

Finding insight through data collection and linkage

Develop a better understanding of the consumer through consolidated and accurate data





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Introduction

Businesses today are looking to utilize data to better understand the consumer. This effort is taking place across many departments, from marketing to operations. The end goal is simple: better understand your consumer to improve the customer experience and ultimately drive retention and revenue.

However, understanding the consumer is not a simple task. Without the personal connections of the past through face-to-face interaction, companies can have a hard time tailoring a customer experience.

Consumers are now interacting with companies across many different channels, not just traditional brick-and-mortar or email, but through social and mobile. To create consistency, marketers need to rely on data to understand what is happening with an individual consumer across each interaction point. Therefore, they collect a lot of information through many different channels. On average, companies collect information across 3.4 channels. However, the data is collected in a variety of formats and with varying degrees of accuracy.

The lack of accuracy hurts a company's ability to understand the consumer in that individual channel, but to also link information across channels. Eighty-three percent of companies struggle to link customer information across channels. In addition, information is placed in a median number of six different data sources. Those disparate databases and a lack consistency in data collection are leading to a poor data source that companies are unable to properly use.

Today, only 24 percent of companies state they have a single customer view. The lack of a single customer view is preventing organizations from truly being data-driven and driving better consumer engagement.

To improve the ability to understand consumers through data, companies need to improve data collection and data linkage practices. Organizations have a host of information available to them in the big data world, but they need to make it accurate and accessible to gain insight.

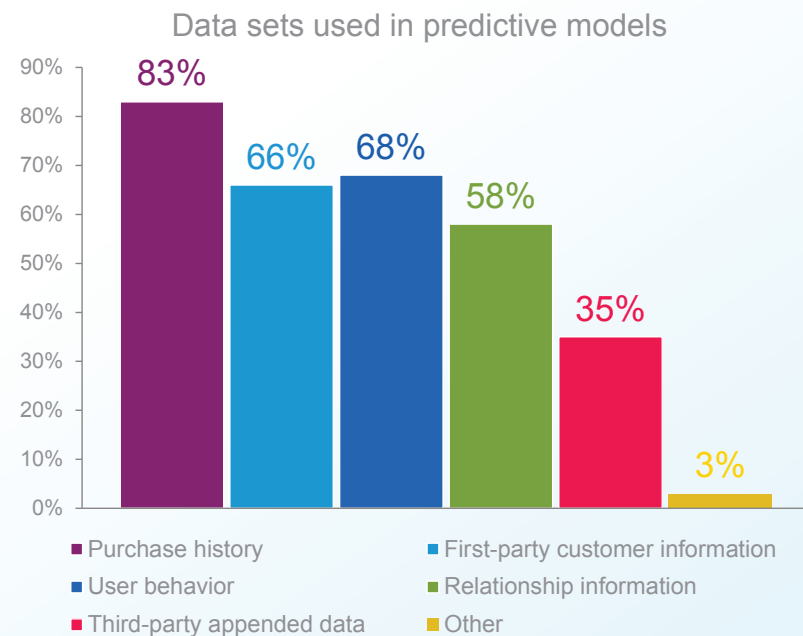
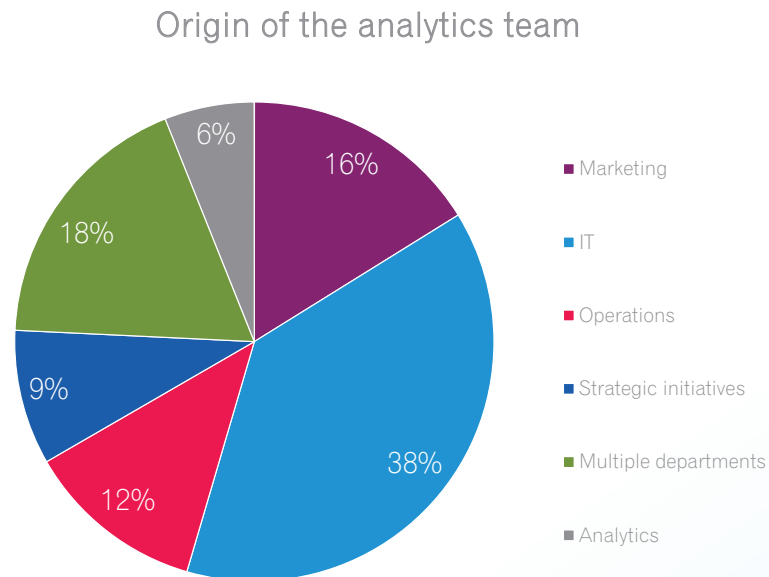


Key findings

Understanding the consumer

Organizations today are looking to leverage data to better understand the consumer. That could be why 79 percent of companies have an analytics team. The median number of employees on an analytics team is 22. These individuals sit across a number of different departments, but mainly reside within IT and marketing.

