Introduction

As data continues to grow at unprecedented speeds, organizations must embrace a data-driven mind-set to stay competitive. With the influx of bigger data and new types of data, companies of all sizes are increasingly dependent on large sets of information to make better business decisions. Marketing departments rely on high-quality information to discover up-sell and cross-sell opportunities and to improve customer relationships. Customer service representatives use customer data to improve efficiency and satisfaction. Companies also analyze data for insights into improving productivity, cutting costs, reducing risk, and increasing revenue.

Many organizations continue to take a reactive approach to data management, only taking action when something negative occurs. For example, multiple messages sent to the wrong person damages customer relationships, revealing a need to improve customer information.

To increase revenues and improve efficiency, data should proactively be managed to ensure the highest quality data is being used for business intelligence. By doing so, costly mistakes can be avoided and smarter decision-making can begin.

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01. Four Key Trends

While data management is not a new concept among large enterprises, more mid-market companies are turning to data-driven marketing to drive business growth. With today's advanced technologies, data management solutions are much more affordable and easier to implement than in the past. Four key trends are also impacting the need for companies of all sizes to have better data available: Big Data, Knowledge-Driven Consumers, Increased Speed of Business, and Risk Management.

1. Big Data

The term “Big Data” has become the latest buzzword to describe growing volumes of data, as well as new types of data, such as social media and mobile data. Companies are told they must quickly learn to manage Big Data or get left behind. True, Big Data has the potential to bring big opportunities, but what is it really and how can it be used to create value?

In simpler terms, “Big Data” is nothing more than “Your Data” residing in numerous formats and databases. When properly integrated, cleansed and analyzed, all this Big Data begins to make sense. Companies can use these data insights to improve operational efficiency, identify new marketing opportunities, develop stronger customer relationships, and become more competitive.

2. Knowledge-Driven Consumers

Today’s consumers are knowledge-driven, consuming information on the go and at the time of their choosing. They interact with organizations through multiple channels, such as email, customer service departments, call centers, social media, in-store visits, and online shopping. Each and every touch point is an opportunity to optimize the customer experience, enhance customer loyalty, and ultimately, increase profitability.

DID YOU KNOW?

- 90% of the world’s data was created in the last 2 years.
- 247 billion emails are sent each day – up to 80% of them are spam.
- 30 billion pieces of content are shared on Facebook every day.
3. INCREASED SPEED OF BUSINESS

As data is generated instantly, companies can implement solutions to take advantage of real-time opportunities. With increased customer and business expectations, real-time decision making brings a competitive advantage.

Consumers can connect on the go with smart phones and tablets, or make purchases on a website. Companies have only moments to integrate data about the consumer, such as past purchase history or customer service center calls, in order to deliver the most relevant offers and messaging to customers.

2. RISK MANAGEMENT

Many industries are increasingly faced with new regulatory pressures and requirements. 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.

02. Dirty Data is Damaging

According to research firm, SiriusDecisions, the average company contains up to 25% of bad data in their most critical systems. NetProspex also reports that 64% of companies surveyed have “unreliable” data and 34% have “questionable” data. Despite these alarming numbers, many companies are hesitant to begin a data management project, citing expense and time factors as the biggest barriers. However, choosing NOT to fix dirty data can be extremely damaging. Consider these data quality horror stories:

**The “Dear Idiot” Letter**

As customer service representatives at a large financial institution dealt with angry customers, they began entering phrases into the salutation field such as “What an idiot this customer is.” When the marketing department decided to send a marketing campaign using the customer service database, letters went out as “Dear Idiot Customer John Doe.” Customer relationships were ruined and the company’s reputation was damaged.
17,000 Men are Pregnant
Due to incorrectly entered medical codes at British hospitals, thousands of men apparently required obstetric and prenatal exams. These seemingly simple errors caused disastrous results in billing, claims, and regulatory compliance.

Managing data does not need to be time-intensive or cost-prohibitive. Companies can immediately increase revenue while the program grows and evolves over time by beginning with simple changes as a starting point.

Getting Started - Establish an ROI
Establishing a strong return on investment (ROI) will help get new data projects off the ground. Begin by outlining problems caused by dirty data, documenting the costs, and showing the benefits that can be achieved by improving data. By directly aligning data improvement projects with business goals, data management solutions can more quickly be justified.

In the following two examples, each company establishes a strong ROI by documenting costs caused by dirty data, as well as the benefits gained by improving data quality.

