

The data quality benchmark report

How practitioners today are managing and using valuable data to generate actionable insight





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About the study

Over the past five years, data has become a central part of any organization's strategy. We rely on it to tell us about our customers, what products we should invest in, how we should adjust our sales and marketing strategies, what new markets to invest in and much more. We have become obsessed with data and the insight that it can provide.

This becomes increasingly true as we see more analysts and individuals with data skills are being hired to not only manage our data, but also to analyze information to take relevant action. And as part of this effort, the quality of our data is growing in importance. This is simply because without good quality data, organizations are unable to gain the desired level of insight. The majority of organizations have a strategy in place to manage data quality and 84 percent plan to invest in additional data quality technology in the next 12 months. In fact, data quality has become one of the fastest growing segments in the technology space.

And why is that? Organizations are being heavily impacted by bad data. On average, global companies feel 26 percent of their data is inaccurate and for U.S. organizations, that number rises to 32 percent. That is up from 25 percent just a year ago. This high degree of inaccurate information could be for two reasons. Firstly, we are using our information more and therefore, finding fault in it. And secondly, the data management strategies that are in place today are simply outdated.

While the majority of organizations do have data management processes in place, many are departmentalized and segmented. This exposes information to human error, the leading cause of data problems, by creating large inconsistencies in the way information is collected. Today, only 35 percent of companies have a centralized data management strategy under a single director.

However, we expect to see this number increase. As the motivation to use and understand data becomes even stronger, organizations will have to master the quality of their information to ensure data-driven insights.

To understand how organizations are using and perceiving data today, Experian Data Quality surveyed more than 1,200 professionals from seven countries with knowledge of their company's data management practices.



Key findings

While the survey findings did vary slightly based on geography and industry, there were several key trends that emerged.

1. Turning data into insight is crucial for business success

Ninety-five percent of companies feel driven to turn their data into insight. The four main desires companies have from data are to understand customer needs, find new customers, increase the value of each customer and to secure future budgets. All of these objectives are essential to business success. And companies with a more sophisticated data quality strategy are driven by a wider variety of reasons.

2. Data problems relate back to human error

Among those with contact data accuracy issues, the most common cause is believed to be human error - which explains why companies of all different types are affected. Anyone can be affected by human error if they do not have a data management strategy in place that combats it in a central way.

3. A high degree of inaccuracy is dramatically affecting business performance

When considering U.S. businesses believe 32 percent of their information is inaccurate, it's clear that business performance is certainly impacted, as well as the bottom line. Eighty-three percent of respondents in commercial companies believe their revenue is affected by inaccurate and incomplete customer or prospect data in terms of wasted resources, lost productivity or wasted marketing and communications spend.

4. Investment is being made in data quality, but in unsophisticated approaches

While 84 percent of companies are investing in some sort of data quality solution in the year ahead, many are not sophisticated in their data strategy today. Just one in four has a sophisticated, optimized approach to data quality. This means they are not doing their best to ensure accurate organizational data. A big reason for this gap is the prevalence of siloed departmental data strategies. Sixty-three percent of organizations lack a coherent, centralized approach to their data quality strategy.



Drawing on our long heritage in data quality, Experian Data Quality can deliver unique insight into how organizations are using their data and managing it over time. The following sections provide industry trends based on seven years of conducting this global data quality research, as well as insights, best practices and data-driven recommendations that will help organizations improve their data efforts in three key ways:

1. Improving data accuracy

2. Gaining insight from data

3. Achieving an optimized data quality strategy

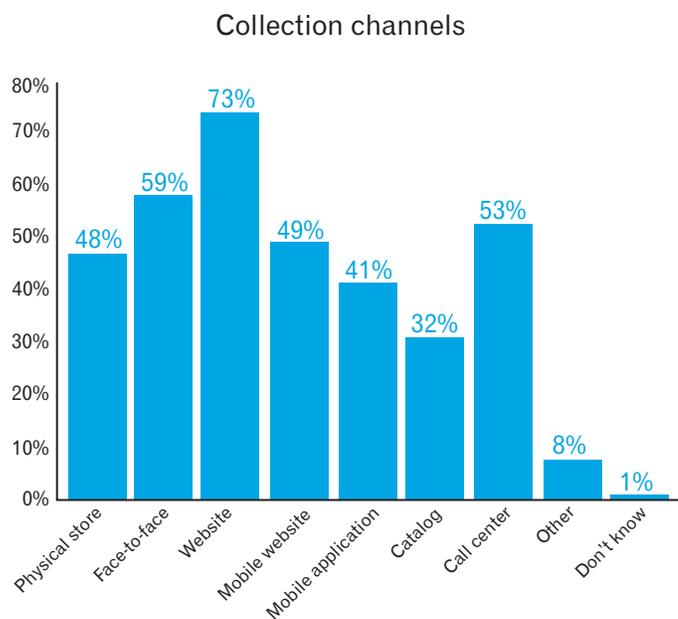


Data collection

As organizations gather a host of information from consumers, they are doing so in a wide variety of ways. While channel diversification was the story over the past several years, the number of collection methods has plateaued. However, the types of data being collected are continually changing when you factor in social media data, consumer reviews, and much more.

Methods for gathering data

Organizations are interacting with customers in a wide variety of channels and are collecting a great deal of information from them. On average, global companies use 3.1 channels to collect contact data. However, the U.S. companies surveyed use more channels on average, 3.6, compared to their global counterparts. There were also variances in the number of channels based on a variety of factors. Interestingly, companies with a more sophisticated data management strategy use a higher average number of channels to collect customer or prospect data than those who take a less sophisticated approach.



? Did you know?

U.S. companies surveyed use more channels on average, 3.6, compared to their global counterparts.

The most popular channel to collect contact data is through the company website, followed by face-to-face contact via the sales team and then the call center. The call center is actually most popular in the U.S. when compared with other countries.

There has been much talk about the rise in mobile marketing over the last few years and roughly one in three companies now collect contact data via a mobile website or mobile application. Indeed, together, 45 percent collect data via mobile. While this channel seems to be an increasing part of our conversation, the number of companies collecting data through this channel has not changed significantly.

However, this lack of movement is consistent across all channels. There has been very little change in the channels being used to collect contact data compared to 12 months ago, and the proportion of companies using mobile is statistically indistinguishable across the two years.



