

Getting business buy-in for data management projects



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Introduction

There is no time like the present to prepare for the future. And nowhere is this more relevant than when preparing for your next project—which, if you're like the 99 percent of IT professionals, started yesterday. Almost all retail organizations are planning to undergo a data-centric project within the next 12 months, and for retailers, the most popular are data enrichment and data migration projects.

Why? Well, as the retail environment becomes more data-driven, more business investments are being made to ensure that the best outcomes are driven not just by data, but by high-quality data. All of this attention to data drives towards having a holistic, customer-centric journey. There are many obstacles that could stand in the way, but we're here to help.

In an effort to understand today's multi-device customer, retailers are looking to data initiatives help businesses cleanse their data, append additional insight, and use predictive analytics to deliver precise customer profiling. And come time to migrate customer data onto new platforms, proper maintenance must be taken to consolidate, transform, and standardize this information before it's moved to its new home.

But all of these initiatives require quality data. If you don't have good data as a foundation for these customer-centric projects, you can incur repercussions that run the gamut from a single lost sale to months of re-work, re-budgeting, and re-planning.

As an IT pro, it's your job to make decisions based on data. That's why when you're tasked with bringing new technology to the table for a marketing initiative, your internal customers know you'll do your due diligence. And that's where this white paper comes in.

We will discuss what data quality initiatives are top-of-mind for marketers. In understanding what they care about, you can present a stronger, more robust business case to invest in the solution that you're excited about. We will explore what is necessary for successful data enrichment and data migration initiatives, what roadblocks, both internal and external, can impede progress, and discuss the criteria needed for success.



Getting after the elusive unicorn: A single customer view

Single customer view. What comes to mind when you read that phrase? A seamless experience? Excellent service? You'd certainly be right on all accounts. The most exciting part of achieving this elusive goal is seeing a customer engage with your business in the ways you'd expect and getting tangible results from it. That's why almost every retailer is working towards a single customer view.

However, this goal is not only elusive, it can be downright impossible if not undertaken correctly. So, what then, makes a single customer view a reality instead of an intangible? You guessed it: good data.

Fifty-six percent of retailers hope to achieve a single customer view to increase customer retention and loyalty, forty-two percent to improve strategic decision-making, and thirty-five to provide greater personalization. The state of retail today is such that the success of these aforementioned initiatives hinges on the ability to leverage data that is trusted and accessible.

What data initiatives help retailers get to a single customer view?

Getting there involves many moving parts. The three most ornery are: Validating data for accuracy, migrating that data into new platforms, and ensuring marketing success with data enrichment.

These words sound so benign when said by themselves, don't they? In reality, however, these words are tied to revenue-generating activities, and their success becomes that much more important. You may hear rumblings about how customer data is arguably one of the most important pieces of data your business collects, but does everyone that talks about the importance of data actually invest in its quality?

Our research says yes—but they are struggling to do so. Eighty-six percent of retailers can prioritize the importance of data to their business, but 19 percent say they can't justify investing in data quality.¹ We get it.

Data quality investment is playing the long game, but so is earning a customer's loyalty. To win loyalty—and wallets—your brand has to prove its worth from start to finish. And it begins with having confidence in the data you use to inform your decisions.

Given today's non-linear customer journey, one of the most challenging aspect of a retailer's job is not that they don't have access to information, but that there's too much information to assess. It is for this reason that data management projects are increasing in scope and frequency.

By investing in data quality, you invest in your organization's past, present, and future. It's not nearly as corny as it sounds. In this next section, we will discuss what success looks like for data verification, data migration, and data enrichment projects.

As an IT pro, it's your job to make decisions based on data.

Data verification

It's as it sounds. Data verification or data cleansing initiatives make sure that the contact data you collect can be used confidently, meaning that it is accurate, complete, and standardized. For retailers looking to initiate loyalty programs, re-engagement campaigns, or undergo a data migration to a new CRM, cleansing your customer contact data is a fundamental, crucial first step.

The graphs above depict the most popular channels for data collection for retailers. Within these channels for data collection, human error accounts for over half (53%) of data inaccuracies—even the most careful employees or savvy shoppers can make mistakes.

