Research report

Mastering tomorrow's markets
The data quality revolution

Experian™

Methodology

Experian conducted a survey that looks at the growth of data quality and how organizations across all industries are implementing strategies to respond to market changes and consumer preferences. Produced by Insight Avenue in May 2023, this study reached more than 500 people within U.S. organizations across a variety of industries including (but not limited to) finance, IT, business services, health, manufacturing, retail, and more. The roles surveyed included C-suite executives, directors, and managers sitting in departments like IT, data, operations, finance, customer service, and others.

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Report highlights

Section 1

Market disruptors are testing businesses

Technology advancements, skill deficiencies, supply chain challenges, digital acceleration, and consumer trends are disrupting the market and testing business performance in various ways. Data quality has become a key tool to respond, survive, and thrive in a time of change.

Section 2

Companies invest in data for better market response

The digital-first era that we reside in today continues to develop and, as it does, industries are realizing that they must invest in their data quality to keep up. People, processes, and technologies also remain top of mind to stay competitive in a rapidly changing market.

Section 3

Conditions of data quality today

Over the last two decades, the volume of data has increased significantly. In turn, different data management methods have been designed to help scale the quality and use of information. As data observability becomes more prevalent, organizations see the value of proactively cleaning their data for actionable insights.

Introduction

Artificial Intelligence (AI), skill shortages, supply chain challenges, digital acceleration, and consumer behavior are disrupting the market in various ways— positive and negative —and it is vital that companies respond. As a result, organizations are shoring up their foundations by prioritizing data quality, enabling them to survive, grow, and thrive during volatile times.

This year, we surveyed over 500 business leaders, 88% of whom said that they believe market challenges will begin to intensify over the next year and 87% saying that high quality, trusted data plays a critical role in responding to those challenges. While market disruptions have been widespread since the start of the technological revolution, the global pandemic accelerated their size and scope. Against this revolutionary backdrop, companies have been focused on prioritizing better decision making through actionable insights, business growth and sustainability, improved agility, digital customer experiences, and automation for cost savings and operational efficiencies. Our research and expertise indicate that data quality underpins each priority.

We find that investment in data quality encompasses far more than the data itself. Organizations are also focused on the people, processes, and technology that interact with the data; including improving data skills to help business users and tech professionals use and manage insights more effectively, centralizing ownership under a chief data officer, and automating data quality processes. Further, data observability is a growing priority this year and supports another reason businesses continue to see data quality as fundamental.

In this report, we will take a deep dive into the market advancements happening today, how data quality helps achieve success during times of change, and where companies are investing in their data.

Quick snapshot

If you only have a minute

Top market disruptors

1. Technology advancements (Think: AI)
2. Increasing operational costs
3. Depleting skill shortages
4. Changing customer expectations
5. Supply chain and availability issues

Top business priorities

1. Improve decision-making through data
2. Business growth
3. Sustainability
4. Increased focus on agility
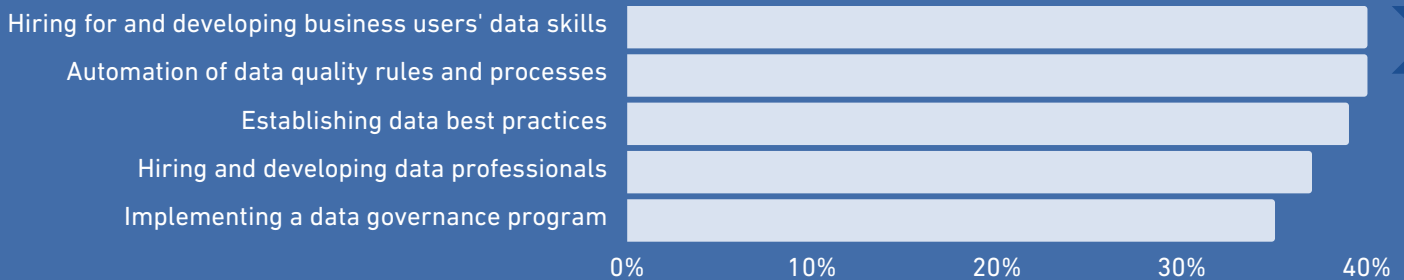5. Invest in the digital customer experience

87%

of business leaders say that high quality, **trusted data plays a critical role in responding to these challenges**.

88%

of business leaders believe that market disruptors and challenges are set to **intensify over the next year.**

Top places to invest in data

Hiring for and developing business users' data skills	
Automation of data quality rules and processes	
Establishing data best practices	
Hiring and developing data professionals	
Implementing a data governance program	

0%   10%   20%   30%   40%

Technology focuses on automation

1. Regular monitoring, reporting, & visualization (55%)
2. Easy-to-use tools for business users (50%)
3. Integrating data quality capabilities into apps (45%)
4. Leveraging cloud-based solutions (43%)

People are the greatest asset

1. Data quality analysts (43%)
2. Business or operation analysts (41%)
3. Data governance managers (41%)
4. Data scientists or analysts (39%)

Market disruptors are testing businesses

> " **Obstacles don't have to stop you. If you run into a wall, don't turn around and give up. Figure out how to climb it, go through it, or work around it."**
> – Michael Jordan

The obstacles are accelerated market advancements, and the solution is data quality. Pressures that impact technology, consumers, and operations are disrupting the market in various ways, and over half of our study's respondents believe these will only intensify over the next year.