Turning data into insight

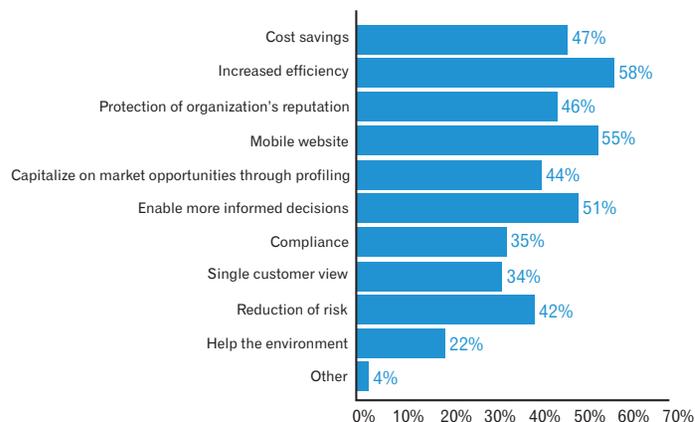
With so much data coming in, organizations are looking to turn consumer information into actionable insight. Overall, organizations are highly motivated to use their data and are looking to do so across nearly every department in the business. But, to take action based on data, organizations need to make sure it is accurate and complete.

Motivation for data quality

Almost all organizations have a data quality strategy in place to maintain high quality data. The high adoption rate of data quality strategies comes from some very clear motivation points. The most common reasons cited by survey respondents include increased efficiency, enhancement of customer satisfaction and enablement of more informed decisions.

Respondents in the U.S. actually say more factors account for why their organizations have a strategy to maintain high quality contact data. Some of the additional motivations that stand out in the U.S. are cost savings, brand reputation and fraud. That said, organizations do not simply fall into one of these categories. Overall, 69 percent of organizations relate to three or more of these issues as drivers for them and 36 percent relate to five or more.

Reason for maintaining high quality data



However, the overall cost savings motivation is down from when this study began several years ago. We are seeing companies far more motivated by themes that are harder to quantify. It is more difficult to measure how data quality impacts customer satisfaction or informed decision making, than it is to think about cost or even fraud.

Desire to be informed

Turning data into insight allows organizations to make more intelligent decisions and drive a host of business activities. We see this reflected first in the top motivations companies cite for maintaining high quality contact data. However, we also see companies directly saying they want to turn data into insight.

Drivers for turning data into insight



The concept has become so important that 97 percent of U.S. companies feel driven to turn data into insight. The top drivers for U.S. companies are wanting to understand customer needs, finding new customers, increasing the value of each customer and securing future budgets.



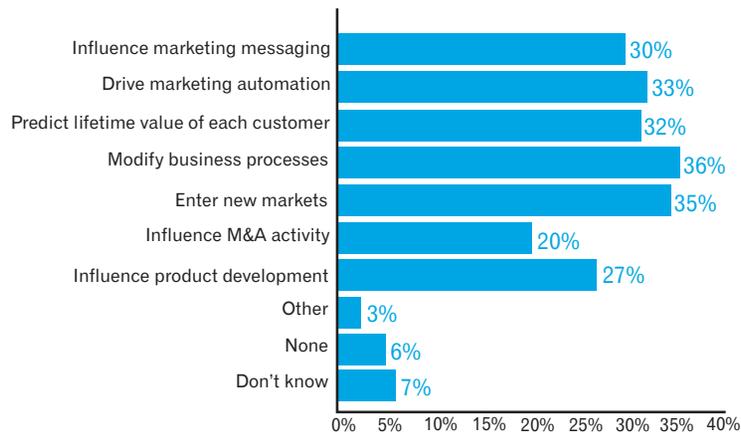
In general, companies in the U.S. and multinational organizations relate to a wider variety of drivers for turning data into insight. These companies also tend to have a more sophisticated data quality strategy and be those who are larger, with 1,000 or more employees.

Moving to predictive analytics

In that same vein of becoming more informed, organizations are looking to use data in a more advanced way. Many organizations are turning to predictive analytics, which is defined as an area of data mining that deals with extracting information from data and using it to predict trends and behavior patterns. Today, 87 percent of companies are using predictive analytics across their business in one way or another. The U.S. and Spain actually stand out for using predictive analytics in a wider variety of ways, whereas the other countries seem to use it less.

However, the way individuals are using this technology and insight varies widely. The two most common uses in the U.S. are to drive marketing automation and to enter new markets. Other uses include modifying business processes, influencing marketing messages, predicting the lifetime value of each customer or influencing product development. Over half are actually using it in multiple ways across the business.

Use of predictive analytics



We also can see a connection between company profits and the way they use predictive analytics. Companies whose profits have increased significantly in the last 12 months use predictive analytics in a wider variety of ways. In addition, the more sophisticated a company's approach to data quality, the more they are using predictive analytics across their business.

Customer Experience Management

Customer Experience Management (CEM) is a hot topic for companies today, irrespective of the markets they serve. Everyone wants to improve the customer experience to ensure customers finish their current transaction and keep coming back. An increasingly important part of this management is done through data.

Ninety-four percent of U.S. companies are leveraging data and data quality in an attempt to optimize their customer or prospect experience. Most commonly, half are using data and data quality to develop better targeting. This is followed by using data to deliver more accurate communications to customers and prospects or to develop better personalization.

There are a wide variety of ways organizations are leveraging data to improve the customer experience, but this is especially true for profitable companies, multinational companies and those who have a more sophisticated data management strategy.



Data-driven marketing success

Organizations specifically want to use information to develop and execute their marketing strategy. In fact, it has been named as a crucial component of marketing success. As marketers continue to automate processes and do so within much tighter timeframes to keep up with the consumer, maintaining and analyzing accurate data will continue to be a critical component.

Top communication channels

Organizations are still communicating with customers in a wide variety of channels for marketing purposes. While the most popular channels have continued to shift around a bit, email remains the top communication channel for organizations in 2015. In second place is social media, followed by mobile telephone. Low proportions of organizations are focused on physical mailing address and landline phone.

Interestingly, while all countries agree that email is going to be their most important communication channel, the U.S., Great Britain, France, Germany and Spain all have social media in second place. This is actually not the case for Australia, which ranks mobile telephone in second, just slightly ahead of social media.

