

7 tips to better data management for retailers

Data is the cornerstone of retail success today. As giants like Amazon lead the way, using data to create sophisticated algorithms and remove friction from the buying process, all retailers need to become more data-driven to keep up. The retailers that come out on top are those who act on the insights they gain from the information they have on their customers. While many retailers know how important data is to driving success, they aren't always sure where to start and how to effectively manage their data. In our 2017 global data management benchmark report, we found that only 39 percent of retailers trust their data to make important business decisions. Trusting your data is a fundamental first step to getting the most out of it. The following tips will help you understand what it takes to truly trust your data and ensure that you're able to gain actionable insights from what it's telling you.

1. Put the right people in place.

It's much easier to be data-driven when you have drivers that know the way. Major retailers who are using data to succeed have entire teams dedicated to analyzing every aspect of the customer experience in addition to all the behind-the-scenes operations like supply chains and inventory management. As volumes of data keep growing, it should come as no surprise that there are increasing demands for data professionals. In our most recent global data management benchmark report, we found that retailers will be investing more in data roles in 2017, particularly in hiring data analysts. Investing in data-specific roles helps ensure that your marketing, sales, operations, finance, and other departments have the information they need, prepared by experts who truly understand the data. While data literacy is becoming a requirement for professionals in every part of an organization, a strong team of dedicated data experts enables the teams in other areas of the business to spend their time making good use of the data instead of struggling to find or make sense of it.

2. Know what information you want.

While this may seem obvious, deciding what you want to do and what information you need to accomplish it is often the first step to leveraging your data in strategic ways. Nowadays, most retailers are struggling with too much data, as opposed to not having enough. Many are overwhelmed with how much data they have and for 35 percent of retailers, the volume of information is their top barrier to gaining a single view of their customers. Cutting through the noise of all the information and pulling out the data that matters for your purpose is the challenge. Identifying what information will help you achieve your goals can help you start making sense of the data you have, the gaps that may exist, and what information you don't need to worry about for the project at hand. Looking for trends across your data is also a good way to identify similarities among your existing customers and can help you determine what is working well and where there may be room for improvement.

3. Get the tools you need.

While technology is not always the answer, when it comes to data, it is definitely a key to success. Manual processes are not efficient enough to keep up with the vast amounts of data that retailers are collecting, and they leave a lot of room for error. In fact, according to our 2017 global data management benchmark report, human error continues to be the leading cause of data inaccuracies. From your point-of-sale system to your data warehouse, your customer relationship management platform to your inventory management software, the stack of technology required to support sophisticated retail operations is immense and continues to grow in size and complexity. With the advent of mobile technology—the latest frontier of retail technology—there are many new options for payments, loyalty programs, receipts, and collecting additional information on your customers, including real-time behavior. While there is no one right combination of platforms and solutions, having the right technology in place is the way to succeed with your data. And one of the most important things to keep in mind is the quality of your data.

4. Collect correct customer information.

Your customers are interacting with your brand through many channels—in your stores, on your website, through a call center, by email, and maybe even through a rewards or credit program. This means that you have many opportunities to gather your customers' contact information. Whether you are collecting information at the point-of-sale, through a loyalty program, on your website, or through a credit card application, requiring the minimal number of keystrokes by reducing the number of fields or automatically filling in certain information creates a streamlined customer experience. Validating information as it comes in is another best practice to guarantee that your customer data is accurate. Considering that in 2016, retailers estimated that 25

percent of their current customer or prospect data was inaccurate in some way, collecting accurate customer information is still an obstacle to overcome. With the correct contact information, you can ensure customers receive important communications on products and promotions and gather additional insight by sending them surveys or reviews. Contact data also serves as the foundation to achieving the illustrious single customer view.

5. Enrich your data.

For some retailers, the data they gather through customer interactions still does not provide them with all the information they need to make the right decisions when it comes to marketing, inventory, merchandising, pricing, and so on. In such cases, retailers can append additional information from third parties to gain additional insights and get a more complete view of their current and potential customer base. With a wide range of attributes available to append to your existing data, such as estimated household income or credit card use, you can fill in the gaps in your data that you may not be able to gain through alternative sources of information. Let's say, for example, that you wish to send a birthday email to all of your customers, but you only collect their name, address, and email address at checkout. While birthday information may be available for some of your customers through social media, purchasing the data from a third party is likely to return a more complete set of data on your list.

6. Standardize data across databases.

Whether you are looking to achieve a single customer view or simply need to be able to ensure that customers are receiving their products and are billed appropriately for their orders, linking and standardizing data across databases is important for powering business decisions. You may need to combine historic information in your data warehouse with newer data or you may need to unify your data

from across databases—say in-store point-of-sale information with Ecommerce data—in order to observe trends and build a full view of customer behavior. Data standardization can help you make all of your data fit for purpose by standardizing formatting across databases. Then, data matching can help you link matching fields or the same metadata to merge records within and across databases. From there, you can create rules and unique customer identifiers to understand preferences and behavior such as what Jane Smith buys, how frequently, and where—in terms of in-store versus online and specific store locations. On an individual level, this information helps you create more personalized, 1:1 marketing and improve each buyer's shopping experience. On an aggregate level, this information can help you make better decisions in areas like inventory and site selection for new retail locations.

7. Monitor your data.

Once you have collected accurate data and combined it to gain greater insights into your customers and their behavior, you will want to monitor your data to ensure ongoing data quality. Data monitoring allows you to review and evaluate the state of your data to ensure it is always up to par and ready for use. You can see where the most inaccuracies are occurring among your data, and track any unusual or abnormal behavior to figure out where you should focus your data quality efforts. When you use your data for personalization, you cannot risk poor quality data interfering with your marketing efforts and potentially affecting customer perception in a negative manner. More than half of retailers believe that not having trusted data could lead to downturns in customer loyalty and satisfaction, so data monitoring is especially crucial.

A strong data management program underpins data-driven retail—and data drives retail success. As the volumes and complexity of data continue to grow, retailers will become increasingly more sophisticated in their abilities to analyze and use data. Some retailers are already looking to the future of data where mobile devices will allow for the collection of real-time insights on in-store behavior, and when they can wrangle and make sense of the vast amounts of valuable, but unstructured data available through social media channels. In order to head in that direction and remain competitive in the retail space, it is crucial to have a strong data management program. Getting the right people, tools, and processes in place to maintain accurate information helps you stay on top of your data now and gives you the ability to leverage that data to stay ahead of the curve.

How prepared are you and your data for the future of retail? Improving your data management can help you engage your customers and drive revenue. Download our white paper to learn how to maximize your personalization efforts.

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