Analytics teams help with personalization, data analysis and other efforts around gaining a detailed understanding from first and third-party data. On average, companies are investing \$137,000 on analytics efforts annually, with enterprise businesses investing more than small businesses.



In addition, more companies are looking at predictive analytics to not only understand past consumer behavior, but understand what actions they may take in the future. Eighty-six percent of organizations have implemented or are in the process of implementing predictive analytics or a predictive model for personalization. Predictive analytics leverages a number of different data sets, from purchase history to demographic data and preference data, to build models that react in real time to customer information.



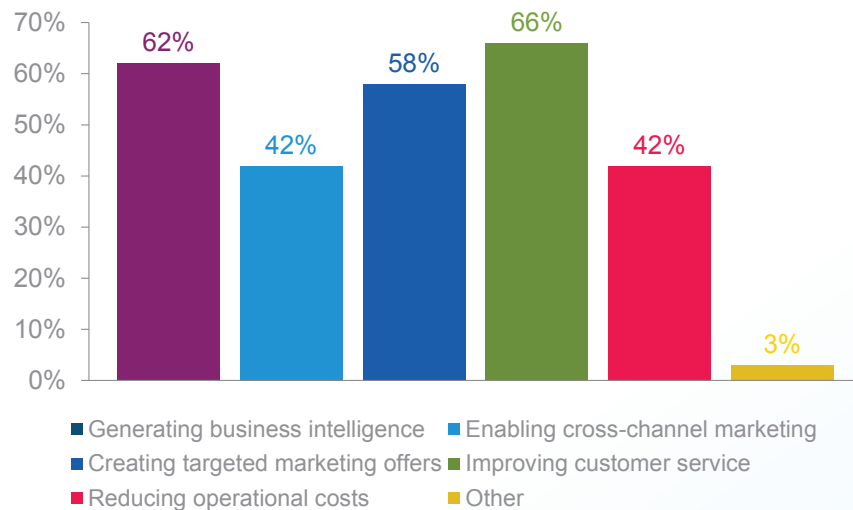
Achieving insight

For analytics teams to achieve insight and provide a level of understanding to the business, stakeholders are trying to compile a workable data file. For this reason, 99 percent of companies believe achieving a single customer view is important to their business.

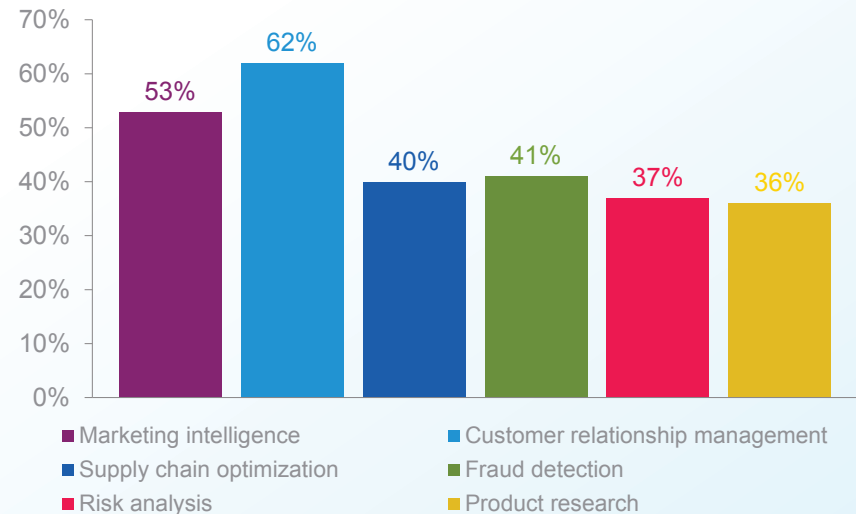
A single customer view is critical for the following reasons: to improve customer service, to generate business intelligence and to create targeted marketing offers. In addition, 42 percent of companies work to achieve a single customer view to enable cross-channel marketing and to reduce operational costs.