In this section, we will take a closer look at the specific market disruptions that are challenging business performance, and the role data quality is playing to respond across industries.

Top 5 market disruptions

Our study uncovers the top 5 disruptions that respondents believe could be impactful in the next year:

1. Technology advancements in AI
2. Increasing operational costs
3. Depleting skill shortages
4. Changing customer expectations
5. Supply chain and availability issues

Respondents also believe that these disruptors will have the most impact on IT, customer services, sales, and risk and compliance teams.

While these pressure points have been gaining momentum over the last decade, the impact of post-pandemic economic distress has accelerated their influence, requiring organizations to scale, and for some industries start, their data quality operations to respond effectively.

Biggest market disruptors to organization in the next year
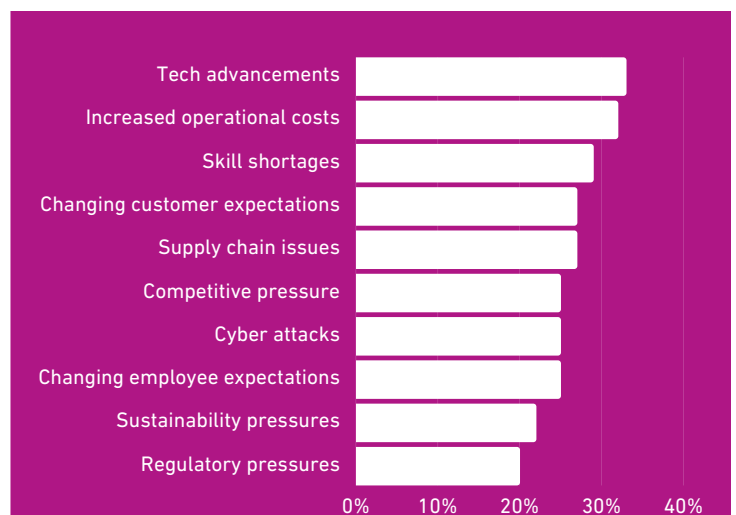
How organizations are responding

Because these disruptors are so prevalent in today's business operations, leaders are prioritizing areas that enable their ability to capitalize on the benefits. Our study shows that organizations are focused on the following priorities this year:

Improving and accelerating decision-making through actionable data

Over a third of business leaders say that better and faster decisions using data is a top priority to respond to market pressures. A continuous influx of accurate data enables team members—technical or not—to act with confidence. This is a claim that we see year after year and is vital in a market that is moving faster than ever.

Scaling business growth

Over a third of leaders say that business growth is a top priority. Businesses are not looking solely to survive turbulent times; they must thrive to stay relevant in today's marketplace. With increased competition, it's important for businesses to have the most up-to-date consumer information to better understand who their target audience is, what they care about, and how to reach them effectively. Growth starts with a data-driven foundation.

Upholding sustainability

Over a third of leaders also say that sustainability is a priority. Going green is an important selling point for consumers and an example of how consumer behavior and desires have changed over the years. Understanding consumer demographics, supply chain logistics, shipping operations, and digital opportunities are all key areas of focus that require quality data.

Increasing agility to better manage uncertainty

Almost a third of leaders say that agility is an important priority to better manage uncertainty. In recent years, agility has become increasingly important as the pandemic and economic distress reshaped our lives. Further, last year's research indicated that agility is a top benefit of data quality automation, which is a key differentiator between super performers and everyone else this year.

