

Tricks of the trade:

How to manage customer data



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Introduction

Making smarter, faster decisions using data is a worthy business objective hampered only by one thing: assurance in the quality of that data. For too long, business strategies and decision-making processes have been addressed by short-term solutions or trial-and-error fixes that cannot scale to support the kind of big data environment we live in today.

Retailers today, particularly those exercising a multi-channel strategy, must have an above-average grasp on their data quality in order to rise to the challenge of meeting customer expectations. However, many still collect customer data from numerous sources, store that information in siloed warehouses, or work with third-party solution providers to manage that data.

Our research on global data management trends shows that 81 percent of retailers believe data management to be driven by multiple stakeholders in their organization, rather than by a single specialist. The problems, therefore, lie in having too many people with their hands in that data, or conversely, not having enough people who know what to do with that data. The variances in the way data is managed makes accessibility and usage—in an age where immediacy is king—more complicated than it should be.

But you, as a retail marketer, should already know the importance of managing your customer data to provide, among other things, a great experience. What consumers expect, you must deliver. Without meeting their expectations, there is no customer loyalty—and without loyalty, your customers will look elsewhere to shop.

Then there's the actual process of managing your data quality. It's an entirely different beast. Where does the retail marketer begin? What are the different facets that go into ensuring that the customer data you work with is the best possible version of itself? Are there industry best practices surrounding when and where to validate data?

We will address these questions and more in this guide to managing your customer data. Your job is made difficult enough with juggling omnichannel initiatives, addressing consumers' micro-moments of need, and consolidating customer footprints among numerous other things. We intend this guide to walk you through how to actually go about managing customer data and all the steps that it involves.

Our 2017 global data management benchmark report

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What we mean by “managing” customer data

If you are reading this guide, you have acknowledged that the data stored in your databases has failed you in some capacity. It may be innocuous: Perhaps an email was entered incorrectly at the register; no communications can be sent through and the customer is left wondering. Or, it may have more far-reaching consequences: Individuals type in emails, phone numbers, and addresses in their own formats while interacting with your brand across channels; the data streaming in is unstandardized, unverified, and possibly duplicated, all the while you assume it’s accurate enough for use.

- Note some of the various channels through which you collect unique customer footprints:
- Point of sale at the cash register
- Websites (e.g. during checkout processes, signing up to receive blog notifications, following the brand on social media, etc.)
- Call center representatives
- Store associates with handheld devices
- Social platforms (e.g. Facebook, Twitter, Square, etc.)
- Mobile devices (e.g. tablets, mobile phones, wearables, etc.)
- Kiosks or branch/field stores

Look at all the channels that you can collect customer data from! It’s a small wonder that retailers are struggling with matching customer profiles together, standardizing the different formats that data lives in, and validating its accuracy and completeness. Where do you even begin?

Managing your customer data is simply being confident that the information you collect—as you’re collecting it and as it lives in your databases—is ready for use.



How you can begin managing customer data

This will be a process, and like every sound process, it should be documented thoroughly to increase the chances of success. Once you've noted the channels through which you collect customer data, you can then begin prioritizing which channels need the most attention, which departments the data feeds into, which methods of data management to implement first, and ultimately who in your organization should care.

A checklist to get you started

Here's a checklist to help guide your thoughts:

1. Where is your Marketing department collecting its customer data from?

- Point of sale
- Ecommerce
- Call center
- Purchased lists
- Customer service
- Social media platforms
- Events
- Other:

What is your Marketing team's biggest area(s) of focus? Where does the majority of that customer data come from that supports those initiatives? You should now have a clearer image of the customer data workflow.

2. How will this customer data be used?

- Email campaigns
- Direct mail
- Phone outreach
- Call blitzes
- Personalization projects
- Other:

Think about what your marketing team is tasked to do. Answers will vary; but, by noting how many areas customer data is being used in, you can then start prioritizing the importance of each of your marketing initiatives.

3. How important/relevant is good customer data to these marketing initiatives?

- Very important—there are KPIs built around the success of these initiatives
- Somewhat important—there are more pressing projects that need to be addressed at the moment
- Not very important—we will focus on good customer data in the future

Assign levels of importance to the various tasks you are being measured on. That should get you thinking about how important good customer data is to the success of those KPIs.

The purpose of this checklist is four-fold. It should get you thinking about where you collect customer data, how that data gets used, prioritizing those initiatives according to metrics you are measured on, and from there, assess where you should start improving customer data quality.

More often than not, marketers assume data quality is being taken care of, perhaps by a more technical side of the business or by a third-party solution. While delegating responsibilities may have historically freed marketing departments to concentrate on more immediate tasks, this legacy model can no longer suffice as brands aim to control more of their data in order to deliver the level of service customers are expecting.

