

Can you turn data awareness into a data advantage?

Essential Data Quality; Achieving Long Term Success

An Experian summary report

Table of contents

1. Introduction	03
2. Meet the panel	03
3. Data quality - the challenges	05
4. Audience questions and panel views	09
5. Conclusion	10

Computing Web Seminar in Partnership with Experian Data Quality.

The panel: (from left to right)

John Leonard (Research Editor, Computing), Sarah-Lynne Carino (Principal Consultant, Experian Data Quality), Graeme Burton (Chief Reporter, Computing), Richard Jones (Head of Geographic Risk and Data Solutions, Direct Line Group) and Stuart Morrison (Database Systems Administrator, PDSA).



1. Introduction

Experian Data Quality hosts regular events focusing on data quality issues and the steps that organisations in the public, private and third sectors can take to build a better data foundation.

In July 2013 Experian Data Quality hosted one such event in partnership with Computing (www.computing.co.uk) - a webinar based around results from a 2013 survey of data quality decision makers.

This Experian White Paper reports on the webinar and is split into two distinct parts:

- The first looks at some of the data quality challenges faced, based on findings from a 2013 Computing survey and an online poll held during the webinar.
- The second summarises a Q&A with the webinar audience touching on the issues raised in the survey presentation.

We summarise the discussion, with the aim of sharing learning and suggesting actions to overcome some of your most pressing data challenges.

2. Meet the panel

The panel comprised individuals from industry, Experian and the media:



John Leonard presented the survey findings during the webinar. He is Research Editor at Computing, directing market research activity into many different aspects of business technology and writing features.



Richard Jones is Head of Geographic Risk and Data Solutions at Direct Line Group. Previous roles include Head of Geospatial Analysis at RBS Insurance and Risk Assessment Manager at AXA PPP healthcare.



Graeme Burton chaired the webinar. He is Chief Reporter at Computing with 15 years of experience in journalism and now specialising in IT. At Computing he has written about mobile, computing security, data centres, and enterprise hardware and software.



Sarah-Lynne Carino is Principal Consultant at Experian Data Quality UK, harnessing her experience in Enterprise Data Quality Services and previous roles that have focused on data quality strategy for enterprise applications such as SAP, Oracle, Siebel, MS CRM and Salesforce.com.



Stuart Morrison is Database Systems Administrator at the People's Dispensary for Sick Animals (PDSA).

In a world in which data has taken centre stage it's surprising that the implementation of data quality strategies appears to be a hit or miss affair.

It's clear that most organisations now 'get' the importance of data to their business objectives, but there is a wide variation in how they turn this knowledge into action - and ultimately competitive advantage.

Perhaps because data can be such a complicated discipline, many organisations overlook the simplest solutions. Before data can deliver its many benefits, we have to get the basics right. As an example, setting up a regime to check, clean and de-duplicate contact data such as customer email and phone numbers has the potential to have a profound and positive effect on customer loyalty, new sales and repeat business - and yet so many organisations miss this vital first step.

While the concept may be simple, its execution may not be so straightforward. Just having a data quality strategy is not enough. You need to make sure the systems and tools are in place to achieve long-term success.

The survey

Most organisations make sporadic efforts to clean their data, and many will even have a data quality strategy in place. Unless they are properly thought through, however, these efforts are unlikely to be successful over the long term.

Recently, Experian Computing conducted a survey of 120 decision makers at medium to large organisations to find out about the quality of their data, particularly contact data, and what efforts they were making to raise the bar. Responsibility emerged as a major challenge.

The costs of inaccurate data

Just looking at contact data, failure to put these systems in place causes internal inefficiency and wastes valuable collateral such as customer trust. It costs in a multitude of ways, including:

- organisations waste time and money telephoning or direct mailing customers who are no longer at the address;
- customers become frustrated by unsolicited and un-targeted contacts;
- emails bounce back, missing a potential new customers and increasing distribution costs; and
- in not knowing where or who customers are, marketing approaches are scatter-gun and unfocused.

With reference to the recent survey carried out by Computing, we'll look at gaps in data quality management and the problems this causes, whilst helping you to solve the data quality conundrum and remove the bottlenecks that hold so many businesses back.