Investing in the digital experience

A third of leaders are prioritizing digitizing the customer experience as they respond to these market pressures. These days, a digital omnichannel experience is nonnegotiable. The impact of data quality is two-fold as it helps improve the experience of online applications and collects high volumes of data for further analysis and reporting.
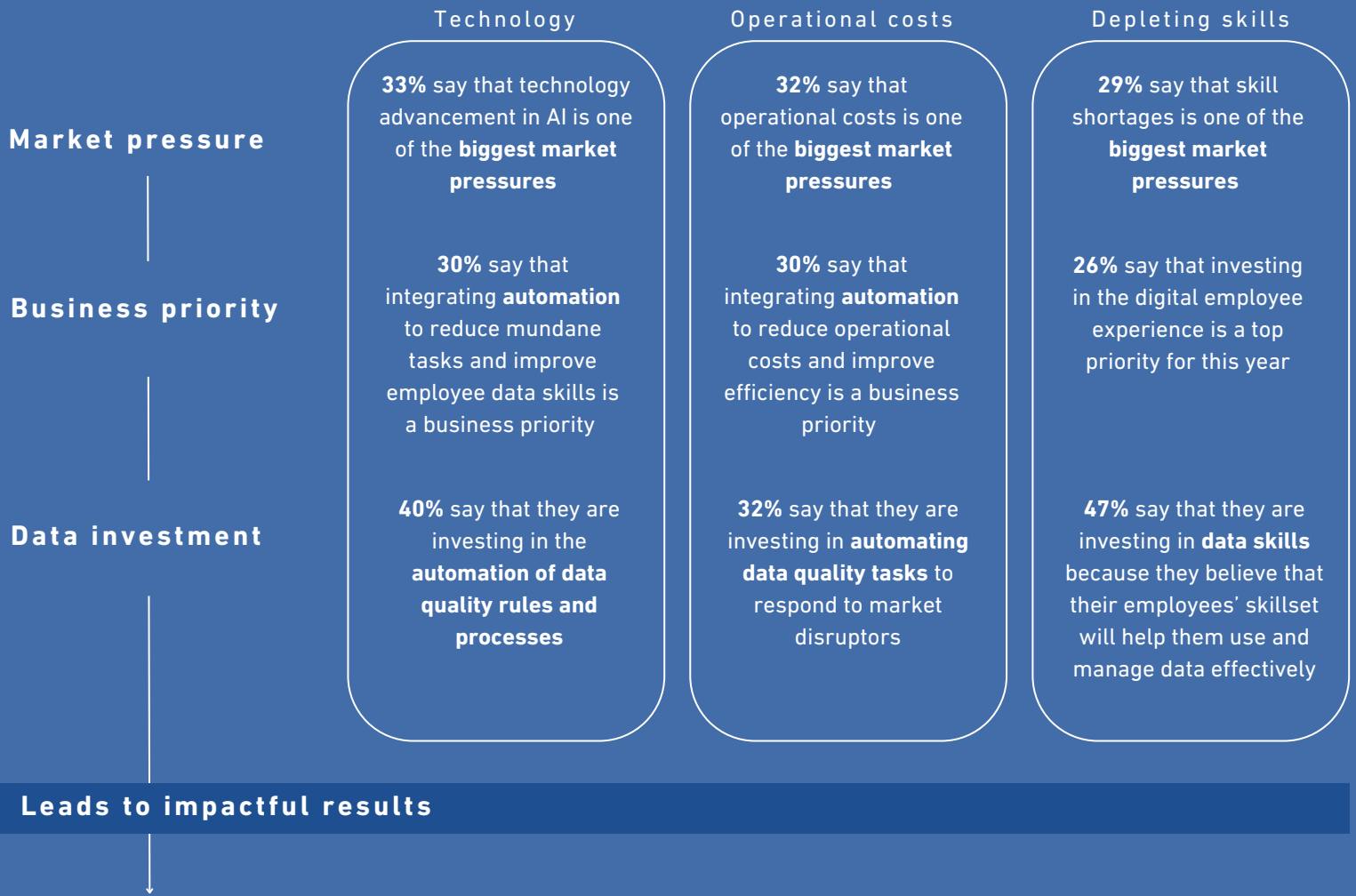
Automating data quality processes to reduce cost and improve efficiency

Lastly, a third of leaders are automating data quality processes to reduce cost and improve efficiency. Data quality automation has become a hot topic over the last several years as it helps address various obstacles from skill shortages to agile workflows and digital acceleration. Data quality is the common thread that supports these priorities. Our research shows that 93% of respondents say that data quality is fundamental to business operations going forward. And this strategic play is only growing.
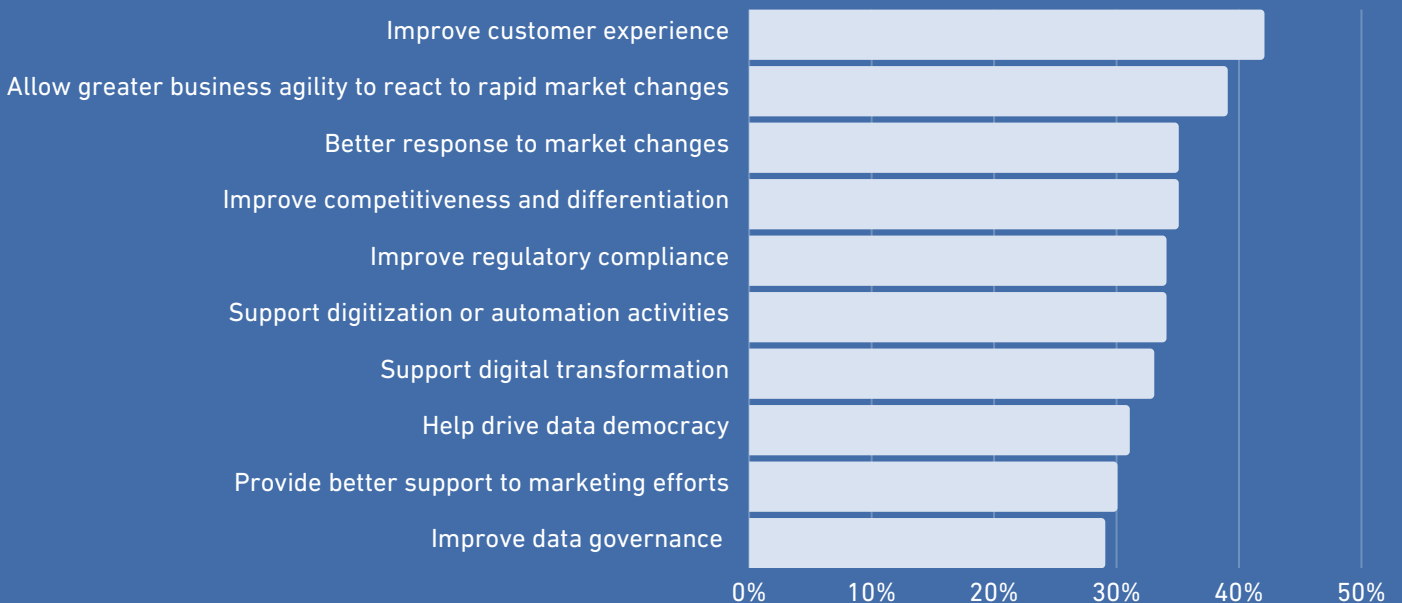
Later in the report, we will discuss how a key differentiator between super performers—those who have exceeded annual goals and targets even while responding to market obstacles—and everyone else is the adoption of data quality automation.