Mid-Sized Retailer - Increase revenue by improving operational efficiency.
Numerous errors in billing and shipping are causing frequent product returns, inaccurate deliveries and queried invoices. The problem is tied back to inaccurate customer addresses. If the customer database for the retailer contains 100,000 customers, and addresses were improved by 5% or 5,000 customers, costs and benefits of improving data can be quantified. Product redelivery costs are reduced, cash flow is increased when invoices are paid in a timely manner, and customer service representatives become more productive when they no longer need to spend time resolving customer invoicing issues.

National Financial Institution - Increase revenue by identifying up-sell and cross-sell opportunities.
Customer data siloes are hindering the marketing department’s ability to identify new revenue opportunities. By integrating disparate data sources, unified household views can be established and analyzed to make informed marketing offers. For example, using common identifiers, the “Smith” household is linked together. By discovering that the Smiths have a college-age son, an offer can be made for a student savings account.
Perform a Business Needs Analysis
As part of any new data initiative, a business needs analysis should also be performed to understand what is required of data moving forward. A business needs analysis focuses on understanding business objectives, strategic goals and business drivers.

For example, what information is required to meet these objectives and how accessible is it to end users? Are data gaps occurring, limiting the availability of required information to support decision-making? What data issues may be impacting revenue, increasing costs, or causing inefficiencies in operations? Documenting business objectives helps determine what data should be captured, how the data is related, and how data should be structured to create value.

TIP: QUANTIFY ROI WITH A DATA ASSESSMENT
Assess your data quality with DataMentors’ complimentary data assessment. We will identify specific areas where data quality can be improved, helping you more easily establish a quantifiable ROI.

03. High-Quality Data for Smarter Decisions
Once a data management project is approved, data must be properly cleansed and integrated to ensure information is of the highest quality to drive smarter decision-making across departments.

Begin by evaluating the quality of your data with a data assessment. DataMentors provides a complimentary assessment to help identify areas where data quality can be improved, what types of data may be missing, and other problems that may be affecting optimal data performance.

Data must also be integrated and placed into a central repository for a complete, 360-degree view of the customer or other business area. Data quality software automates integration processes and improves data quality by performing the following functions:

- Parsing and standardization
- Matching and linking data
- Monitoring to ensure data continues to align with business rules
- Enrichment through data appending
Business processes should also be established to ensure data manually entered into systems is of the highest quality possible. As we learned previously in our example of the pregnant men, many organizations experience data errors when information is manually entered, at a rate of 2% and 8%. Even one wrong number entered incorrectly can cause a payment to fail, a wrong part number to be shipped, or apparently a man to become pregnant.

Data validation controls can be integrated into online forms, using rules to check the validity of data sets. For example, a web form may require a visitor to enter data in specified formats. Or an IRS form may utilize controls to check that positive numbers are being entered into fields. Training employees to be more aware of the importance of data quality is also a crucial step to achieve a company-wide awareness of maintaining high quality information.

**DATA QUALITY BY THE NUMBERS**

The implementation of a data quality initiative can lead to:

- +15-20% REVENUE
- +20-40% SALES
- -10-20% CORP. BUDGET
- -40% OPERATING COSTS

**04. Analyze Data to Drive Growth**

As more data is generated across multiple channels, more data must be analyzed in order to stay competitive. In today’s age of the knowledge-driven consumer, understanding what drives customer behavior is more essential than ever. Every customer interaction is an opportunity to strengthen customer loyalty, reduce churn, and boost revenues. Providing positive customer experiences requires that companies utilize analytics to gain comprehensive insights into consumer lifestyles and behaviors.

In order to optimize business intelligence, companies should have a platform to accurately and non-invasively track customers and prospects. Once all sources of customer information are integrated and cleansed, a rich customer profile can be established and analyzed for insights into lifestyles, specific campaigns, channel preferences, loyalty and more.
Better Analytics through Visual Data Discovery

Analyzing data through visual data discovery is becoming more prominent. Research has shown that when data is represented graphically, people are able to retain the information better, which in turn, speeds the time to insight.

Traditional methods of analytics, based on reports and static graphs, are no longer enough to support quick decision-making. Visual data discovery allows a user to interact with data to explore multiple data sets, visualize correlations in data, and apply filters to quickly identify patterns. For example, a marketer may want to better understand which products are being used by high-value customers. By viewing the data as a Venn diagram, a marketer can gain a better understanding of each customer group and which products may have an opportunity for up-sell. The user can then drill down into each segment for further analysis or to export the query for a CRM initiative or marketing campaign.

