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Data quality - the key to unlocking cross-channel returns

Discover why data quality counts

An Experian white paper

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1. Data quality - the key to unlocking cross-channel returns

A cross-channel strategy ensures that you reach the right customers, at the right time, using the right channels and the right messages. It ensures that you focus marketing efforts, engage more effectively and achieve enhanced return on investment.

It's hardly surprising that Experian research from 2013[1] shows that the vast majority of organisations have adopted cross-channel strategies. It reflects a significant shift in the ways that customers engage; they're now just as likely to interact by smartphone or mobile (42%) and almost as likely to interact through social media (40%), as they are through a bricks and mortar store (42%).

But this research also highlights a significant barrier to realising cross-channel returns. Multiple channels bring new forms of engagement, but also demand new ways of dealing with data. Whilst offering fresh opportunities, cross-channel complexity is presenting new challenges.

Close to a third of companies identify multiple channels as a cause of duplicated contact entries. This is leading to a crisis of confidence in customer information: 94% of companies report problems with data accuracy, with the top challenges being incomplete data, duplicated records and typing errors[1].

Understanding of the importance of data quality in achieving deep customer insight, and ultimately a single customer view (SCV), is now widespread in sectors such as Retail, Finance and Leisure. As one cross-channel director of a high street retailer said in a recent Retail Week report[2], "The most important thing last year was mobile and this year it is having a single view of our customer."

It's encouraging to see that 99% of businesses surveyed have now initiated data quality strategies.[1] With robust data quality that can deal with the complexity of multiple channels, organisations can now turn the messaging model on its head. In the old days, we deployed mass communications to engage with a few individuals. Today, cross-channel approaches allow us to identify, understand and target communications to individuals and so engage effectively with millions.

This paper is designed to help you to create a data quality environment that will, in turn, ensure that you achieve the very real and very rich rewards of cross-channel marketing.

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[1] Dynamic Markets (2013) Experian Global Data Quality Research 2013: Independent Market Research Report. Abergavenny, Dynamic Markets Limited.
[2] Retail Week (2013) 'Multichannel Now' Report: 2013

2. Why data quality counts

Today, companies need to take a holistic approach to their customers, looking at the entire customer journey and not just the point of sale. Messages need to reach audiences before, during and after sales and be delivered through relevant channels. The rewards of getting this right are rich, transforming a consumer into a loyal and long-term customer.

Just 20 years ago, this level of engagement would have been impossible - interaction was confined to a few advertising channels that simply broadcast messages. We might have approached 1,000 people but appealed to only 10.

Now, we have the opportunity to learn far more about a customer, let's call her Jenny Bloggs, and so tailor marketing that meets her needs. In sending out 1,000 messages, we now appeal to 1,000 people just like Jenny.

But we can only do this if we can 'see' Jenny across channels. We need to identify her in various guises - at home, on her landline, using her smartphone, on email and surfing the web. Capturing, storing and managing data in robust and reliable ways is the only way we can do this.

The data quality key

When used with high quality data, cross-channel strategies unlock:

- Greater reach and impact

- Content that resonates with individuals through their preferred channels

- Higher conversion rates by marketing products and services that customers really want

- Significantly increased returns on every penny of marketing investment

Data quality turns addresses into individuals

To offer Jenny Bloggs what she wants, we need to know that she is the individual behind multiple identifiers, such as her:

home address

multiple personal and work email addresses

mobile phone number(s)

online identity to understand her searching behaviour

3. From multiple channels to a single view – for integrated campaigns

With a well-planned data quality strategy, we can accurately capture and link Jenny's multiple engagement points into one identity. It gives us a single customer view (SCV) of her cross-channel activity. An SCV means that when Jenny tells us she doesn't want to be called on her landline but doesn't mind mobile calls, texts or emails, we can contact her in a way that's convenient and more likely to generate a positive response.

The SCV is an identity that can be shared across an organisation, so there is cohesive understanding of the customer and the ability to create campaigns and communications that work for, rather than against, each other.