Big data is another important focus area for data insight. These programs are designed to support customer relationship management, marketing intelligence and fraud detection. Eighty-three percent of companies have started a big data program. However, many companies are still in very early stages of their big data programs. This is especially true of smaller businesses who have less resources to invest in these new technologies.

The importance of a single customer view



Initiatives supported by big data





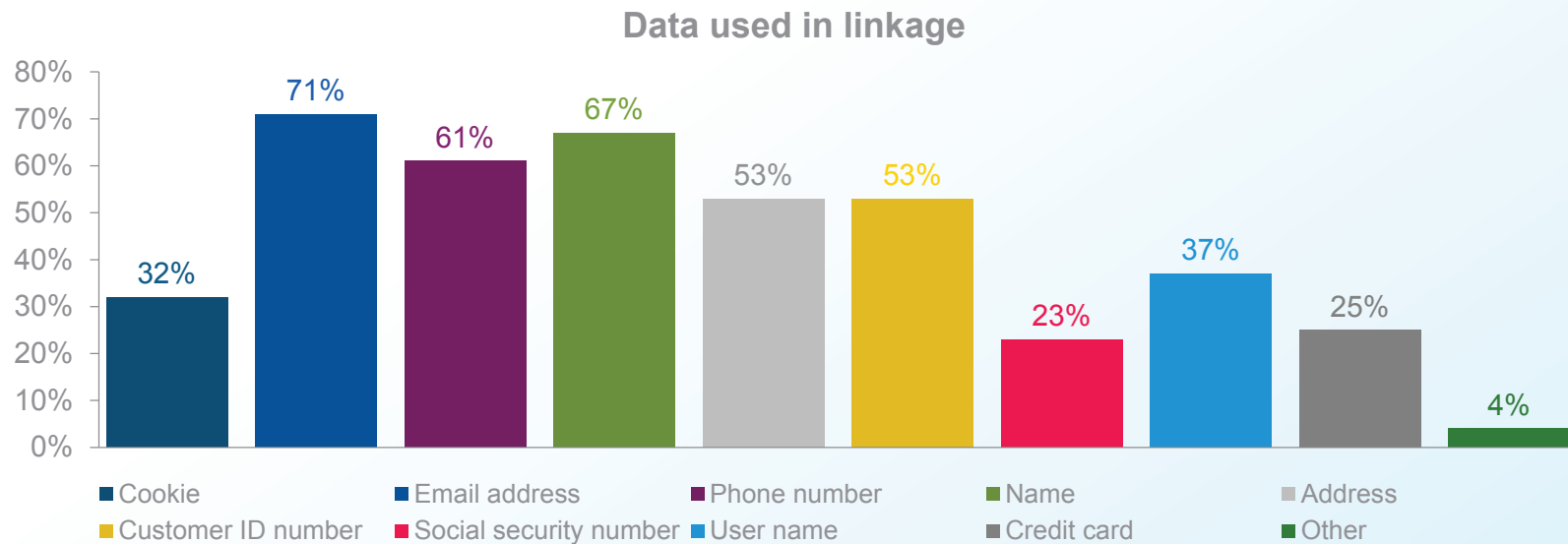
Establish linkage

Organizations need a source of information that is reliable and consolidated to truly understand the consumer. However, many organizations struggle to link customer information together. While only 24 percent of companies today say they have a single customer view, the majority of businesses are working towards a single customer view and desire this level of insight.

As part of a single customer view effort, organizations are linking customer information across many different channels. Ninety-four percent of companies are linking some customer information across channels and just over half are linking all customer information. The most popular piece of data to link customer information across channels is the email address, followed by a customer name and phone number.

It is interesting to point out that small businesses are more likely to use name to link customer information across channels and enterprise businesses are more likely to use email data to link information across channels.

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Challenges to consumer insight

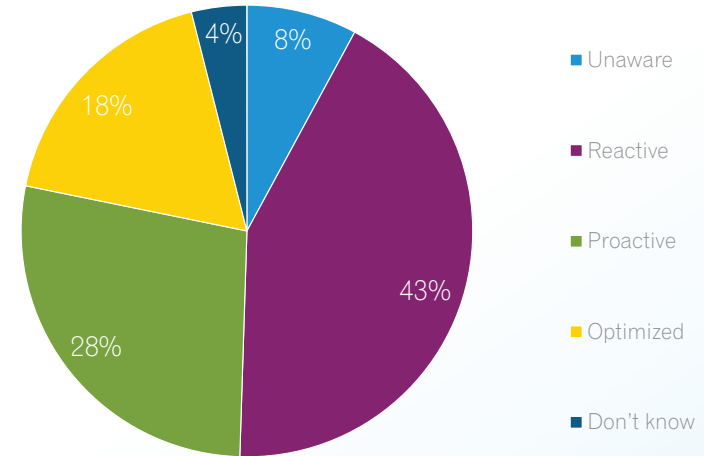
Many analytics professionals struggle to achieve an accurate and consolidated database because of many challenges in today's business environment.