Make the connection

	Technology	Operational costs	Depleting skills
Market pressure	**33%** say that technology advancement in AI is one of the **biggest market pressures**	**32%** say that operational costs is one of the **biggest market pressures**	**29%** say that skill shortages is one of the **biggest market pressures**
Business priority	**30%** say that integrating **automation** to reduce mundane tasks and improve employee data skills is a business priority	**30%** say that integrating **automation** to reduce operational costs and improve efficiency is a business priority	**26%** say that investing in the digital employee experience is a top priority for this year
Data investment	**40%** say that they are investing in the **automation of data quality rules and processes**	**32%** say that they are investing in **automating data quality tasks** to respond to market disruptors	**47%** say that they are investing in **data skills** because they believe that their employees' skillset will help them use and manage data effectively

Leads to impactful results

Top benefits of improving data

Benefit	
Improve customer experience	~42%
Allow greater business agility to react to rapid market changes	~39%
Better response to market changes	~35%
Improve competitiveness and differentiation	~35%
Improve regulatory compliance	~34%
Support digitization or automation activities	~34%
Support digital transformation	~33%
Help drive data democracy	~31%
Provide better support to marketing efforts	~30%
Improve data governance	~29%

Companies invest in data for better market response

Get this: 87% of leaders say that high quality, trusted data plays a critical role in responding to market pressures. Additionally, 90% of our survey respondents say solid data foundations strengthen their response to organizational changes. Data quality makes organizations resilient.

Resiliency results in growth and longevity which is why there is continued investment in data quality year after year. Automation, observability, data skills, and agility are key areas of focus that not only support business priorities and market response but also play key roles in strengthening the people, process, and technology framework that makes up data quality.

In this section, we look at where businesses are investing in their data quality, why these areas of investment are important, and how investment improves agility, responsiveness, and competitiveness.

Areas of investment

Our study shows that to improve data quality, organizations plan to invest in:

1. Hiring and developing business users' data skills
2. The automation of data quality rules and processes
3. Establishing data best practices
4. Hiring and developing data professionals
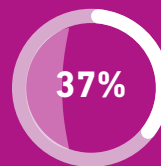5. Implementing a data governance program

Today, the objectives for investing in data include accelerated decision-making, agile operations, scaled growth, sustainability, and customers. Strengthening these key areas empowers organizations to be resilient when responding to and competing in key market advancements. Let's dive a little deeper into each of these objectives.
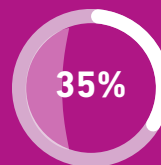
40% of leaders are **hiring for and developing business users' data skills**

40% of leaders are **investing in the automation of data quality rules and processes**

37% of leaders are **hiring and developing data professionals**

35% of leaders are **implementing a data governance program**

Technology focused on data automation

Over three quarters of leaders say that data quality automation will be important to their organization moving forward. With the escalation of technological advancements including Artificial Intelligence, machine learning, and metaverse, technology like data quality automation has become increasingly important to accelerate validation, analysis, and reporting.

Further, surveyed businesses are looking at their technology to plan for scaling, expanding, and innovating data quality initiatives including:

- Regular monitoring, reporting, and visualization (55%)
- Easy-to-use tools for business users (50%)
- Integrating data quality capabilities into applications (45%)
- Leveraging cloud-based solutions (43%)

And those same surveyed businesses have implemented data quality services, automation of data quality rules and processing, data quality for CRM/ERP/CDP integrations, a stand-alone data quality platform, data cleansing, data cataloging, and contact data validation solutions. Of the respondents who have exceeded annual goals (super performers), 70% of them currently use data quality automation compared to half of the other respondents.

