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Retail Online Integration

4 Trends Driving Retailers in the New Age of Data

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As data continues to grow at unprecedented speeds, retail organizations must embrace a data-driven mind-set to stay competitive. Considering that 90 percent of the world's data was created in the last two years, this won't be a curve that drops off. With the influx of bigger data and new types of data, retailers of all sizes increasingly depend on large sets of information to make better business decisions. Midsized retailers, now able to cross barriers to the new age of data, have fast become committed to discovering those insights and putting them to work for their operations and customer relationships.

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The need for quality data has multiplied as reliance on it has grown. Ninety-three percent of retailers suffer from common data quality errors, the most prevalent being incomplete or missing data, according to Experian.

Marketing departments demand high-quality information to discover upsell and cross-sell opportunities and to improve customer relationships.

Customer service representatives use customer data to improve efficiency and satisfaction. Data-driven insights are also used to improve productivity, cut costs, reduce risk, and reach operational and strategic objectives. The rewards appear on the bottom line, too. Statistics show that data quality initiatives can boost revenue by 15 percent to 20 percent and drive a 20 percent to 40 percent increase in sales.

Meanwhile, there are still organizations continuing to take a reactive approach to data management, acting only when something goes wrong — and it can go very wrong. For example, multiple messages sent to the wrong person damages customer relationships, revealing a need to improve customer information. Or horror stories like the 17,000 men who were identified as pregnant and received mailings for obstetric and prenatal exams by British hospitals.

To increase revenues and improve efficiency, retailers must proactively manage data to ensure the highest quality data is being used for business intelligence. By taking this route, costly mistakes can be avoided and smarter decision making can begin.

While this level of data management isn't a new concept among large enterprises, more midmarket companies are turning to data-driven marketing to drive business growth. With today's advanced technologies, data management solutions are much more accessible and easier to implement than in the past. Four key trends are also driving these midsized businesses to join retailers of all sizes in the quest for better data:

1. Big data: Many retail organizations understand the intrinsic value in mining and analyzing traditional data sources such as demographics, customer transactions, behavior models, industry trends and competitor information. However, the age of big data and advanced technologies demands that new data universes (e.g., social media and mobile technologies) now be analyzed.

Retailers must build the infrastructure to support these growing universes of data. Those who successfully incorporate big data projects into their overall business strategy will gain significant returns, including better customer relationships, improved operational efficiency, identification of new marketing opportunities, security risk mitigation and more.

2. Knowledge-driven consumers: Today's consumers are knowledge driven, consuming information on the go and at their choosing. They interact with organizations through multiple channels — e.g., email, customer service departments, call centers, social media, in-store visits, online shopping, etc. — and they can act immediately with smartphones and tablets, comparing prices online while shopping in-store. Each and every touchpoint is an opportunity for retailers to optimize the customer experience, enhance customer loyalty and, ultimately, increase profitability.

3. Increased speed of business: As data is generated instantly, retailers must learn to take advantage of real-time opportunities or fall behind the competition. With increased customer and business expectations,

real-time decision making brings a competitive advantage. Consumers can connect on the go with smartphones and tablets, or make purchases on a website. Retailers have only minutes to integrate data about the consumer, such as purchase history or calls to customer service, in order to deliver the most relevant offers and messaging.

4. Risk management: Retailers are faced with data-related pressures such as possible data breaches and consumers' privacy concerns. As data becomes more abundant, so are the rules regulating that data. Maintaining data compliance requires an information-centric approach. Rather than patching problems with quick-fix solutions that can be costly and time consuming, a successful data compliance strategy relies on solid processes for managing data.

Retailers of all sizes have to steer through the intersection of risk, reward and accessible data solutions to position their business for success in the new age of data. With these four trends driving them, it's become a race not only to compete, but to survive.

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