One area of concern is the level of data accuracy. Ninety-four percent of companies suspect that their customer and prospect data might be inaccurate in some way. According to this most recent survey, companies on average believe 33 percent of information is inaccurate in some way.

Poor data quality is being driven by a lack of sophistication in data quality strategy. While 88 percent of companies have some sort of data quality strategy in place, many are in early stages of data management sophistication.

At Experian Data Quality, we believe there are four key stages for data quality sophistication, which are outlined below. Only 18 percent of companies surveyed have reached the optimized state of data quality, where data quality is monitored as a core factor of the business. By contrast, 43 percent of companies perform data analysis and cleansing only as issues arise.

Data quality sophistication



Unaware	Reactive	Proactive	Optimized
<p>An organization who is unaware of the importance of data quality and its impact on the business. Therefore, they do not have a strategy in place.</p>	<p>An organization who only performs data cleansing and analysis as issues occur. There are no specific data roles and tactical fixes reside within departmental silos.</p>	<p>The organization has a proactive data strategy with clearly defined roles within the business. There is a clear ownership between the business and IT and a focus on discovery with root cause analysis.</p>	<p>Data quality is monitored as a core factor of the business with documented data quality rules in place. The organization reviews profiling, monitoring and visualizing data as part of a complete strategy.</p>



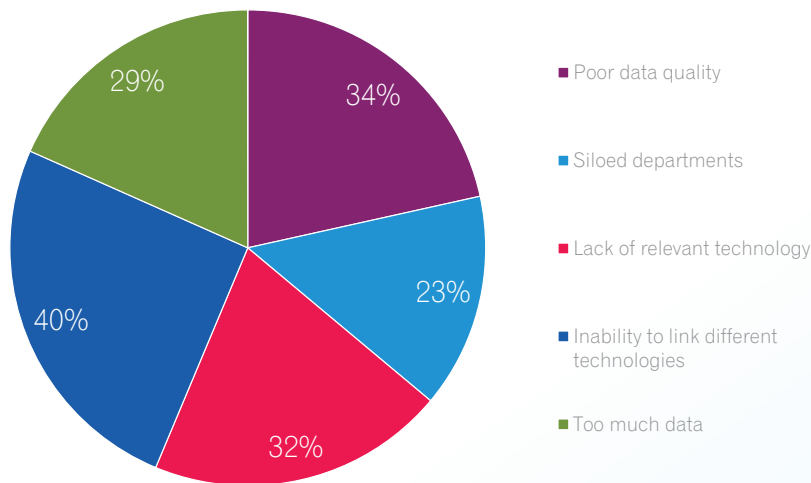
Lacking a consolidated database

A lack of accurate data yields inaccurate results in analysis, but is also hurting linkage and single customer view efforts. Seventy-six percent of companies are facing challenges when developing a single customer view. The main challenges are an inability to link different technologies, poor data quality and a lack of relevant technology.

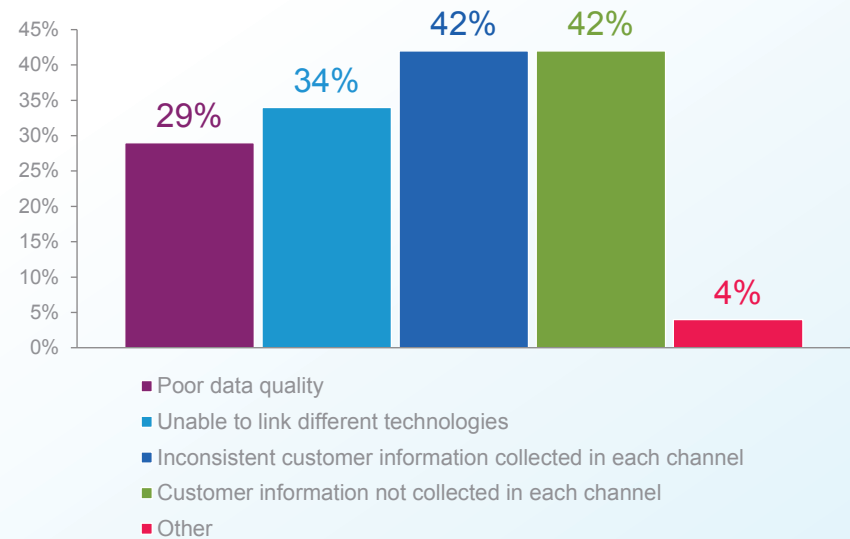
The lack of customer insight is partly due to an inability to link customer information across channels. Eighty-three percent of companies struggle to link customer information across channels. The main challenges in doing so are inconsistent customer information collected in each channel and customer information not being collected in each channel.