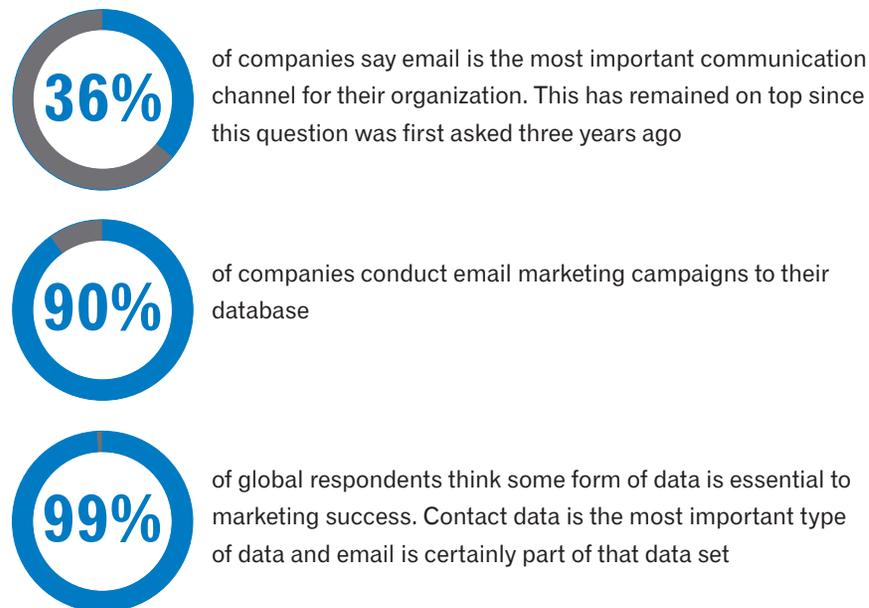
As consumers continue to change the way they interact with brands, we expect the balance of channels will shift around a bit. However, marketers will continue to need to tailor marketing communications to consumer preferences and not just what is most convenient for the company.



Trend alert!

Email is still king.

Marketers are continuing to diversify communication channels, but email is still critically important to marketing success.





A necessary component of success

In today's marketing environment, data is a critical component of success. This is especially true when one considers the amount of technology and automation built into today's marketing best practices. In fact, all U.S. respondents think some form of data or information is essential for marketing success. Globally, that number was 99 percent. Contact data tops the list when it comes to which type of data people think is essential.

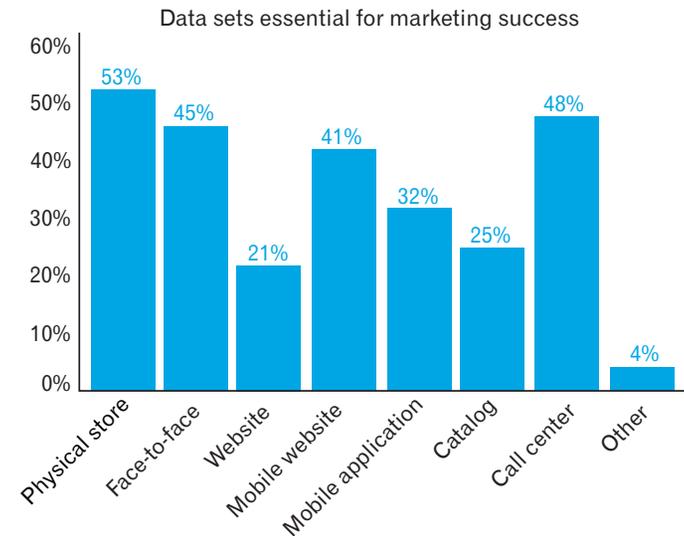
However, there are other types of data organizations think are important for marketing. These include sales data, demographic data, behavioral data and preference data. The U.S. actually put more of an emphasis on behavioral data compared to the other countries surveyed.

These figures are relatively consistent with last year, which shows very little has changed in the types of data marketers are using for marketing purposes. However, since many are in the process of implementing new technology and adapting to new techniques, this is not entirely surprising.

? Did you know?

Data is essential to marketing success.

Globally, 99 percent of organizations think some form of data is essential for marketing success, with contact data topping the list.

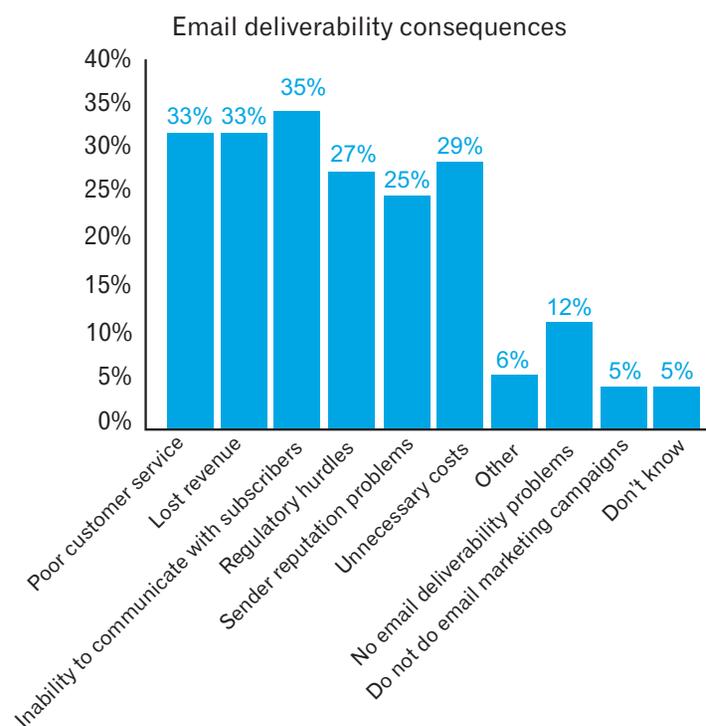




Email deliverability tied to list hygiene

With email staying as the top communication channel, many companies are collecting email addresses for their marketing efforts. Ninety percent of companies conduct email marketing campaigns. However, these campaigns are not without their challenges.

Many companies are experiencing deliverability problems that keep their messages from reaching subscriber inboxes. In fact, 78 percent of organizations have had email deliverability problems in the last 12 months.



These issues have resulted in a number of consequences. The most common has been poor customer service. Almost one in three has encountered unnecessary costs as a result of email deliverability problems and similarly 28 percent have lost revenue as a direct result of emails not getting through for one reason or another.

Interestingly, there were differences in these consequences between countries and titles. Across the countries, the U.S. has encountered more of these consequences compared to all other countries. However, the top challenges for U.S. organizations are an inability to communicate with subscribers and lost revenue. In addition, respondents in data management and IT roles seemed more aware of consequences in the company compared to other groups.

It is also important to note that these challenges are on the rise. In the last 12 months, the proportion of companies suffering from these consequences has risen from 67 percent in 2014 to 78 percent now.