The Computing survey asked: Who is ultimately responsible for customer contact data quality?

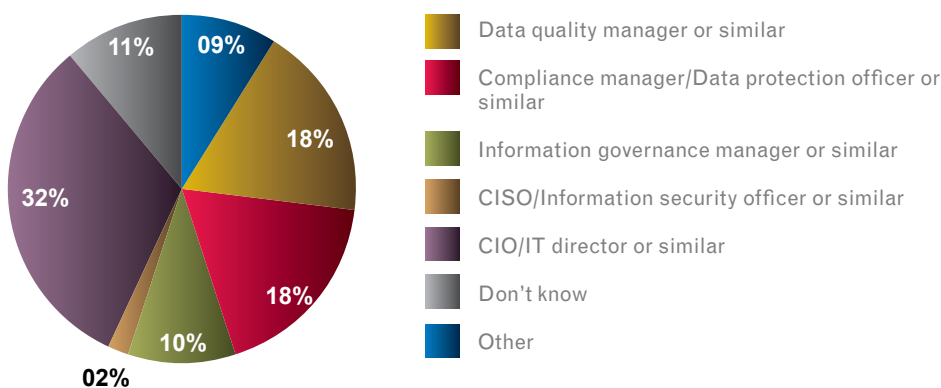
IT Manager	06%
Head of IT	08%
Marketing professional	06%
Head of Marketing	08%
The board	08%
Systems administrator	03%
Dedicated database manager	02%
Data quality manager	07%
Compliance manager/Data protection officer/Risk officer	07%
Information governance manager	03%
CISO/Information security officer	03%
CIO/IT director	14%
Don't know	17%
Other	08%

Perhaps the most startling statistic here is that the largest single response was “don't know”.

Whilst these results show a broad spread of job titles thought to be responsible for data quality, none of these held sole responsibility. Because data now comes from everywhere, data quality needs to be front and centre in everybody's mind - not just those in IT or marketing - and organisations need a visible figurehead or team, because without this, poor quality will become a self-perpetuating problem.

Underlining this apparent confusion, there is confusion about who is responsible for improving data quality.

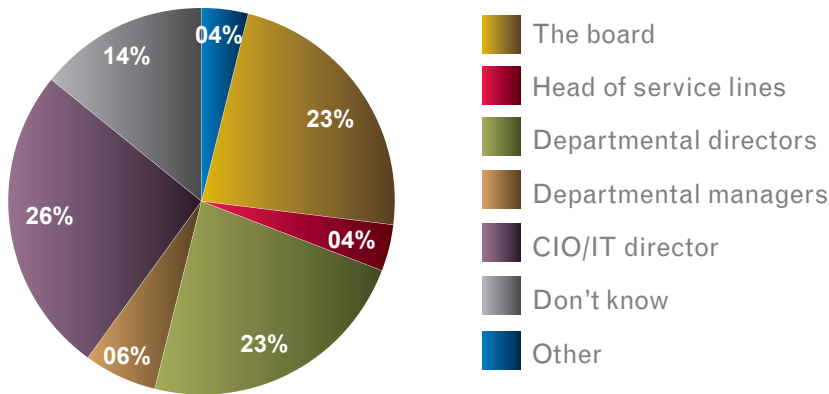
The Computing survey asked: Who is driving data quality at your organisation?



Again, it's a mixed picture. Encouragingly 18 per cent of organisations employ a dedicated data quality manager, whilst the same percentage had a compliance or data protection officer. Less positively, many organisations see data quality as somebody else's problem, with the usual suspects of CIO and IT cited. Most worryingly of all, more than one in 10 (11 per cent) of respondents again cited that they "don't know" where the drive for data quality improvement should come from.