Data Observability integrated into procedures

Our study finds that data observability is a necessary step for business operations. Defined as the company's ability to comprehensively understand the health of the data present within its systems, 8 out of 10 say data observability will be important in the next year and another almost 80% say that it will help them reduce risk across the business and market response.
There can be significant risk with market pressure —risk of becoming out of sync with consumer trends and competitors. Data observability is functionality that allows data health checks across each system and procedure to ensure businesses are consistently using valid information for reporting and decision-making.

People are the greatest asset

Our research shows that 95% of organizations are hiring or looking to hire data roles in the next 6 months. The most common roles include:

- Data quality analysts (43%)
- Business or operation analysts (41%)
- Data governance managers (41%)
- Data scientists or analysts (39%)

Understanding the roles organizations are investing in can help identify their strategic focus. Year after year, our survey finds that data quality analysts have been the lead role hired for within this specific grouping, confirming the growing weight that a company's data holds in their business decisions and operations.

Furthermore, to improve data quality, 4 out of 10 leaders plan to invest in hiring and developing business users for data skills and that same group is focused on developing data professionals. To get the most out of data insights and see higher return on investment, it's critical to equip the entire business—both business users and data professionals—with actionable, quality information.

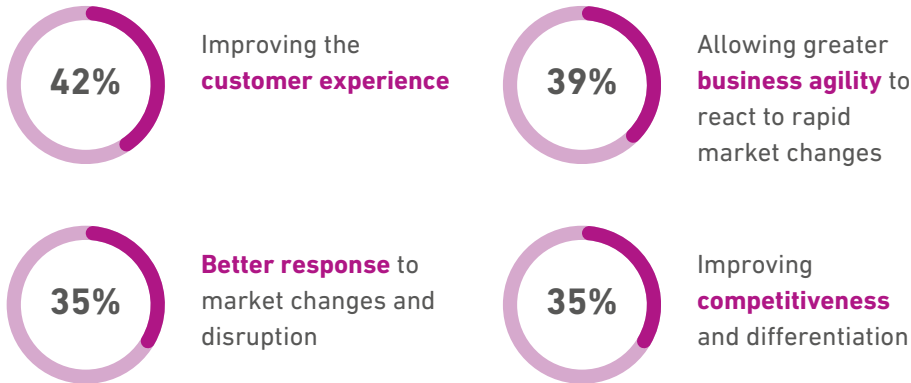**Data is critical when it comes to market response**. Our study shows that investment in data to specifically respond to market disruptions is primarily allocated to the following areas:

- **Investing in data skills** because we believe that our employees' knowledge and skills set will help us use and manage our insights more effectively (47%)
- **Investing more in data** because we believe it helps us be responsive and sustain growth (41%)
- **Centralizing our data** to a center of excellence under a Chief Data Officer (32%)
- Focusing on **data governance** (27%)

Businesses are laser focused on implementing an operation that is agile, flexible, and resilient to combat any current or future pressures—and data is their gateway to get there.
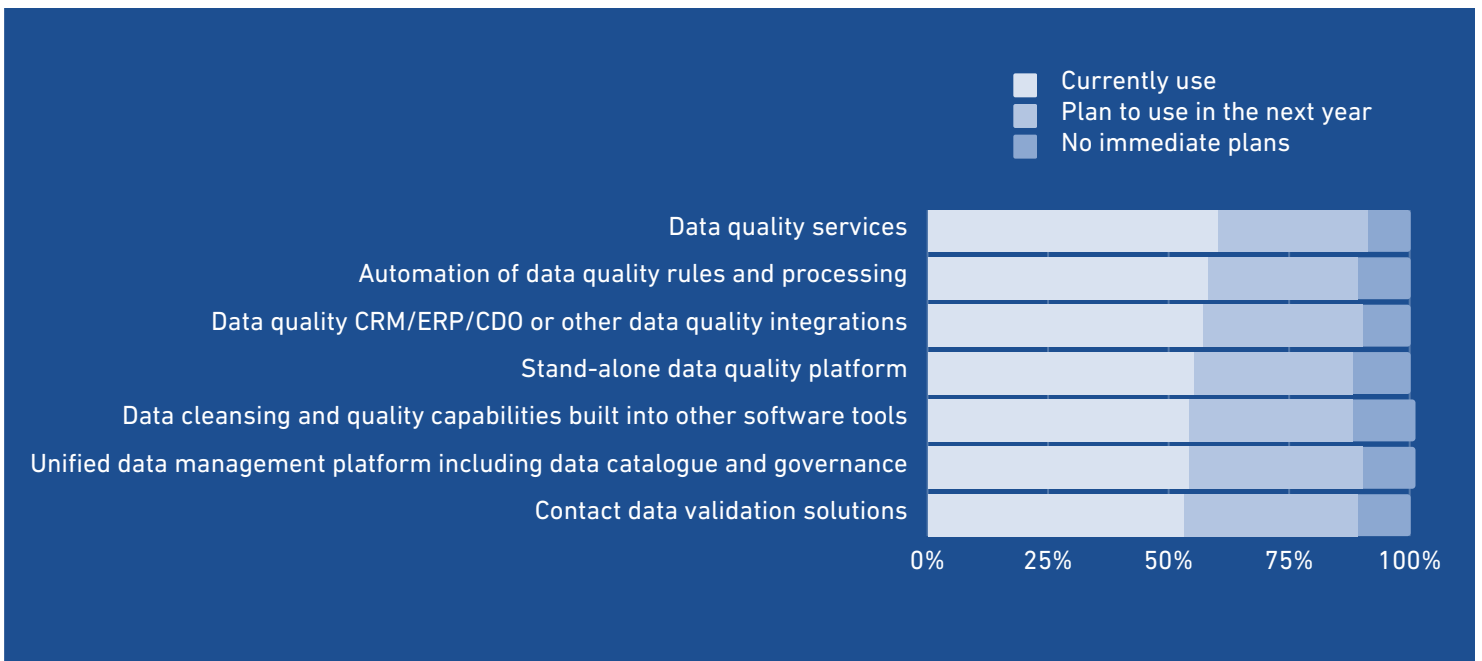
Top benefits

