



The effect of dirty data on business

The biggest data quality challenges



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Data quality is the foundation of many business initiatives. Without effective data management, organizations are unable to gain necessary insights or perform required business tasks.

As data becomes more prevalent in businesses across all industries, it is extremely important that the accuracy, accessibility and consolidation of information is taken seriously.

Even with data's growing importance, 84 percent of organizations are experiencing data quality challenges. These issues are mainly due to a high level of inaccurate data. Currently, U.S. organizations believe a quarter of their information is inaccurate.

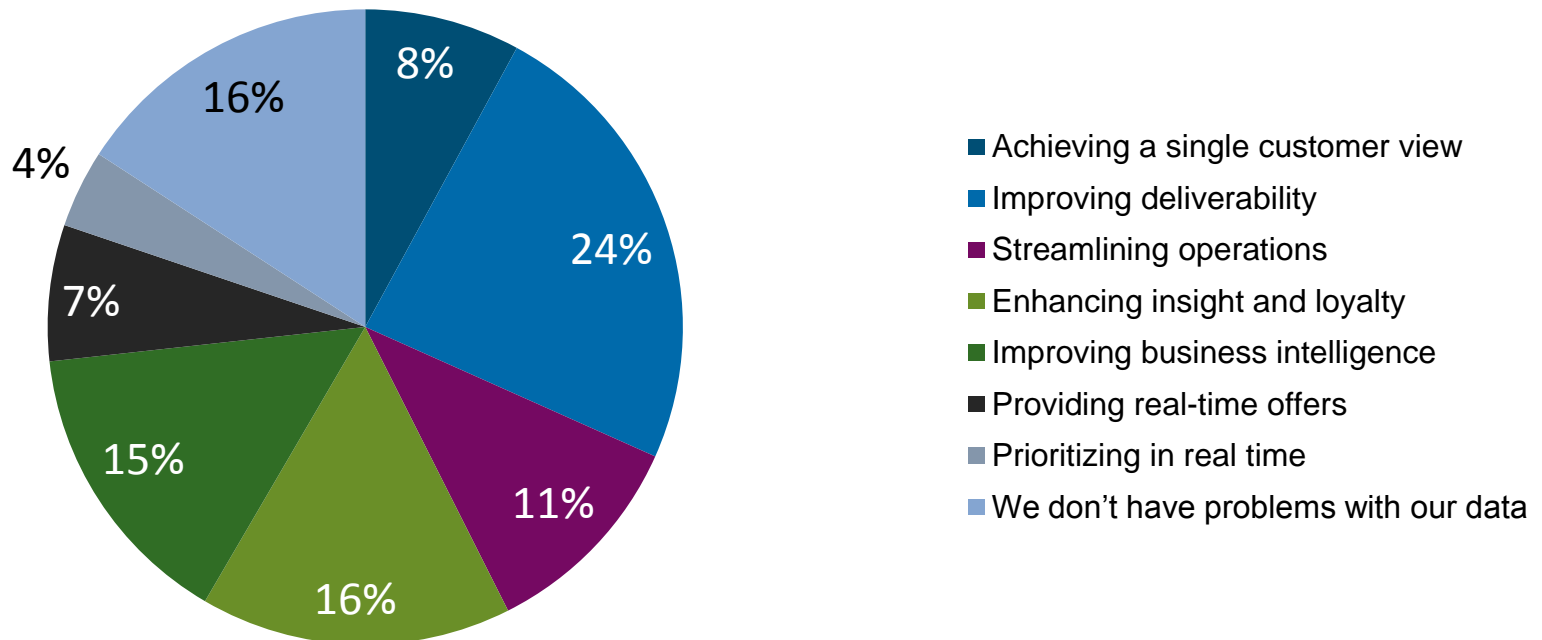
To achieve business objectives, organizations need to overcome obstacles around data quality and reduce the amount of inaccurate and disparate information.

Top data quality challenges

The majority of organizations are experiencing issues with the quality of their information with 84 percent of respondents stating they are experiencing a data quality challenge. When asked to select the biggest data quality challenge, the majority selected improving deliverability, followed by enhancing insight and loyalty. However, there were variations on priorities between business size and departments.

Fewer respondents from small businesses feel they are experiencing data quality challenges than the larger survey group. When looking at departments, more marketers feel they are experiencing data quality challenges - actually six percent more than the overall group. More marketers also listed achieving a single customer view as their biggest data quality challenge. When looking at IT respondents, they were more varied in their choices for the top data quality challenge.