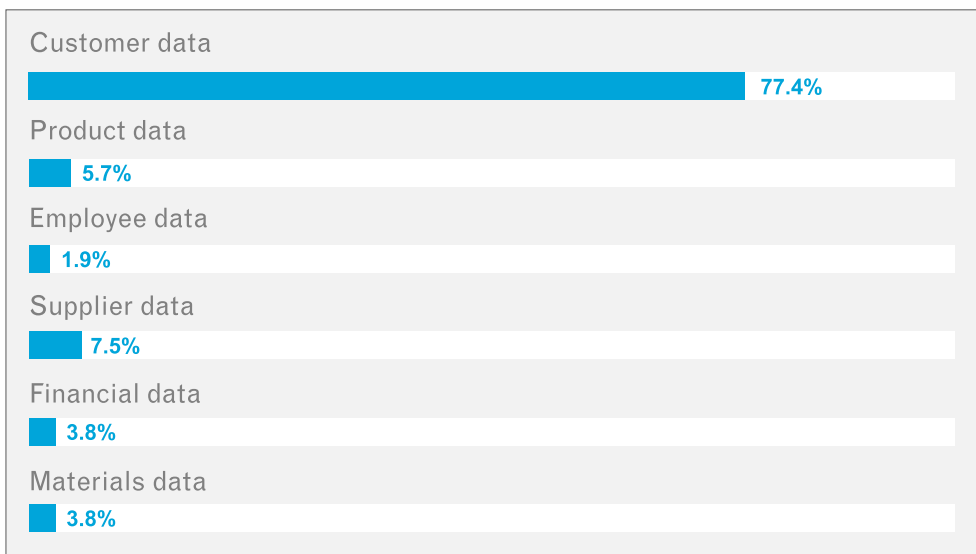
Looking at who is responsible for funding data quality, the pattern is repeated, with a range of paymasters and a significant showing for "don't know".

The Computing survey asked: Who is responsible for the budget assigned to data quality projects?



The webinar audience was polled on questions that aimed to uncover the true causes of data inaccuracy in the UK today.

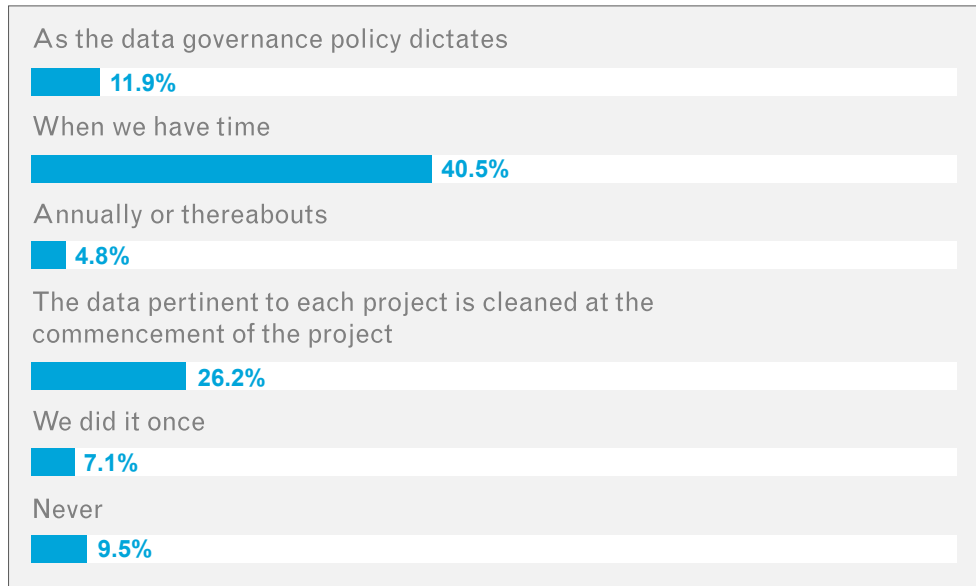
The Computing survey asked: Which of the following key categories of data (data domains) tend to suffer most from poor data quality and/or consistency?



Results here are conclusive, with customer data seen as the domain most at risk from poor data accuracy. As customer data is the most dynamic of all datasets, and the true costs of inaccurate data become more apparent, findings underline the importance of high data quality to UK organisations.

The webinar audience was also asked about the frequency of data cleansing within their organisations.

The Computing survey asked: Are your organisation's customer databases ever cleaned up or de-duplicated?