In order to have an a data source that can provide the level of insight companies are looking for, businesses need to improve data collection methods, both in terms of accuracy and consistency, but also where the information is placed once it has been collected.

Single customer view challenges



Linkage challenges





Improving data collection

To better gain consumer insight, organizations need to link accurate information across channels into a single source. Otherwise, all the information collected from consumers will not yield the desired insight and analytics efforts will not provide a return on investment. Therefore, organizations need to make an effort to ensure the quality of information, the consistency of data across channels and link customer information into a single database.

1. Ensure data quality

With so much customer information coming in from many different source, it is important that data be as accurate as possible to ensure basic operations and consumer insight can occur. Intelligence is only as good as the information that supplies it.

The main cause of data inaccuracy is human error. Businesses need to alleviate these problems at the point of capture. Once data entry points are identified, put automated verification processes in place to check the accuracy of information as soon as it is entered.

In addition, be sure to check information over time. On average, two percent of data goes bad each month. Regular cleansing allows organizations to review information to make sure installed tools are effective and data is being maintained over time.

2. Create consistency

Often different customer information is collected across channels and is not in standard formats, partly due to a lack of a central data quality strategy. Today, only 30 percent of companies manage their data strategy centrally, under a single director. For the most part, different departments or channels have different methods for managing information.

While this segmented approach has worked somewhat in the past, it is very important that data is a central resource across the organization where the data strategy is consistent across all entry points.

Be sure a consistent piece of information is collected across every channel, such as name or email, to help identify customers and link them to existing account information. In addition, be sure all information is standardized and is collected in the same format across all channels. This will help when consolidating information.

3. Link customer information

In order to truly understand the customer, all information needs to be contained within a single customer view and linked across channels. Therefore, information needs to be housed within a central repository to ensure it can be accesses in real time, by any stakeholder.

Gather all information from various data sources and put it into one central repository. Be sure information is put into a standardized format and is checked for accuracy. Then software should be used to identify duplicates and consolidate files.

Whenever new information is entered for the client, it should be added to this master record, regardless of the channel. Organizations can select a unique identifier for each client and be sure it is collected consistently across channels to help link all customer information.



Conclusion

To gain better insight on consumers, organizations need to look back to the key source of information being used for analysis. If data collection and linkage practices are not effective, information will be spread out across various records and of poor quality, making it difficult to truly understand the consumer.

Organizations need to take time to get back to basics and ensure information is collected accurately across any channel where consumers provide data, and confirm that information is linked into a single customer record. Otherwise, the age of data-driven insight will leave many organizations behind.

Methodology

In June 2014, Experian Data Quality commissioned a research study to look at current approaches to personalization. This report, 'Finding insight through data collection and linkage,' reviews the need for data-driven insight and barriers to gaining customer intelligence.

There were 250 respondents in the U.S. that took part in the research, produced by GMI for Experian Data Quality. Individuals in marketing, data management, customer service, IT, sales, finance, management and operations departments all took part in the survey who had knowledge of data management practices. Small to large enterprise businesses were included. These individuals came from a variety of industry sectors, including manufacturing, automotive, retail, financial services and travel.

About Experian Data Quality

Experian Data Quality is a global leader in providing data quality software and services to organizations of all sizes. We help our clients to proactively manage the quality of their data through world-class validation, matching, enrichment and profiling capabilities. With flexible software-as-a-service and on-premise deployment models, Experian Data Quality software allows organizations around the world to truly connect with their customers by delivering intelligent interactions, every time.

Established in 1990 with offices throughout the United States, Europe and Asia Pacific, Experian Data Quality has more than 13,500 clients worldwide in retail, finance, education, insurance, government, healthcare and other sectors. For more information, visit <http://www.qas.com>.

Experian Data Quality

125 Summer St Ste 1910

Boston, MA 02445

www.qas.com



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