Quality data makes a valuable business impact both internally and externally. Our study shows that improving trust in data is expected to benefit organizations by:

42% Improving the **customer experience**

39% Allowing greater **business agility** to react to rapid market changes

35% **Better response** to market changes and disruption

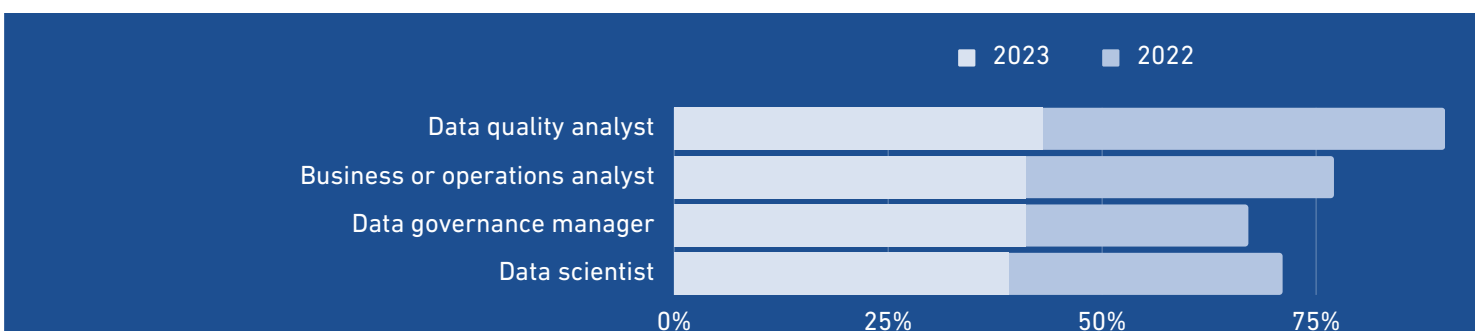**35%** Improving **competitiveness** and differentiation

When high-quality data is democratized across the business, the entire organization is equipped with relevant insights to deliver a better customer experience, respond to new trends, and stay ahead of competitors.

Types of data quality tools used or planned

Legend:
- Currently use
- Plan to use in the next year
- No immediate plans

Category	
Data quality services	
Automation of data quality rules and processing	
Data quality CRM/ERP/CDO or other data quality integrations	
Stand-alone data quality platform	
Data cleansing and quality capabilities built into other software tools	
Unified data management platform including data catalogue and governance	
Contact data validation solutions	

0%   25%   50%   75%   100%

Types of data roles that leaders are hiring for

Legend: 2023, 2022

Role	
Data quality analyst	
Business or operations analyst	
Data governance manager	
Data scientist	

0%   25%   50%   75%

Conditions of data quality today

Technology advancements, digital acceleration, increasing operational costs, depleting skill shortages, changing customer expectations, and supply chain issues are the conditions of today. While data quality enables effective response, it's critical to look at the state of data within an organization and address systems that can improve validity and use.

Our study shows that organizations typically rate their data as 8 out of 10. We also find that 60% of businesses say that their data quality has improved over the last year while more than a third say it has stayed the same. The catch is that data is constantly evolving as customers do—addresses move, names are changed, emails are deactivated, and so on. For these reasons, it is essential to keep up with this ever-changing information.

In this section, we will take a deeper look at the upswing in data investment, what data is in current use, how challenges like poor-quality impact responsiveness, and how optimal data maturity results in exceeded goals.

The upswing of data investment

Data quality is an asset within any organization, and leaders are tapping into insights to gauge how they can swiftly respond to market pressures. Our study shows that 84% of respondents have invested in data quality in the last two years and almost half of them say that this has sustained itself and resulted in positive impacts to the business.

On the other hand, while most of the respondents are rating the quality of their data high, there are signs that continuous improvement may be slowing overall—with fewer in the most mature category and less seeing quality improvements compared to previous years' study. This tells us that changes in the market are happening rapidly, and data is transforming rapidly as well.