An SCV and good quality cross-channel data can make all the difference to your customer experience whilst inaccurate data can let you down. Let's consider some examples:

Good Quality Data	Poor Quality Data
Contact customers when it suits them: capture and store accurate information about when your customers prefer to interact with you and they'll be far more receptive.	**Miss your customers:** key insight into what your customers are searching for online goes wasted if you haven't got the correct email address to then send relevant offers.
Be more relevant: with a joined up view of what your customers like you can text timely relevant offers if you have correct mobile numbers.	**Annoy potential customers:** if you're unable to capture exactly what your customers are looking for, then bombarding them with potentially irrelevant communications could mean they choose not to subscribe or follow you on social media.
Be more timely: connect what you know customers are interested in with their in-store activity and it's possible to send relevant offers by SMS when they pass your store.	**Damage your reputation:** if you can't match back customers' cross-channel activity to a singular identity there's a high chance you'll mail them multiple times and that they'll look to a competitor.

4. Low quality data costs

The glittering prizes of effective cross-channel strategies depend on high quality data. The ability to link a customer on a website with the person who is on the phone or in-store is critical to success. Not being able to do so is almost always the fault of poor data quality management, such as inaccuracies in customer name, address, telephone and email address.

And it's worth noting that, as we move further into a cross-channel environment, this attention to detail will only ever become more important. Failure to focus on accuracy not only squanders the benefits, but also magnifies the negatives:

Dissatisfied customers: as customers come to expect seamless channel interactions, companies that don't make the grade will become increasingly exposed. Jenny and

millions like her will always shop with a company that engages at the times, using the channels, with the content and customer service she prefers. Poor quality data leads to an incomplete picture, which in turn leads to poor decision making and strategies - and it carries a substantial hit in terms of damage to brand reputation and lost customers.

Increasing costs: an unhappy customer is an expensive customer, incurring additional costs as a company must invest time and effort in sorting problems. Also, with no linkage, every time the customer interacts Increasing costs: using a different channel, staff must go through the process of re-registering them - time and time again. Indirect costs include: staff time and effort wasted in re-validating and duplicating effort in entering customer data, developing additional time-consuming procedures to counter data quality issues and, in extreme circumstances, paying fines due to non-compliance.

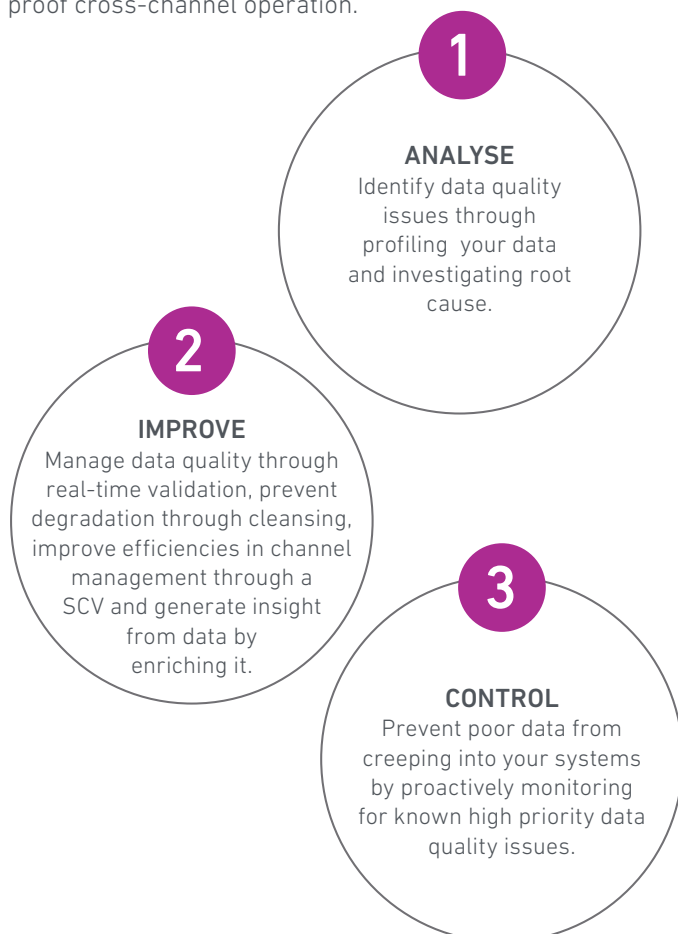# Data quality - the key to unlocking cross-channel returns

High quality data pays

Data quality is essential to successful cross-channel strategies, so focusing on data is a good investment. Put in place measures that govern the data quality monitoring processes, where data quality issues are proactively detected across channels.