Marketers have more responsibility than ever, and that can mean projects like data quality that shouldn't be de-prioritized are. As a Marketing department, you should understand that managing the quality of the customer data you're using is the first step.

Take a data health assessment for a true measure of the quality of your customer data. We offer you that option. Perform a data test, see your data's health, assign importance to the data in your brand, and then take the appropriate steps to improve your data.

It's better to be in the know than out of the loop. Check the state of your data quality to see how you can start improving it.

[Take the quiz](#)

What the retail industry focuses on today

There isn't just talk of marketers needing to wear both their creative and analytical hats, there's action. We want more control of customer data in order to deliver fast insights and optimize our opportunities through more data-driven analysis.

Along with traditional creative tasks, marketing departments are now also expected to:

- Analyze consumer data and provide valuable insights to drive sales and broader business objectives
- Find ways to use consumer data to align the entire business under a holistic mission
- Discover new, exciting means to drive customer value and engagement

And these are just the tip of the iceberg. According to Salesforce's 2015 State of B2C Marketing, these are the top business objectives B2C marketers are concentrating on:

- Ways to address their top business challenges of remaining up to date with current technology and trends (25%), customer acquisition (24%), and new business development (22%)
- Substantially increasing budgetary spend on social media marketing (74%), social media advertising (74%), social media engagement (73%), social media listening (68%), and location-based mobile tracking
- Creating a cohesive customer journey—stated as absolutely critical or very important by 86 percent of senior-level marketers
- B2C marketers cite CRM and predictive analytics tools as essential parts to creating a cohesive customer journey at 51 and 44 percent, respectively
- B2C marketers cite being able to use existing data to drive more relevant messages and experiences, and understanding what data to analyze as their most pressing challenges to executing a marketing strategy at 21 and 20 percent, respectively

- Customers are moving to mobile and social—and marketers are seeing revenue being directly linked to mobile and social marketing—so that is where the majority of marketers are concentrating their marketing initiatives

B2C marketers, which includes retail marketers, must rely on good customer data to carry out these objectives. Channels including email, mobile, and social media have become important collection points in the customer journey. These channels are also the three most important channels for digital marketing strategies:

Seventy-six percent of marketers believe mobile marketing is core to their business

Seventy-four percent of marketers believe social marketing is core to their business

Seventy-three percent of marketers believe email marketing is core to their business

Personalized content in your typical welcome series, re-engagement initiatives, cross-channel engagements, etc., all depend on the right customer contact data to reach them in the first place. Use the checklist in the section above to help you earmark marketing budgets towards data quality solutions—not only because your fellow B2C marketers are investing more heavily in technology, but because the marketers who don't take responsibility of owning their customer data won't be able to catch up to their competitors who are.

The competitive landscape

In order to fulfill the marketing initiatives listed above and more, it's important to have a grasp on what your competitors are focusing on. This section will cover off four questions relating to what retailers are doing today to manage their customer data, which technologies are most popular to use among them, and how to convince those with buying power to invest in data quality solutions.

Current practices in retail to manage customer data

Whether or not retailers are using third-party solution providers to validate customer data, the general trend leans towards ensuring—at the very least—that the data is clean, accurate, and standardized. There is usually an imperative set in place to have one source of the truth; that is, a single repository of customer data in a data warehouse, data mart, or CRM.

Because data quality initiatives are usually tied into bigger projects, like improving an Ecommerce strategy or migrating to a new CRM, until retailers get to the point in their projects where they have their other objectives nailed down, data management—more often than not—isn't a top priority.

Retailers will work with marketing service providers like Acxiom, Infogroup, or Harte Hanks to manage entire aspects of their marketing efforts—including customer data quality. These outsourcing models have been the

norm for decades. However, as brands aim to control more of their data so that they can act faster than ever before, they are acknowledging that data quality processes are things they have to be responsible for and have more control over. Having customer data held within a third-party system makes accessibility difficult. How can you expect your customer to get that omnichannel experience if your customer data doesn't even live within the business? By siloing that information, it feeds more complications into already complicated initiatives.

Retailers' customer data management initiatives can range from doing absolutely nothing, to letting IT handle data quality, to having large-scale data consolidation efforts with the works. The more enterprise-level the retailer is, the more involved they can afford to be. Across the board, however, retailers are slowly beginning to take ownership and responsibility of the data they use.

Current Practices: Use cases for customer data validation

This international beauty supply retailer deposits their customer information into a data mart. They perform three kinds of customer data validation:

1. They validate data entering their database
2. They run regular National Change of Address (NCOA) validations to make sure addresses are always up to date
3. They verify data already in their databases prior to mailing, which also has the double benefit of facilitating a single customer view across the brand and making sure they have accurate customer data

With these three data checks in place, they've increased the accuracy of emails collected at the point of sale and helped improve CRM and online advertising.