While there are many factors that affect email deliverability that can be discussed with a company's email service provider, a common culprit is poor data quality. The high degree of inaccurate information being seen within company databases certainly carries over into email data and can have a dramatic impact on email deliverability rates.



Strategies behind data quality

While we can see that data is clearly important and is used for a variety of business functions, the data quality strategies that exist today do not reflect this. Many of the new initiatives facing businesses are not siloed within one department, but rather organization wide. Unfortunately, most data today remains in silos, as do the data management processes that maintain it. While many organizations are looking to invest in improving data quality today, many need to make fundamental changes to their strategy to optimize data quality within their organization.

Data quality sophistication

The sophistication around data quality varies greatly depending on the organization. The strategies are divided between optimized, proactive, reactive and unaware. In our survey, individuals were asked to select a description for the level that best describes their organization. The descriptions are as follows:

Unaware

- Understanding of data quality impact is patchy around the business
- Data quality fixes sometimes happen
- Excel or manual processes are the primary data management methods used around the organization

Reactive

- Good knowledge of data quality impact, but no data-specific roles exist within the business
- Data quality fixes happen, but in departmental silos
- Excel or manual processes are the main data management methods, but departments have sophisticated tools

Proactive

- Data quality sponsors exist and success metrics are outlined
- There is clear data quality process ownership between business and IT
- Technical aspects focus on discovery and root cause analysis

Optimized

- There is a central data role, such as a CDO, in place that is accountable for corporate-wide data assets
- Data quality is monitored as part of standard business practices
- There is a platform approach to profiling, monitoring and visualizing data

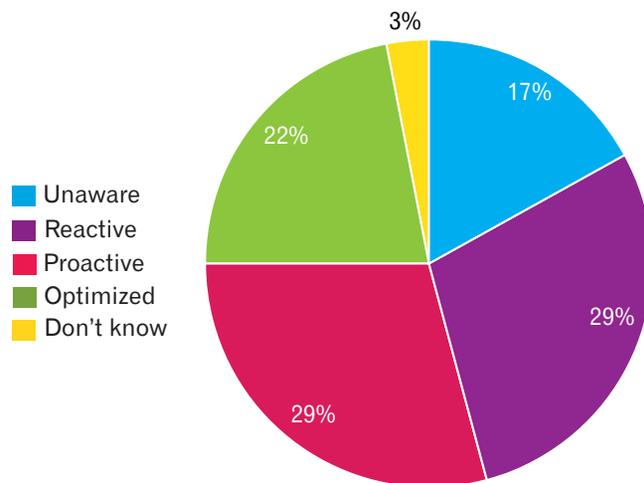


According to the respondents, just one in four has a highly sophisticated approach to data quality, falling in the optimized category. This means that the company has a central data role, data quality is monitored and is part of core business practices and there is a platform to approach data management.

That means that 74 percent of companies do not have a sophisticated approach and could improve upon their strategy. Twenty-seven percent are proactive, 29 percent are reactive and 14 percent are totally unaware.

Interestingly, larger companies tended to select more sophisticated options. That could be due to their ability to invest in larger data quality solutions or simply that the amount of data they host has become so large that they have been forced to maintain it centrally.

Sophistication of data quality approach



? Did you know?

Most organizations lack a sophisticated data quality strategy.

Seventy-four percent of companies do not have a sophisticated approach to data quality and could improve upon their strategy.

In addition, within companies, those in marketing/CRM/sales, data management and general company admin roles tended to select the less sophisticated options when compared to those in customer services, finance, HR and operations. Those titles were more likely to select an optimized strategy. Those in IT roles displayed the most balanced view, with a fair percentage selecting each category.

These percentages stayed pretty consistent across the U.S. and a variety of industries. However, manufacturing and retail stand out as industries that select more of the most basic options.

These wide variances in data quality strategy show that organizations have dramatically different approaches to data management. While there will never be a one-size-fits-all data management strategy, organizations do need to increase their sophistication to ensure it is consistent across the organization.



Organizational structure around data

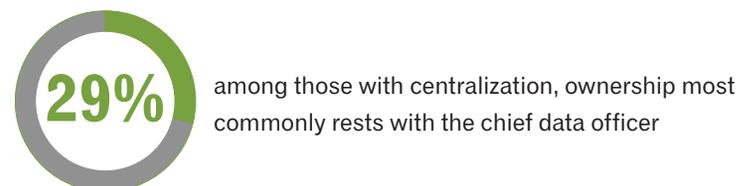
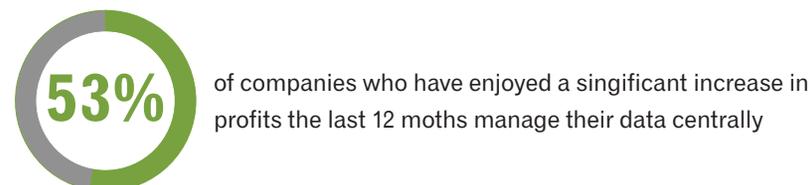
The structure around a data quality strategy is crucial to its sophistication and overall success. Among those with a data quality strategy in place, just 35 percent say it is reviewed and maintained centrally by a single director. That means 63 percent lack a coherent, centralized approach to their data quality strategy. More commonly, companies report that there is some centralization, but that many departments still adopt their own data quality strategy.

Interestingly, unlike the data quality strategies cited in the previous section, there is no systematic difference according to company size or the number of individual databases a company maintains and how they review and maintain their data quality strategy. That means everyone is in about the same place when it comes to their data quality structure.

In the last year though, companies have made modest improvements. There has been a slight increase in the proportion of companies that manage their data quality strategy in a centralized way with ownership resting with a single director, up from 30 percent in 2014 to 35 percent in 2015.

! Fast facts

Centralized data management strategy.



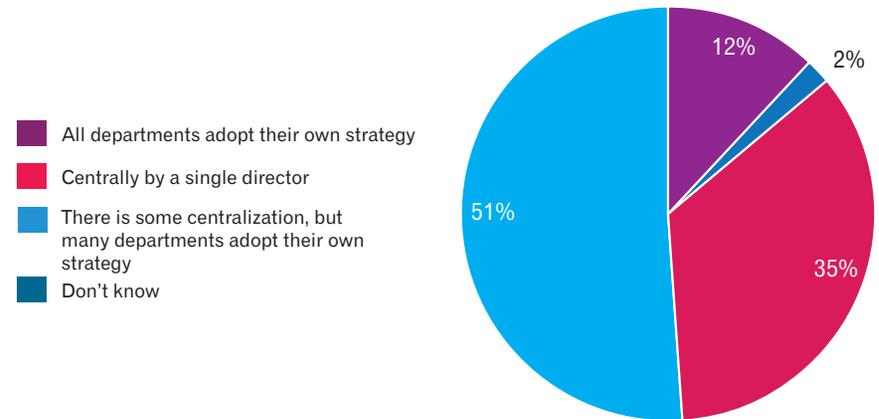


Among those with centralization, ownership most commonly rests with a chief data officer or the CIO/CTO. While the chief data officer is a relatively new title in the past three years, it is showing increased importance, especially with those in manufacturing and retail. Fewer selected other roles, but the top of this second-tier group is the data governance officer and the chief financial officer.