1. Invest in data quality profiling to identify quality issues that can lead to dissatisfied customers or increased costs and, where necessary, perform root cause analysis to identify the source of these issues.

2. Invest in automation to correct typical data quality issues, allocating resources to tackle unknown problems.

3. Invest in robust reference data to make the process of validating customer channel data easier for staff and systems.

4. Determine which channel data impacts the customer journey the most and identify priority areas so that staff focus on what's most important.

5. The data quality checklist

Making the cross-channel journey requires some careful planning and this three-point checklist will help you to create a data quality foundation on which to build a future-proof cross-channel operation.

1

ANALYSE
Identify data quality issues through profiling your data and investigating root cause.

2

IMPROVE
Manage data quality through real-time validation, prevent degradation through cleansing, improve efficiencies in channel management through a SCV and generate insight from data by enriching it.

3

CONTROL
Prevent poor data from creeping into your systems by proactively monitoring for known high priority data quality issues.

5.1 ANALYSE
Data profiling and root cause analysis

The very first step is to identify two factors:

- The channels that are critical to each part of your customers' journeys

- The data that is critical for the success of the channels you have identified.

This understanding allows you to prioritise precisely what data you need and to manage cross-channel data quality. Assess your data using audits and data profiling to identify issues, find the root cause and put in place a prioritised plan to tackle them.

5.2 IMPROVE
Validate, cleanse, integrate and enrich

Real time validation: Poor data should be tackled by taking a proactive approach to verification at the moment of capture. Proactivity here means incorporating address, email and mobile validation into online and internal system forms. By doing everything you can to validate at this point, you will be able to stop bad data creeping into the business.

You can also use the point of capture to gain additional information, such as communication preferences. These preferences can be continually updated during subsequent interactions, so that the business has an on-going understanding of how best to engage with individual customers.

Data cleansing: No matter how well verified at the moment of capture, data accuracy will degrade over time. Databases should be cleansed regularly to ensure that customer information remains relevant and accurate. Cleansing options should ideally cover all possible channels, for example, while a strong focus is placed on address accuracy, the same should be applied to email and mobile channels as well.

Creating a single customer view: Accurate data brings you the foundation you need to create a single customer view (SCV). The first step is to link customers to their cross-channel identities. In essence, an SCV brings the business a collection of past interactions, purchases and preferences, which can then inform present and future engagement. Building an SCV creates a single customer record that links all channel engagements during the customer journey.

Additional insight through enrichment: To gain real cross-channel understanding of your customers, you should consider appending additional data sources. As an example, combining your data with demographic information can broaden and deepen customer insight. Knowing a customer's home address, for example, can reveal likely lifestyle interests, financial status and preferences. But once again, this will only be possible if you've got the data quality basics right in the first place.

5.3 CONTROL
Proactive monitoring

While analysing data to identify quality issues and putting in place measures to tackle them are imperative, an on-going monitoring programme will ensure that unforeseen quality challenges are identified before they become a problem.

Implementing monitoring also reduces the work for your data quality teams, with resources spent more efficiently looking for the outliers rather than known problems with data. Putting in place measures such as regular assessments to proactively check the accuracy of your channel and segmentation data should reduce the costs related to data quality over time.

6. Cross-channel data quality - in practice

Theory is one thing, but how does data quality impact cross-channel engagements in reality?

In 2009, P&O Ferries realised that its data offered far greater customer and business benefit than it was then able to leverage. With data collected across channels - including call centres, at ports and over the phone - there was no system in place to verify information, link it to unified customer identities or share it across the business. It was a manual process that ensured data was at least 10 days old by the time it was available and with a high probability of error.

Today, P&O Ferries has redesigned its operations. Focusing on all booking, customer relationship and customer management information systems, the aim was to support the creation of a single customer view (SCV).