What kinds of mistakes are we talking about? Incomplete or missing data (61%), duplicate data (52%), and outdated information (49%) are the most prevalent kinds of data errors impacting, and annoying, retailers today.² Not fulfilling the basic requirement of collecting and maintaining

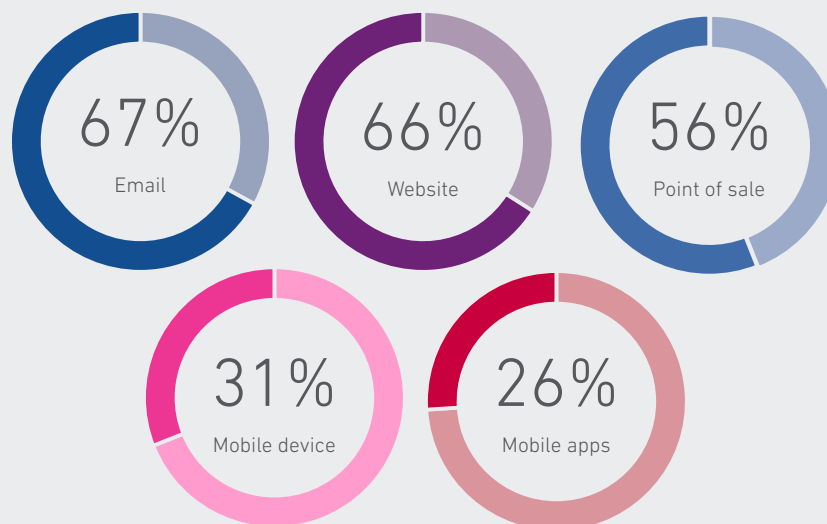
good customer contact information means that each successive data-driven initiative down the road will be based off of inaccuracies.

Almost all retailers today agree that data is essential for gaining intelligent insight. But those that continue to stave off investing in data quality will be troubled in the long-term, particularly because by 2020, retailers believe the majority of sales will be driven by customer data.³

These initiatives all rely on accurate address, email, and phone contact data as the baseline in order to be successfully carried out. Think back to the aforementioned list when you find yourself struggling to justify your proposal for a technology investment.

As the evangelist of all things relating to efficiency and optimization in your business, appeal to the logic of staying within deadlines and budget to convince those with influencing- or budgeting-power to invest.

Chart 1
Most popular channels for data collection



Source: 2016 Global data management benchmark report, Experian Data Quality

Data migration

Data verification is often the first piece in a tiered project; businesses often use verification solutions as part of a bigger initiative to understand and use their data better. To expand, data verification is used in mainly two scenarios. One scenario involves cleansing incoming contact data in real time. (We recommend “real-time verification” as it ensures that the quality of the data entering your database without you having to go back and cleanse it after the fact.)

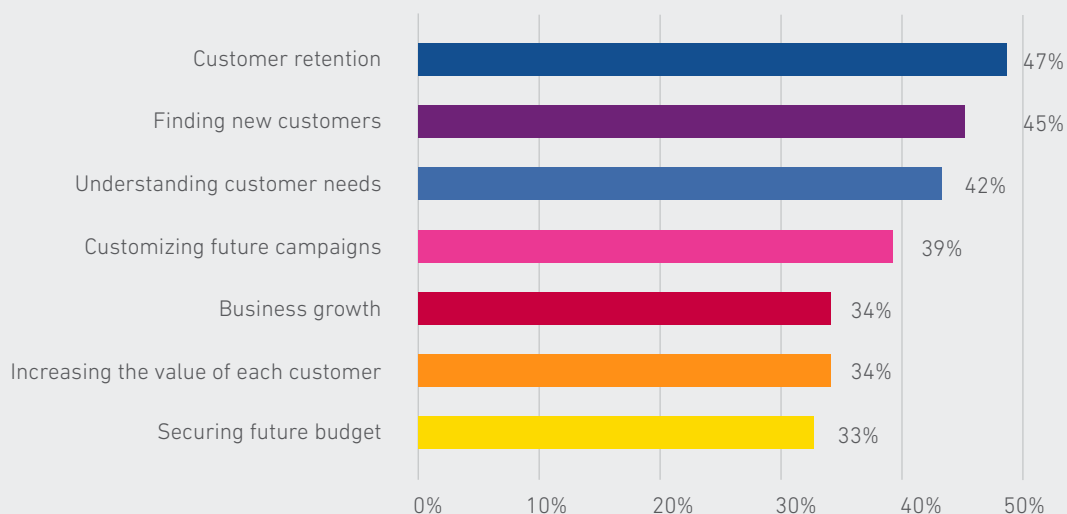
The other scenario cleanses an existing customer database. This scenario comes into play most often when retailers are looking to run marketing campaigns within an immediate time frame (e.g. re-engagement campaigns) or if they are looking to start a data migration project.