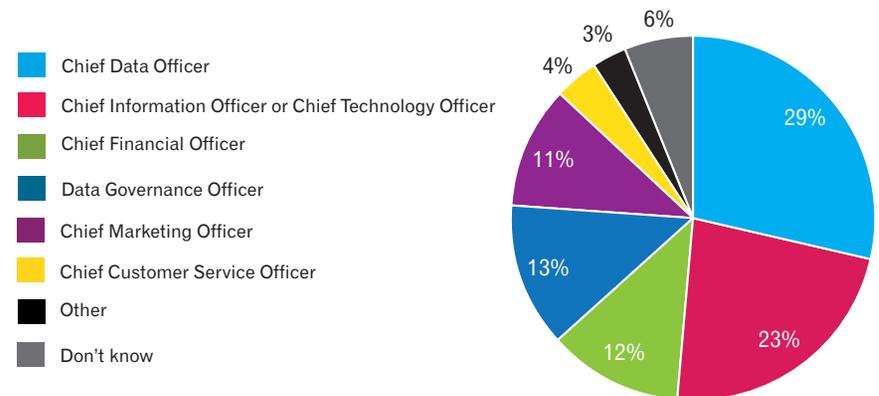
The organizational structure around data is so important that it even correlates with company profits. More companies who have enjoyed a significant increase in profits in the last 12 months manage their data quality strategy in a centralized way with ownership resting with a single director. Also, those companies are more likely to have ownership rest with the chief data officer, compared to those who have not enjoyed such significant profit increases.

The concept of centralization and having the right structure around data management is crucial to improving data quality and reducing the amount of errors that enter databases or occur over time.

Centralization of data management



Owner of central data quality strategy





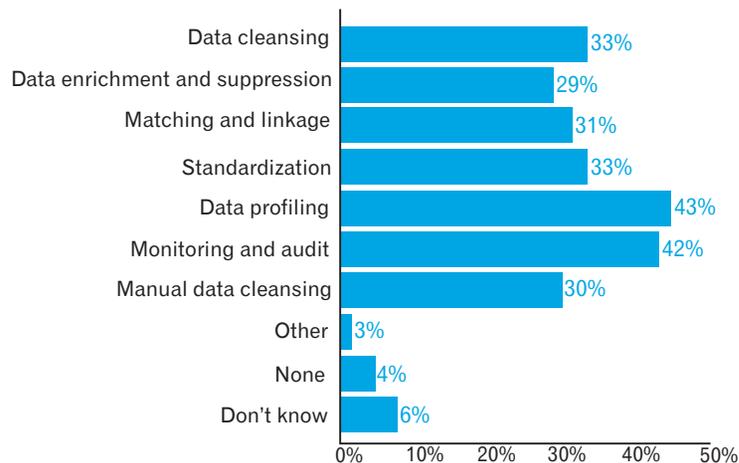
Data quality tools and techniques

In addition to structure, organizations look at specific tools and techniques to manage data quality. Eighty-eight percent of companies have some sort of data quality solution in place today. However, the types of tools in place vary greatly depending on the organization. Most of the major types of data quality tools are used by a third of companies or fewer, suggesting organizations take a very varied approach to the types of solutions they have in place.

The most widely used data quality solution is monitoring and audit technology, but this is only slightly in the lead. This is followed closely by data profiling technology and matching and linkage technology. Twenty-nine percent use data cleansing technology, but the same percentage use manual data cleansing.

However, we do see multinational companies using more data quality solutions. In addition, there was once again a sharp correlation between company profits and data quality tools. Companies that have seen a significant increase in profits use more data quality solutions, compared to those whose profits have stayed the same or decreased.

Used data quality tools



? Did you know?

Eighty-eight percent of companies have some sort of data quality solution in place today and the U.S. has the widest variety of solutions.

There is also a correlation between the sophistication of a company's data quality strategy and the number of tools they use. Companies who use a more sophisticated approach to data management, such as optimized or proactive, do in fact use a wider variety of data quality tools.

The U.S. also uses a wider variety of data quality solutions compared to other countries. Ninety percent of U.S. companies use tools and the most popular are data profiling and monitoring, and audit technology. Data profiling technology is actually most popular in the U.S. compared to other countries.

While the types of tools will vary based on business practices and data quality needs, it is important that organizations use a wide variety of tools to ensure their information is accurate and maintained over time.



Investment in data management

Over the next year, organizations are looking to make significant investments in data quality. In the next 12 months, 89 percent of U.S. companies plan to make some sort of data quality solution a priority for their business to implement for the first time or to improve upon.

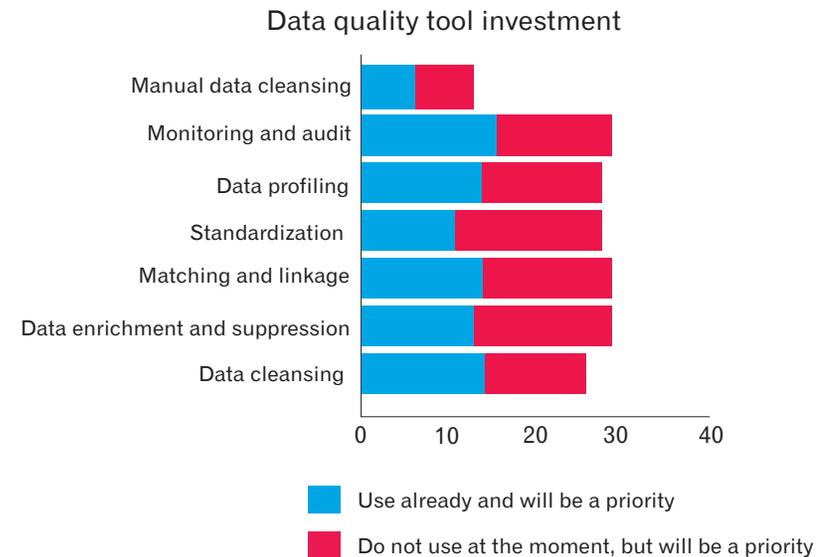
The types of solutions companies will invest in vary widely. The percentages for these are similar, showing variation in opinion across companies. This is primarily due to two main reasons. First, organizations vary dramatically in terms of the sophistication of their data management strategy. Second, the disparate nature of data quality solutions means that each organization and department is investing in different technology depending on the needs of their individual department.