What are recommended best practices?

Some best practices include performing regular batch cleanses, running NCOA updates once a quarter, and implementing real-time validation. However, retailers typically ask consultants for best practices. From an Ecommerce perspective, a lot of retailers have a USPS® API, work with a tax provider, or use other non-traditional providers to perform data checks. Because these quality checks, however, are performed by providers whose main focus does not lie in data quality and management, the results may not live up to the standards of data necessary for marketing purposes.

A lot of marketers relinquish control and visibility of their customer data to the IT or technical side of the business. They're not aware of what solutions or processes are in place, what options they have, or even feel as though

they don't own the data they collect. By delegating data management responsibilities to other people, you relinquish a certain depth of understanding of the very data you should have full visibility to.

Many enterprise retailers are employing some or most of these best practices in the right way. And while mid-sized or smaller retailers may have sophisticated strategies surrounding customer data management, there may not be enough resources to invest in staffing, technology, or the scalable implementation of those practices like their more sizeable counterparts. As a result, there is not enough insight as to what they should be doing or what tools are necessary. It's for those reasons that working with a solutions provider specifically focused on data quality will enable retail marketers to own and access their customer data, and ultimately, make better, faster decisions.

Best practices: Real-time data validation

Overstock.com, Inc. is an Ecommerce retailer with an impressive selection of brand-name home goods, clothing, and electronics. As an online-only retailer with such a wide range of products, they rely on accurate emails and physical addresses for timely communications and deliverable packages. Unfortunately, their Ecommerce check-out process allowed consumers to enter unverified contact information, leading to one of the biggest sources of database errors.

Not only did bad data cost them a significant amount—over \$200,000 annually in unnecessary rework—but it cost them in customer satisfaction as well. The extra time taken in additional customer care calls, re-processing orders, and mitigating unhappy customers could all be traced back to bad address data. Oh no!

In addition, as contact data was a key aspect of identifying customers uniquely, poor data could also lead to errors in analyzing and interpreting customer data. For example, inflating the importance of some zip-code areas and deflating others.

What technologies are retailers looking at?

In the long run, whichever technology makes it easier for the customer to do business with the brand and makes analyzing data more efficient is what they will choose.

Some questions retail marketers ask while researching data quality solutions:

1. Will this solution help my customer achieve their goal?
2. What is the compelling event driving me to improve customer data?
3. How will the customer's experience be effected?
4. How bad is poor data quality compared to other problems I need to address?
5. By how much would my or my team's personal success metrics improve if I were to invest in a data quality solution?
6. What will happen if I do nothing?

Many retailers are drawn to data enrichment and data matching projects. But take data enrichment for example: If your core data is inaccurate, all the appended information based off that core data will be inaccurate as well. Retailers are all trying to innovate and integrate technology into their digital marketing strategies. Researching omnichannel platforms, marketing service providers, data warehouse projects, and solutions that can link social profiles are current trends in the space. These efforts, however, all rely on a foundation of good customer data.

Convincing senior management to invest in data quality

Retailers are making budget dollars available for personalization, influenced marketing, and single customer view initiatives. However, when senior management is tasked with balancing budgets for the year, sometimes data quality initiatives are on the list, other times they land on the cutting room floor.

All of the experiences we appreciate as consumers are predicated on good data.

Proper investment in data quality is often overlooked because of the difficulty in proving the ROI. But it's the retailers investing in data quality who are able to reach more customers, build a more wholesome view of their customer records, and have the proper building blocks necessary to execute their goals. The retailers who prioritize data are the ones who have leverage over their competitors.

It's very simple—the best way to see how good your customer data is to test it. Submit a file to us, we validate it, and you'll receive a summary report.

[Free trial](#)

Conclusion

Retail marketers are tasked with more and more responsibilities. Leading customer acquisition, improving engagement, creating retention strategies, and improving the overall customer experience are all priorities for today's brands. But now, what's also being thrown into the mix is the use of data as the backbone to drive these priorities—quickly and more personalized than ever before.

Beginning the process of knowing how to manage your customer data can be tricky if you've typically let a third-party control the management of that information, or if you work with a non-traditional solutions provider who focuses on data quality only as an afterthought. Marketers now realize that they need to take ownership of their customer data—and that means having both easy access to it and control over how it's handled and maintained. Investing in the right solutions will not only help you get that control back, but will give your brand the competitive advantage needed to stay ahead.



Understanding how to go about managing your customer data is just the first step. Once you're ready to take responsibility for your data, we'll be right here to help. Retail marketers, are you ready?

Learn more about the different ways Experian's data management solutions will help you get control over your customer data and leverage it to meet your brand's goals.

[Find out more](#)



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