Our research also shows that 75% say they waste a lot of time manually checking for data issues. Manual validation means risk of human error and a significant decrease in market response. This is why there is an upswing in investment regardless of signs of a slow decline in perceived quality improvement. The benefits of automated technology, data quality analysts, and data observability help reverse the risk of bad data.
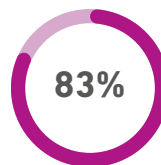
83% have invested in data quality in the last two years—and **almost half of them say that this has sustained itself and resulted in a positive impact.**
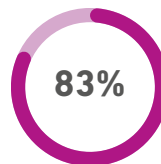
83% say operational efficiency is critical across the organization this year and yet...
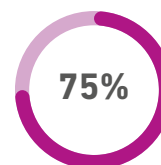
75% say poor quality customer contact data impacts their operational efficiency.

Bad data slows down market response

Poor-quality data has been proven to negatively impact the ability to adapt quickly to changing market conditions and operational efficiency. Our study shows that 83% say operational efficiency is critical across the organization this year yet 75% say poor quality customer contact data impacts their operational efficiency, and there's more.

Poor quality data is seen to impact the organization by compromising:

- Business agility and the ability to adapt quickly to changing market conditions (43%)
- Inhibiting the ability to understand customers and deliver a personalized customer experience (41%)
- Wasting resources and adding additional costs (40%)
- Damaging the reliability / trust in analytics (40%)

The risk of poor-quality data is enough justification for the investment in data quality. There is no competitive advantage for businesses who don't have the agility and flexibility to respond and adapt quickly to new consumer trends, and with increased operational costs businesses are relying on their data more than ever.
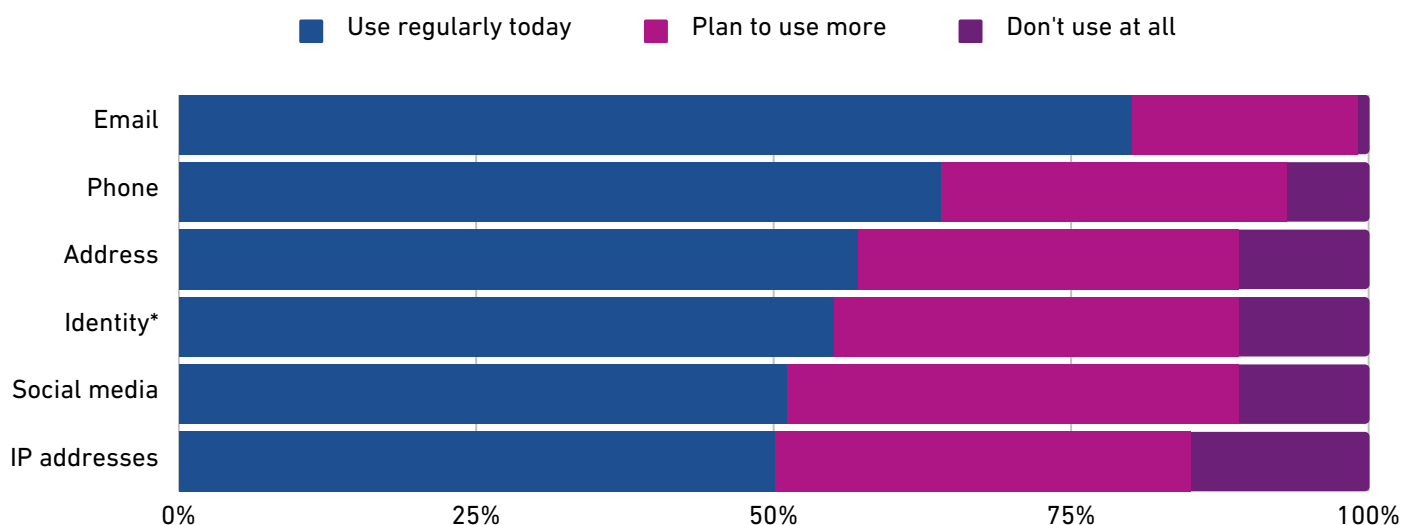
The types of data being used

One of the greatest market pressures organizations face today is changing consumer behavior and expectations. And with consumers constantly on the go —and on their phones—businesses need to capture foundational customer data like contact information. Our study shows that 99% of respondents use email data today or have plans to use it more. Following that, 93% of respondents use phone data today or have plans to use it more. Contact data may seem simple but it's invaluable.

The types of contact data being used in organizations today include:

1. Email
2. Phone
3. Address
4. Name and date of birth
5. Social media
6. IP addresses

Furthermore, the data shows us that organizations have plans to increase the use of each one of these data points. Capturing valid contact data paired with continuous monitoring and profiling allows organizations to keep up with the constant movement of customer data.

Types of contact data using in the business today

Legend: ■ Use regularly today ■ Plan to use more ■ Don't use at all

Categories: Email, Phone, Address, Identity*, Social media, IP addresses
Axis: 0%, 25%, 50%, 75%, 100%

*Identity is name and date of birth

Differentiating super performers

A third of our respondents exceeded their business targets for the year—what makes them different?