The U.S. will focus on a wider range of data quality solutions compared to all other countries. U.S. companies plan to invest most heavily in monitoring and audit technology, followed by data enrichment and suppression, matching and linkage, and data profiling.

Interestingly, organizations will focus slightly more on investing in solutions that are net new, compared to those they already have. In 2015, 51 percent of companies plan to prioritize and improve data quality solutions they already have in place, while 64 percent will focus on a new solution.

This shows that organizations are looking to broaden the data quality capabilities they have in place, but also are working to make improvements in existing technology or expand it across different departments.

In 2015, 51 percent of companies plan to prioritize and improve data quality solutions they already have in place, while 64 percent will focus on a new solution.





Problems with data

Even with the bulk of companies having some sort of data quality strategy and structure in place, the majority still have problems with their data and are plagued by inaccuracies. This shows that the structures companies have in place today are not enough to maintain the quality of data needed for business practices and significant changes need to be made to improve the level of accuracy and consolidation.

Accuracy level

Organizations are plagued by inaccurate data. Today, 92 percent of organizations suspect their customer and prospect data might be inaccurate in some way.

The percentage of inaccurate data has actually been going up over the past several years. On average, respondents globally think 26 percent of their total data might be inaccurate. This has risen from 17 percent in 2013 and 22 percent in 2014. The U.S. actually believes they have the highest percentage of inaccurate data, citing 32 percent of their data is inaccurate on average. This is up from 25 percent just a year ago.

Also alarming is the fact that even though 92 percent of those who deem their contact data to be essential to marketing success admit to inaccuracies and on average, they identify 23 percent of their data to be at fault.

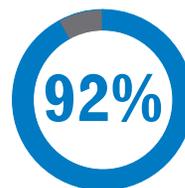
Interestingly, while all organizations suffer from data quality errors, those who have the least sophisticated approaches to data management do see more data errors. They cite a much higher average figure for the proportion of their current data that might be inaccurate, an average of 41 percent, compared to those with more sophisticated approaches who cite between 20 and 27 percent.

This helps to illustrate that the type of strategy and tools an organization has in place to manage data quality can make a big impact on the accuracy of information for business insight and operations.

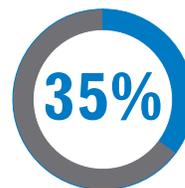


Trend alert!

The level of inaccurate data is climbing



of organizations suspect their customer and prospect data might be inaccurate in some way



on average, U.S. organizations believe 32% of their data is inaccurate. This is up from 25 percent just a year ago.



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Common errors

The high degree of inaccurate data is being caused by a number of data quality errors. Ninety-seven percent of companies suffer from common errors associated with contact data. The three most common errors are incomplete or missing data, outdated information and inaccurate data. Duplicate data is also a significant problem for a third of companies. Over the course of the seven years this survey has been conducted, the amount of companies reporting outdated information and inaccurate data has increased over time.

The same three errors are most common in the U.S. and across all of the industries surveyed. However, some did vary in order slightly.

There is also agreement among the most common data errors across the different levels of data quality sophistication. Interestingly, however, the figures are often higher for those with more sophisticated approaches. Specifically, those who are more sophisticated seem more aware of incomplete or missing data, outdated information and inaccurate data.

This suggests that those with a more sophisticated data quality approach may have a better handle on the root cause of problems and the specifics of their data errors, whereas this level of knowledge may be lacking among those with less sophisticated approaches.

Ninety-seven percent of companies suffer from common errors associated with contact data.





? Did you know?

Data quality issues impact company revenue.

On average, companies with a less sophisticated approach to data quality think more of their annual revenue is wasted.



Problems impact bottom line

The consequences of poor data quality are varied and far reaching across the organization. However, the consensus across organizations is that the bottom line is affected. The research shows that poor data quality is a board-level issue with 83 percent of respondents in commercial companies believing revenue is affected by inaccurate and incomplete customer or prospect data in terms of wasted resources, lost productivity and communications spend. In fact, only 10 percent said none of their revenue is wasted by poor data quality.

The percentage of inaccurate data wasted is high. On average, respondents feel 23 percent of their revenue is wasted this way. Interestingly, while that average did not appear to change between 2007 and 2014, it has risen slightly in the past 12 months.

The amount wasted is also highest in the U.S. at 27 percent, and also Australia, at 29 percent. In the U.S., 91 percent of companies think revenue is wasted due to poor contact data.

There was also a correlation between the level of sophistication in the data quality strategy and the amount of budget wasted. On average, companies with a less sophisticated approach to data quality think more of their annual revenue is wasted. Those who are in an unaware stage for their data quality strategy think on average 40 percent of their revenue is wasted compared to 14 percent for those with an optimized data quality strategy. Once again, this shows that the type of strategy put in place can have an impact on the bottom line.



The causes of errors

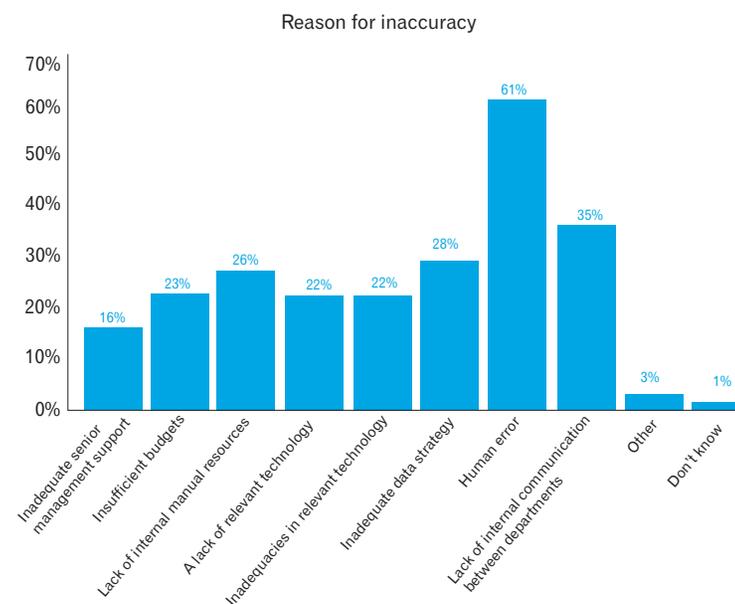
Organizations clearly have a high degree of inaccurate information and it is hurting their bottom line. However, the cause of these errors are pretty consistent across all organizations. They all stems from human error and a data quality strategy that does not eliminate basic data entry errors that then propagate across a business.

