technology to unlock data's true potential. Here are a few of the key findings from the report.

1.

- All businesses are looking to leverage data to better understand their customer, but the definition of the customer varies across the business.
- Processes around data need to be structured enough to establish trust, but flexible enough to modify the view based on the context of the data usage.

2.

- Trusted data enables a host of business benefits, but management practices have not kept up with changing data usage.
- Organizations need to invest in data management to drive innovation and keep up with the data explosion.

3.

- While control of data today is still primarily centralized, that model is shifting to a decentralized model, giving more control to an increasingly diverse group of stakeholders.
- Anchor this new model around a CDO or a department head passionate about data.

Experian helps businesses unlock the power of their data. We have the data, expertise, and proven technology to help our customers quickly turn information into insight.

Contact our experts today.

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