The company has introduced a range of data quality solutions to ensure that it can be confident in its data:

Point of capture software that lets staff to enter addressing information and correct errors in real time. An online web form also allows the capture of additional information, such as which channel the customer prefers.

Database management and maintenance software that ensures existing information sources are continually cleansed and constantly updated, removing duplicate and obsolete entries.

Software to identify and link individuals across channels - pulling together, for example, a customer who had previously engaged via the web, call centre and at a port into a single and accurate customer record.

With a SCV in place, P&O Ferries now accesses data within 24 hours of capture, ensuring that business decisions are informed in near real-time.

Data quality delivers for P&O Ferries

In realising an SCV, P&O Ferries achieved:

Reduced costs, getting information right at the first attempt and maintaining it

Efficiency, with data now shared across the business for greater insight

Time savings, through more efficient and automated data management

Greater customer satisfaction, with faster form filling at contact points

Increased customer loyalty

Greater marketing impact, with messages targeted at individuals, based on in-depth knowledge of past and present interactions

P&O Ferries' Rani Tarumarajan says,

"We have better visibility into individual customers and can deliver increasingly targeted messaging."

7. The next step - from cross-channel to omni-channel

Demonstrating the speed with which the business world is changing, the step beyond cross-channel is already emerging. Known as 'omni-channel', it acknowledges that for customers, channel distinctions are becoming irrelevant.

This is because customers move seamlessly between channels and so expect businesses to follow suit. It means that, in the not too distant future, a trip to the shops, for example, may well be a very different experience:

• Customers could browse physical products and scan the barcode with their smartphone to gain more information. This could include video of the product in use and access to independent customer reviews.

• If they choose to buy, they add the product to a virtual basket mobile app and move on.

• By the time they come to pay, their products are waiting for them at the collection point, payment is made via their mobile and an electronic receipt sent to the phone.

• Any products that aren't in stock will be marked for later delivery to the customer's home address, at a time that's convenient to them.

• The ability to write and share product reviews through social media platforms will also be available through the smartphone app.

Realising this vision of the future demands the integration of complex processes, data and technologies. But all ultimately depends upon businesses creating the robust data quality strategy and single customer view that is needed for cross-channel marketing.

8. Data quality that maximises channel opportunities

Consumers now move seamlessly across channels and to meet this demand, high quality data is critical to unlock the potential of your strategy. It's a modern business imperative, because customers won't engage with you if you don't take the time to understand and engage with them in the ways that they prefer.

The first step is to invest in a solid data quality foundation and Experian Data Quality offers you the expertise, technologies and processes to make 'cross-channel experience' a reality. Our consultants have the know-how to assess your data quality and processes to allow you to transform your data, embedding quality at the heart of your cross-channel strategy and tailoring it to your specific business structure and processes. To get you started here's our top three tips for cross-channel success:

Assess where you are – start by auditing the true quality of your data, the processes in place to manage it and the value it provides to your organisation. Without a true picture of where you stand it's impossible to understand how to implement improvements that will support your long-term cross-channel ambitions.

Validate and clean ALL your data – an integrated cross-channel strategy relies on correct data for every channel you use. If, for example, you're only capturing and cleansing postal addresses but you also send emails, then email validation is a quick and effective way to fix this.

Stay on track – as you consider how to develop your cross-channel strategy it's important to monitor and plan for how your data will support it. Cross-channel innovation is moving at a fast pace and so consistent monitoring of your data quality means you can have the confidence in your data before implementing new tactics that may become available.

About Experian

Experian unlocks the power of data to create opportunities for consumers, businesses and society.

At life's big moments – from buying a home or car, to sending a child to college, to growing your business exponentially by connecting it with new customers – we empower consumers and our clients to manage their data with confidence so they can maximize every opportunity.

We gather, analyse and process data in ways others can't. We help individuals take financial control and access financial services, businesses make smarter decision and thrive, lenders lend more responsibly, and organisations prevent identity fraud and crime.

For more than 125 years, we've helped consumers and clients prosper, and economies and communities flourish – and we're not done. Our 17,000 people in 37 countries believe the possibilities for you, and our world, are growing. We're investing in new technologies, talented people and innovation so we can help create a better tomorrow.

Learn more at www.experianplc.com
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