A lesson in human error

The research clearly shows that among those with contact data accuracy issues, the most common cause is believed to be human error. Sixty-one percent of companies cite this problem. This explains why companies of all different types are affected by inaccurate data. All companies ultimately have data entered by an individual across all channels. Without a data management strategy to prevent that type of error, companies will continue to see a wide range of errors.

While all other possible causes lag some way behind this clear front runner, the next most common reason is not totally unrelated – a lack of internal communication between departments. This could be due to a combination of technological limitations and human error. This is followed by having an inadequate data strategy and a lack of internal manual resources.

However, the type of data management strategy does affect the secondary reasons for accuracy issues. Those who say all departments adopt their own strategy for data quality blame a lack of internal communication between departments for their lack of contact data accuracy. In addition, more of those with a less sophisticated data quality approach say insufficient budgets contribute towards their lack of contact data quality.





Lack of automation

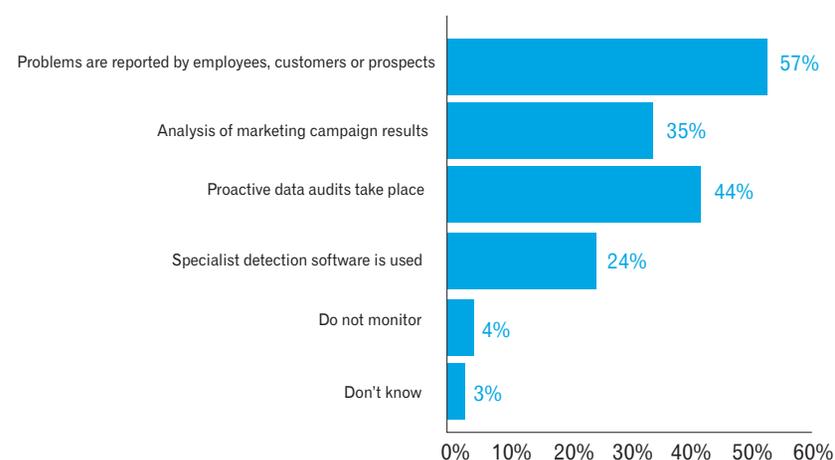
Despite a strong desire to manage data, 92 percent of companies say they find some element of managing their data challenging. The most significant challenge is actually fixing data quality issues before they negatively impact the business.

When it comes to monitoring data quality issues over time, organizations are also plagued by inaccuracies because of their manual approach. The good news is that 93 percent of companies make the effort to discover and find data quality issues across their company.

However, the majority, 57 percent, say data quality issues are detected when reported by employees, customer or prospects. Fewer than one in two companies conduct proactive data audits to discover data quality issues. Just 24 percent use specialist detection software, however, this is more common in U.S. companies.

Again this shows a lack of data management sophistication and why a large degree of errors exist within databases. If organizations are unable to track errors before they cause significant impact to the business then they are simply taking a reactive approach that will continue to prevent true data-driven insight.

Discovery of data quality errors



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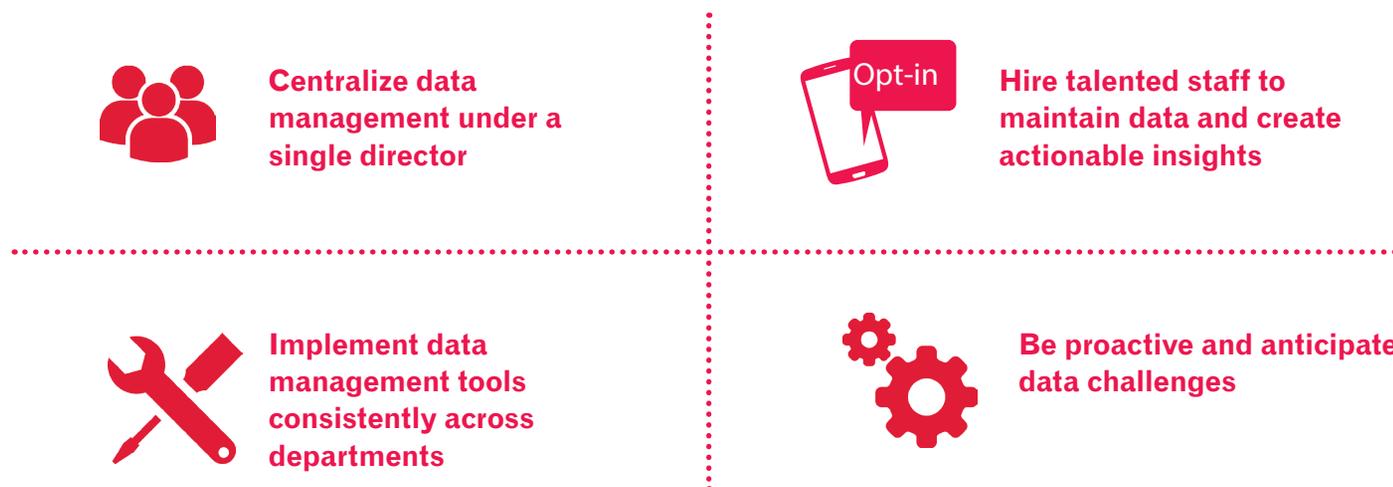


Building a foundation in data management

The research clearly shows that there is a correlation between the sophistication of a data management strategy and the quality of data within a database. Organizations who have a stronger data management strategy tend to see less data errors, waste less revenue due to data inaccuracies and overall are more profitable companies.

It is essential that organizations manage and maintain information over time. Organizations have to become more sophisticated in their data management in order to stay competitive. However, improving these processes can be overwhelming for organizations.

There are four simple ways businesses can start to improve data quality:



By taking these steps, organizations can start to move their data management strategy up the sophistication curve and improve the impact data has on their business.



Start with centralization

The research shows how important the structure is around any data quality strategy. The siloed approaches that exist in departments today are not preventing the human error that is creating a great deal of today's problems.

Therefore, organizations need to take a more cohesive approach to data management. This means starting with centralization, a critical component of any data strategy. As we saw from the research, the organization structure around data correlates with company profits, showing that those who have enjoyed significant profit increases most likely manage their data quality centrally under a single director.