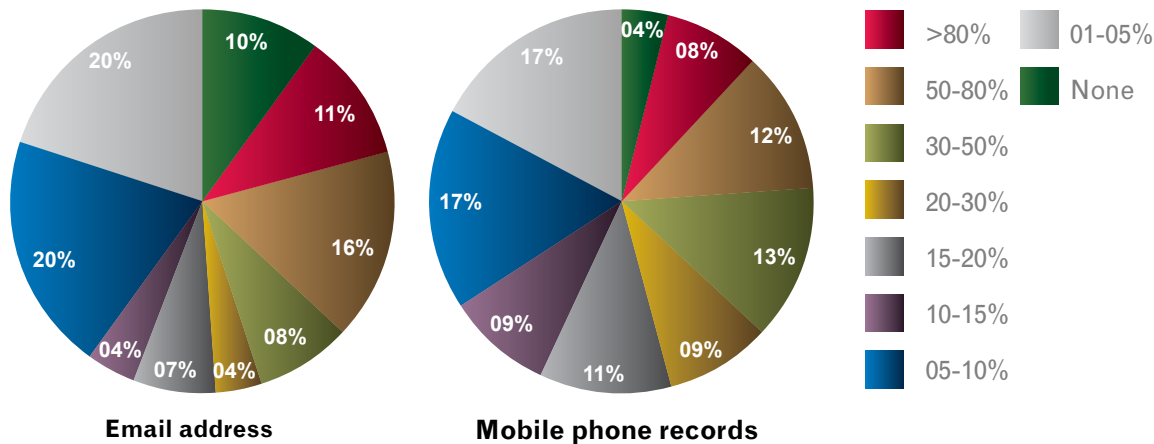


Again, results are mixed. Just 11.9 per cent of respondents cleanse databases in line with a properly thought through data quality policy. Which leaves around 90 per cent of respondents taking an at best ad-hoc approach to data cleansing - and at worst ignoring it completely.

Where the problems lie

Discussing inaccuracy in the abstract is one thing, but now we look at it in practice and focus on email and mobile databases.

In email, half of the respondents said that fewer than 10 per cent of their email records are inaccurate. But, the survey also shows that 11 per cent of organisations believe more than 80 per cent of their email records are inaccurate and another 16 per cent believe that in excess of half their email addresses are wrong. There is a similar pattern with mobile numbers.



As digital communication channels become the norm, this will be an increasing problem. Customers expect marketers to keep up with them as they move across channels. In addition, if organisations don't know how to engage with customers in the email and mobile space, they will never achieve the single customer view.

Reasons for the spread of inaccuracies are wide ranging. This includes multiple capture points, including email, the web and call centres - with different collection systems, the potential for human error and differing data collected across these points all contributing to inaccuracy.

Eliminating these errors can include: technology solutions, which hardwire the correct collection procedures; comprehensive training of staff that

collect data so that they understand how to do it properly and, importantly, the business impact of getting it wrong; and a better understanding by the business of what data really matters to them.

There are also factors beyond an organisation's control - most notably the accuracy of the data the customer provides in the first place. Sorting this out is not easy, but providing incentives to customers to provide accurate information and point of capture validation technologies are worth exploring. Many organisations will invest in postal address validation technology, but fail to do so for email and mobile contacts, which will prove a costly omission.

What have we learned?

Both the Computing and webinar audience surveys give us a snapshot of a very patchy approach to data quality across the UK.

What is clear is the fact that cleansing is rare, whilst many senior decision makers don't know who is responsible for data management, who drives it or who funds it. If this continues, it's unlikely that accuracy is going improve, which will cost companies dearly.

The webinar audience posed questions following the initial presentation, with many focusing on key themes. We summarise the thrust of their questions and the panel's response.

There are often many disparate systems where the data is not aligned. How do organisations start rationalising them so that they work with each other? Is it possible to manage data quality from a central point? And how can you distinguish high impact from low impact data quality issues?



Stuart Morrison says, "The survey results are indicative of an industry that's in flux. The charity sector is acutely aware of risk and eager to follow best practice. For many charities, the problem is that it's not clear what data best practice is."