For retailers, it is believed that 34 percent of their customer or prospect data is inaccurate. This can impact not only your migration project now, but down the road as well. You’ve heard the old adage, garbage in, garbage out—so why would you want to put old, outdated data into your new system?

Validating, standardizing, and mapping data to the new target will save you time and minimize rework during your migration project. Down the road, ignoring data quality affects intangibles such as the ability to provide an excellent customer experience. But remember what we said about intangibles earlier: They are tied to big revenue-generating initiatives within your business.

As we mentioned earlier, data verification is usually an initial piece within a larger project. For data migration projects, it proves very unwise to progress without first cleansing your data. The main focus of a migration is often on the safe delivery of data to the new system without disruption to the business. To be sure, this technical aspect should be carefully planned out. However, without proper housecleaning on that source data, you invest weeks and months of project hours and budget into migrating inaccurate data. A new system by any other name will work just as improperly with poor data populating it.

Chart 2
Biggest drivers to turn data into insight:



Source: 2016 global data management benchmark report, Experian Data Quality

Cleansing your data is a fundamental step that is not to be ignored. Nowadays, business users are looking to take more ownership and responsibility over their data. This means two things for you as the IT pro.

First, business users are in transition mode. As they look to understand the more technical aspects of data in order to make data-driven decisions, they will still rely on your expertise to guide them in the right direction. In order for them to listen to your technology recommendations, you must use language they understand and provide incentives that they care about.

Second, like it or not, you are the backbone of technical support within the business. This means that the IT and business users should both have senior buy-in, with clear expectations and aligned goals from both departments. Data is arguably the greatest asset of any modern business, particularly for retailers who must turn to agile decision-making and exceptional customer experience to set themselves apart.

A data migration success checklist

A successful data migration will have data quality at its core. If you are thinking about undergoing a data migration, are you thinking about these questions?

- Has the source data been validated?
- Does the source data have a standardized, logical structure?
- Is the source data consistently formatted and easy to understand?
- Does the source data provide all the information you are looking for?
- Can the source data be readily accessed in the new system by relevant users?
- Will the source data follow compliance standards?

Data enrichment

Another big initiative that marketers are taking measures to perfect is providing a personalized customer experience. Creating a distinct brand that stands out amongst competitors is no small task. Indeed, it drives many retailers to invest in data enrichment solutions to help build out a more complete profile of their ideal customer.

A robust data enrichment solution should include these three capabilities:

1. Real-time contact data verification
2. Data enhancement and append
3. Real-time or predictive analytics for customer profiling

The goal of data enrichment is to improve your data-driven, decision-making power about consumers. Put another way, data enrichment is the process that enhances customer information with additional factoids that give you greater insight. The caveat here—and it's a big one—is that you need to have accurate and complete contact data before you go about enriching it.

What data can be appended with data enrichment?

- Life events
- Interests
- Automotive data
- Financial data
- Propensity to buy
- Household income
- Household value
- Age group
- Presence of children
- And more

More likely than not in the case of data enrichment solutions, the business user will come to you post-purchase and expect you to handle the integration and implementation. Be the wise voice in their ear and let them know that the key to making the most out of their time and investment in a data enrichment tool is to start things off on the right foot by cleansing data first.

Potential roadblocks to success

According to our global data management benchmark report, 93 percent of retailers have experienced challenges, both internal and external, to improving their data quality. The biggest internal challenges are time-to-value expectations (32%), lack of human resources (31%), lack of knowledge (30%), and not having a dedicated owner to drive a long-term data quality strategy.

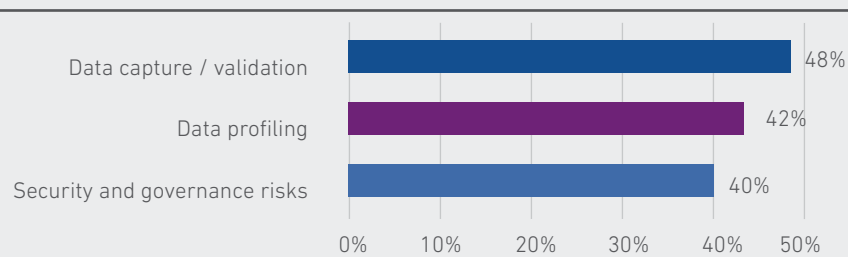
As for the biggest external challenges, they mostly center around the technical aspects regarding data management.