Companies using visual data discovery are more apt to find the information they need, when they need it, according to Aberdeen’s survey of organizations using visual data discovery. Companies using visual data discovery are also able to get analytics into the hands of 48% more employees, compared to those companies that depend only on reporting tools and spreadsheets for business intelligence.
Embedded Analytics
Automated or semi-automated decision making should also be embedded into business processes for better data insights. Embedded analytics refers to the approach of allowing users to perform reporting and analytic processes within transactional business applications. Business intelligence is seamlessly integrated into business operations, such as a customer call center, for immediate action. Gartner predicts that within two years, 25 percent of analytics capabilities will be embedded in business applications. That is up from just 5 percent in 2010.

Organization can embed analytics into work processes for real-time insights or business activity monitoring.

Real-Time Business Analytics
Real-time business analytics makes information readily available to company representatives interacting with customers. Based on an event or transaction, data is collected, integrated with existing customer information, and analyzed. The results are sent to the original customer touch point for a decision. Each customer interaction represents an opportunity to make a real-time decision to create additional sales or reinforce behavior. For example, by making customer information readily available to a call center representative, a relevant cross-sell or up-sell offer can be made. Real-time analytics can be embedded into a point-of-sale system, a customer service center or a website.

Business Activity Monitoring
Embedded analytic technologies can also be used to monitor information and send alerts and triggers downstream to drive action. For example, fraud detection software can be embedded for risk mitigation. By establishing business rules to monitor credit card transaction, something such as a large cash advance can be detected and a bank security officer alerted to verify the transaction with the account holder.
As new digital channels are introduced, multichannel marketing is being used by more companies than ever before. Consumers expect to be able to easily interact with their favorite brands across multiple channels and according to their preferences. Whether they are in a brick-and-mortar building, shopping on-line or calling customer service, a consumer seeks seamless and consistent interactions. By integrating data from each of these channels, companies gain a better understanding of customers and prospects, the competitive landscape, and opportunities for improvement.

The undertaking of a multi-channel integration strategy can seem challenging. Data exists in various formats and structures, making it difficult and time-consuming to establish a holistic view of consumers. By establishing clear business goals and taking an incremental approach, multi-channel strategies are much more obtainable. The business goal will determine which channels are most important to integrate first, and which data from each channel to collect. As goals are met, additional channels can be integrated to further enhance marketing insights.

The payoff is well-worth the effort. According to research by Forrester, 86% of marketing professionals agree that successfully integrating multiple channels under a single marketing strategy is crucial to their long-term success. In addition, 60% of mature multichannel marketers reported increases of more than 10% in revenue that are attributed to marketing programs. Multi-channel consumers spend 82% more per transaction than a customer who only shops in store, according to business advisory firm, Deloitte.

Harness the Power of Social Data
Social channels offer a huge opportunity for companies to interact with consumers. When properly managed and integrated into business strategies, social data can become an invaluable asset. Social consumers have the power to influence entire networks of peers, simply by liking a company on Facebook, airing a complaint on a product review forum, or posting a picture on Instagram. Just as important, consumers are actively seeking to engage with their favorite brands through social media sites.
Social media can be used to improve the customer experience, and overall business performance. Consider the following two examples:

**Customer Service**
Providing exceptional customer service is a key component to creating a positive customer experience. Nearly half (47%) of U.S. social media users today actively seek customer service through social media. Prompt attention to customer complaints, questions or comments on social sites provides a great opportunity to build better customer relationships with social followers.

**Relevant Offers and Real-Time Messaging**
Companies are beginning to understand the impact and rewards of monitoring social behaviors in real-time. By monitoring social sites and integrating social sentiment into the customer database, companies can interact with customers in more personal, one-to-one relationships. For example, a positive customer review on a social forum can instantaneously be rewarded with a free product or redeemable rewards. More importantly, an angry review can quickly be handled and rectified.
While companies have long understood the value of investing in human capital, managing data for smarter decision-making requires a similar level of commitment and investment. People, processes and technology must all be aligned to successfully derive value from data. However, successful data management programs are not developed overnight. Establishing short-term and long-term goals is key, as is working with a data management vendor who can provide guidance throughout the process. Once the foundation has been established, data management programs can grow over time. Companies that embrace a data-driven mindset can be confident that data is of the highest quality to support business intelligence, increase revenue and grow the business.

About DataMentors
DataMentors is the industry’s leading provider of Data-as-a-Service (DaaS). Our comprehensive data solutions help clients grow, acquire, and retain their most profitable customers with cross-channel marketing strategies. We help companies leverage the modern data ecosystem and real-time data analytics to create a customized “always on” dataset of consumers where purchase is imminent. Recognized by Gartner for data quality for the past eight years, we provide the most powerful marketing data and technology services in the industry.

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