"Data acquisition is easy, but active data management is more difficult and critically important. In terms of effective management and the integration of disparate datasets, I'd recommend the creation of a central team - a centre of excellence - that advises all aspects of the business on how to collect, manage and get the best from data."

"The business itself needs to quantify what are high and low impacts in terms of data quality - nobody can do it for them. Measures could include customer satisfaction, brand reputation and legal compliance."

"For many charities, the problem is that it's not clear what data best practice is."

Stuart Morrison, PDSA



Richard Jones says, "Data is our business and so we understand that data drives us. Data is now used across every aspect of insurance, from IT to marketing to fraud - the list goes on. So the entire company is encouraged to

take responsibility for the data we hold and gain competitive advantage by combining it with third party sources."

"One way of establishing high and low impact issues is to use regulation as a guide. You tend to fix problems that leave you at risk of regulatory breach first. Beyond that you look at the size of the problem, the potential gains to be realised by doing something about it and the costs of not bothering."

"The idea of establishing a centre of excellence is a good one: a central point to advise the business. For this to work it's essential that you get buy-in and support from the executive leadership team - all departments need to know that the top team is fully behind you. It can take a lot of time and a lot of effort, but it's well worth it because you have a mandate to introduce change."

"It's not easy, particularly when it comes to matching records - we initially had match rates of 10 per cent when they should have been 80 per cent. But you have to be realistic and know that data will never be 100 per cent accurate and get smarter about getting value from the data you do have. There are ever-more effective software solutions to help you here and it's worth the investment."

"...the entire company is encouraged to take responsibility for the data we hold and gain competitive advantage by combining it with third party sources."

Richard Jones, Direct Line



Sarah-Lynne Carino said, "Many organisations are now at the stage where they recognise there is an issue around data quality but struggle to

understand what the problem is, let alone solve it."

"For me, the key issue is that data now cuts across all aspects of business and so any solution has to take a similarly holistic approach. You need to audit the quality of data within silos and then you will be in a position to know what data drives your business and how it can be integrated. You can then prioritise actions to where they will deliver short, medium and long term gains."

"It's at this point that you can also begin to see and quantify the likely impact of data quality issues. Spending thousands of pounds on a piece of technology is only going to be worth it if the data quality problem is significant enough to deliver a return on that investment. On the other hand, understanding your data quality issues may mean that you can find problems that are easy and cost effective to fix that deliver massive improvements to the business."

"I agree that a centre of excellence is a good thing, but many organisations want it to provide, for example, a single customer view - and it's worth noting that achieving this level of customer insight is a long journey. There are, however, many things that we can do to better leverage data in the meantime. Use technology in business silos to take and manage data better so that integration is easier."

"You need to audit the quality of data within silos and then you will be in a position to know what data drives your business and how it can be all integrated."

Sarah-Lynne Carino, Experian

6. Conclusion

Whilst the Computing survey and online poll results throw up some worrying insights into attitudes to data accuracy in the UK today, the experience of the webinar panel shows that forward thinking organisations are seizing the competitive advantage that data accuracy offers.

Data accuracy is the foundation of virtually every aspect of virtually every modern business. Get the basics right and your organisation gains a rich understanding of customer behaviours - targeting precisely the right people with the right messages at the right times and using the right channels. It drives internal efficiency, customer trust and loyalty, regulatory compliance and, ultimately, sales.

Speak to Experian Data Quality today to start your journey towards data driven competitive advantage.

About Experian Data Quality

Experian Data Quality has built up exceptional market coverage assisting customers with their unique data quality challenges.

We provide a comprehensive toolkit for data quality projects combining our market leading software with a vast scope of reference data assets and services. Our mission is to put our customers in a position to make the right decisions from accurate and reliable data. The size and scope of data management projects varies considerably but the common factor in all ventures is unlocking operational efficiency and improving customer engagement. We see the potential of data. Whether it's in enabling ambulances to be sent to the exact location of an emergency or attributing charitable donations to the people who need it the most - data accuracy makes all the difference to service provision.

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For more information please contact us:
T 0800 197 7920 | E dataquality@experian.com | W www.edq.com/uk