Data maturity is a critical characteristic that seemingly separates the surveyed businesses who exceeded their annual goals from the rest. Data maturity refers to the extent to which your business can collect valuable data, derive meaning from it, and leverage this information in the decision-making process. Our study shows that data maturity varies from 7% in the least sophisticated category through to 21% in the most mature category—most organizations fall between these two extremes.

Surveyed organizations who have exceeded their goals and targets for the year, despite market challenges, are twice as likely to be in the most mature data quality segment.

The optimal data mature segment means that the organization has:

- People: A dedicated team of data professionals who pave the way for a data-driven culture and business users with access to insights and the knowledge to manage the information appropriately. Processes: Best practices are in place to uphold data integrity and share relevant data across the business through accurate reporting and analysis.
- Technology: Data quality is monitored on a regular cadence and proactively profiled to ensure that incoming data is accurate and complete.

Despite reaching their goals, our study finds that data-mature organizations are most likely to experience significant impact from market disruptors. In parallel, these businesses are also more likely to have better data quality, have invested in their data quality in the last couple of years, and see a positive impact because of the investment.

The super performer profile

When it comes to the foundational elements of their data:

- **People:** These businesses are more likely to be hiring data roles.
- **Processes:** To improve data quality, these businesses are more likely to create a center of data excellence led by a chief data officer. Further, they are more likely to use internal resources to research and implement their new data quality tools.
- **Technology:** Overall, these businesses are using more data quality tools and, to scale and innovate data validation, they are more likely to integrate data quality capabilities into applications. Further, they believe automation and observability are important moving forward.

Year after year, we find that data investment equates to business growth. Our study shows that 95% of super performers—these high-achieved and data-mature leaders—believe that data quality is fundamental to business operations going forward.

The data quality maturity curve
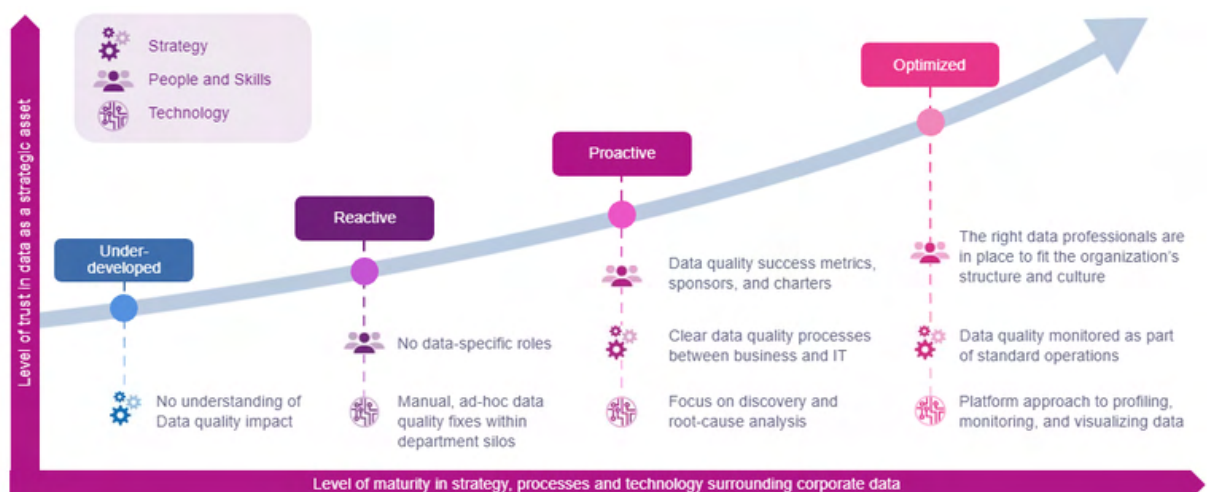
Conclusion

Across the United States, we continue to experience market pressures like technology advancements, depleting skill shortages, increasing operational costs, changing consumer trends, and supply chain issues. These challenges are only accelerating, which is resulting in the need for a prompt response from businesses. The solution: Data quality.

Investment in data quality continues to be the source of success for organizations regardless of the economic highs and lows we experience. With trusted insights, businesses can better respond to market challenges by predicting trends, making faster and improved decisions, and staying in lockstep with their customers.

Key takeaways

This report unlocks key trends around how data quality is revolutionizing responsiveness to market pressures. Here are a few of the key findings from the report:

Learning 1: Market pressures will intensify over the next year

Learning 2: Data quality is essential to agility and responsiveness

Learning 3: The majority of businesses invest in their data quality

Learning 4: Data automation and observability are crucial

We are *the* data quality experts.

Experian is here to power the best data-driven outcomes for businesses. Our data quality product suite is fit for purpose; integrating APIs or batch cleanses, we have user-friendly technology for organizations to uphold data integrity.

Data quality platform

Contact data append

Contact data validation

Data enrichment

If you are looking to invest in your data quality, contact us today.

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