Want to learn more about how real-time analytics can provide you with better customer insights?

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Forty-eight percent are concerned about data capture and validation, 42 percent worry about data profiling and 40 percent worry about data governance and security risks. You may also be interested to know that retailers are also suffering from managing the volume and variety of data as it relates to reporting.

Chart 3
Biggest external challenges to improving data quality:



Source: 2016 global data management benchmark report, Experian Data Quality

You may be very familiar with these challenges. In fact, you may be a long-time sufferer of these roadblocks. These issues can indicate difficulties in reconciling department goals with business-wide goal. Different departments don't always see eye to eye on which investments to pursue, who the stakeholders are, how the data will be used, and what data is important.

Internal bureaucracies can stall or halt the progress of a data quality program's technology investment, so if you find yourself in a situation where you must position a business case, here are some guidelines you can follow:

You're not alone. Over half of businesses struggle to build a business case for data quality. Read our research report to learn more.

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Positioning a business case for data quality investment

1. Tie poor data quality to back to business problems

We know bad data is bad news for your brand, and you know it too. But, in order to present your strongest business case to business leaders, it will be effective to link poor data quality to actual business problems.

Eighty-three percent of businesses say poor data quality negatively impacts business objectives. Fifty-six percent say bad data has resulted in lost sales opportunities, 51 percent say it has resulted in wasted time and process inefficiencies, 39 percent say it's affected relationships with customers and prospects, and 37 percent say bad data has had a negative cultural impact on employees.

For example, your marketing department wants to understand their customer database better for a seasonal email campaign targeting their most loyal shoppers. Currently, there is no dedicated resource to understand or validate the data that lives within your business. So what do you do? You ask analysts from IT, or marketing, or wherever you can find the resource to perform manual, ad hoc analyses and reports which eat up time that they could be spending on more strategic initiatives.

Positioning a business case for data quality investment

2. Define realistic goals for a technology investment

Sometimes the process for getting a new tool in your arsenal can stall because there are too many stakeholders with too many competing priorities. This can result in confusing or conflicting messages. In order to overcome this challenge, be the one to suggest a proposal for a small, diverse team to lead the charge. By collecting champions from different departments, you gain more allies in your proposal, and it greatly facilitates level-setting and awareness.

For example, the timeline for getting a proposal approved and implemented can be quite lengthy, sometimes running upwards of 18 months. Be straightforward right from the get go and bring as much information as you can to the table to pre-emptively field rebuttals.

3. Get the right stakeholders involved

You won't be surprised to find out that the people who are the biggest proponents in new technology projects are data analysts (87%) and IT staff members (69%).

You may, however, be surprised to learn how little other departments are involved in the decision-making process. Finance, marketing, and third-party consultants, for instance, represent only 33, 30, and 20 percent, respectively, in having assisted building business proposals. A large part in getting approval for your proposal relies on having the right influencers in on the process from the start.

Take, for instance, a scenario where your Director of IT tasked you with researching a new tool because of an initiative from the Chief Marketing Officer (CMO). This trickle-down effect has two meanings: 1) There is a C-level executive who will be the final decision maker, and 2) You must speak their language in order to get buy-in. In order for a CMO to consider your proposal, you must understand the end result they're trying to achieve. Is it improving customer loyalty through credit card programs? Is it reducing cart abandonment rates during checkouts?

Once you determine the senior stakeholder, you can find out where a solution can realistically, and easily, be implemented, and find the right tool that will meet their needs.

Conclusion

Remember: As an IT professional, all roads point to data. Data-related projects are growing in prevalence, and 95 percent of retailers are planning at least one within the next 12 months. This means that as the need for technology solutions increase, the difficulty in providing a proposal for something you're excited about should decrease.

The caveat here, of course, is having enough data. The retail landscape has shifted towards digital, and by extension, a data-oriented experience that is channel-agnostic. Therefore, you must have enough data to make business- and revenue-generating decisions, and you also must have enough data to back up your proposals to invest in new technologies.

Almost 80 percent of sales decisions are expected to be driven by customer data by 2020. What's more, nearly every retailer sees the importance in using data for intelligent decision making. Make no mistake, steps are being taken to maximize the potential of data within each and every business. As you are building your case for investing in a new technology solution, refer back to the guidelines in this white paper to help provide you the ammunition for a robust proposal.

All roads point to data. Make the most of yours. Learn how Experian can help you to build a complete customer profile.

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Sources:

1 Experian, 2016 global data management report

2 Ibid

3 Ibid



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