While the most common role for data to fall under is the chief data officer, many organizations have not adopted this strategy to date for a variety of reasons. There is certainly a case for adding a CDO to the organization, especially considering the value of data and the benefit of having someone to take responsibility for the quality, standards, meaning, security, metrics, integration or coordination of data among the various divisions. That being said there are plenty of other titles that are common for central management. These include the CTO, CIO or even CFO.

Wherever the organization decides to house data quality is not what is most important. What is important is that time and energy is spent thinking about data quality in a central fashion and making it a standard part of business practices across the organization, not relegated to departmental silos. Clear ownership needs to be established for someone to think about data and take responsibility for its overall quality.

Hire the right people

While there are a number of tools out there that can help organizations improve their data quality, there is a people element that is also important. While most companies have some sort of data quality strategy and technology in place, we still see a wide range of data quality issues that equate to large percentages of data being inaccurate.

Not only does there need to be a central leader responsible for data, but businesses also need to invest in data professionals, such as: business data stewards, data service officers, analytics professionals, data scientists, records managers, etc. These people develop data policies and standards and go about enforcing them. They also can become advocates for data and help promote it as a source of value to the organization.

While the technology is still very important given the scale and volume of today's data files, the people are important to make sure that the data is managed correctly and used appropriately.





Implement consistent data management tools

As we can see from the research, the types of data quality tools being implemented by organizations varies dramatically. However, they are investing in and implementing technology. While 88 percent of companies have tools in place today, there is a good chance that solutions are deployed within departments or may not be the best tool to solve a given challenge.

There is no doubt that the types of tools deployed will vary based on the organization. However, they should be centralized. If one department is using an address verification solution, another department should not be using a different solution to do the same thing from a competing vendor or not use a solution at all.

Information needs to be consistently maintained, standardized and validated across the organization. That means that with centralization, tools should be consistently selected and implemented to make sure data is treated under the same standards across the organization.

As part of this approach, organizations should also look to use more sophisticated technology on their central database. When resources are pooled together, it is more likely that basic technology can be implemented more cheaply than with separate purchases across the organization. This means more resources can be freed up to look at more sophisticated methods of profiling, monitoring and even visualization. And with a team of the right people, it makes all of these processes a bit easier.

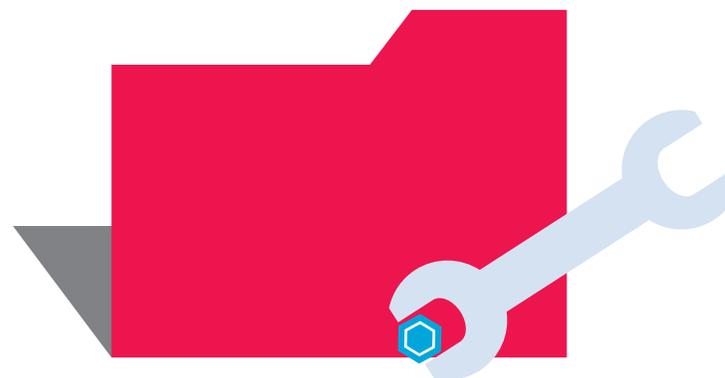
Be proactive

We have seen from the data that over half of companies take a reactive approach in some way or another. It could be with their entire data strategy or in fixing data quality issues. Either way, reactive is not a good place to be when it comes to data quality. If issues are only found when negatively impacting the business, think of how many errors the organization is not uncovering or what harm they may have already caused before they were discovered.

Therefore, think about data from a proactive standpoint. Having the data team review how information is coming in, what common problems occur and doing root cause analysis on how to fix those errors can make a big difference.

This also means taking away some of the manual processes. Automation is still key when it comes to managing the large volumes of data businesses are dealing with today. By implementing technology that can proactively check data to be sure it is accurate upon entry, monitor it over time, match duplicate information and more, businesses can get more from their information and be able to gain better data-driven insight.

However, to truly reach a more sophisticated data management process, organizations have to look at preventive measures to ensure information problems are identified before they cause any damage.





Conclusion

Data quality is a critical element of today's business success as more organizations become dependent on data-driven insight. However, the majority of organizations today lack the necessary, high-quality information to achieve success.

While data systems and processes are far more complicated today than they were just a few years ago, organizations will need to break through the clutter and barriers to solve this data quality issue and achieve an accurate, consolidated and complete record for each consumer. To do this, businesses need to bring down the volume of inaccurate data and prevent the common data quality errors that exist.

But, we do see companies doing this. Those with more sophisticated data quality approaches are seeing success right down to their bottom line. This means that time and investment in data quality processes and technology can pay off for businesses that are willing to make the necessary changes.

In the year ahead, more organizations need to centralize their data quality strategies and make investments in not just technology, but also in people that can implement and champion data across the business. What's important to remember is that these individuals do not just need to have an IT background. They need to be able to speak to both business stakeholders and technical users. The gap has to be bridged between a technical world of data that clearly is not working for the business and business users that do not understand the technical implications of a central data management strategy.

Data is no longer just a resource for the technical or senior leaders; it is used by the masses. Therefore, treat it like the resource that it is. Take care of it.

Methodology

In December 2014, Experian Data Quality commissioned a research study to look at current approaches to data quality. This data quality benchmark reviews the evolution of data quality and consumer interaction while providing best practices for data management.

Over 1,200 respondents globally took part in the research, produced by Dynamic Markets for Experian Data Quality. Individuals from the U.S., UK, France, Germany, Spain and Australia completed the survey. Industry sectors included in the sample were finance, public sector, retail, manufacturing, utilities and education. Respondents consisted of C-level executives, vice presidents, directors, managers and administrative staff connected to data management, across a variety of functions.

About Experian Data Quality

Experian Data Quality is a global leader in providing data quality software and services to organizations of all sizes. We help our clients to proactively manage the quality of their data through world-class validation, matching, enrichment and profiling capabilities. With flexible software-as-a-service and on-premise deployment models, Experian Data Quality software allows organizations around the world to truly connect with their customers by delivering intelligent interactions, every time.

Established in 1990 with offices throughout the United States, Europe and Asia Pacific, Experian Data Quality has more than 13,500 clients worldwide in retail, finance, education, insurance, government, healthcare and other sectors.



1 888 727 8330



www.qas.com

Experian Data Quality
125 Summer St Ste 1910
Boston, MA 02110
1 888 727 8330
www.qas.com



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