Biggest data quality challenge





Impact of poor data

Deliverability

Respondents cite improving deliverability as their top data quality challenge. This was the same challenge for all departments, including operations and IT. Interestingly, small businesses placed a greater importance on improving deliverability to increase revenue.

97 percent of companies acquire email addresses and 94 percent of organizations attribute revenue to email marketing efforts. However, 66 percent of companies have experienced deliverability issues within the last 12 months, mainly due to inaccurate email address data.

Reasons for improving deliverability

Improving email
marketing
conversion rates
(48%)

Enhancing customer
service (73%)

Delivering
operational emails
(44%)

Improving sender
reputation (34%)

Increasing revenue
(38%)

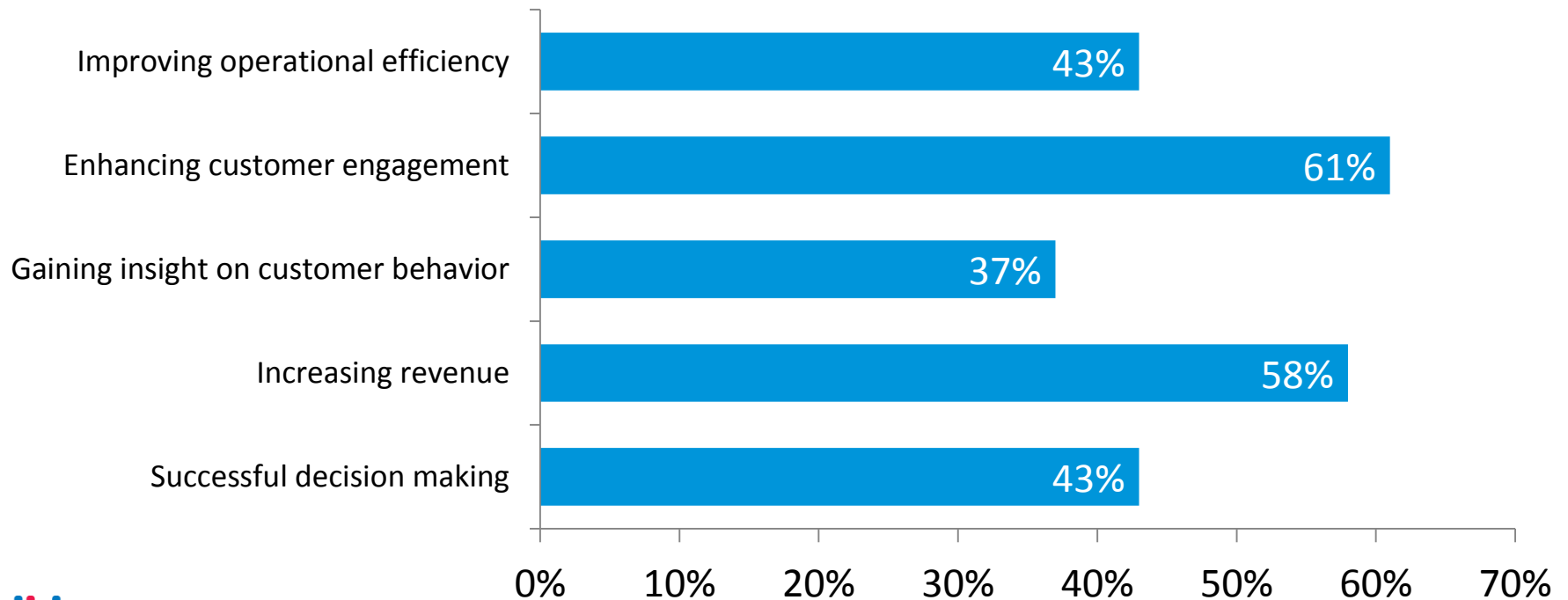
Impact of poor data

Insight and intelligence

Business intelligence and insight continues to be a key focus for most organizations, with 89 percent of companies using their data in a strategic way. As uses of data expand and companies become more sophisticated with data manipulation, it is expected that this challenge will continue to grow more prevalent.

It is important to note that IT respondents believe that improved decision making is more important than others within the business. However, IT respondents selected a wider variety of drivers for improving intelligence and insight.

Reasons for enhanced intelligence or insight





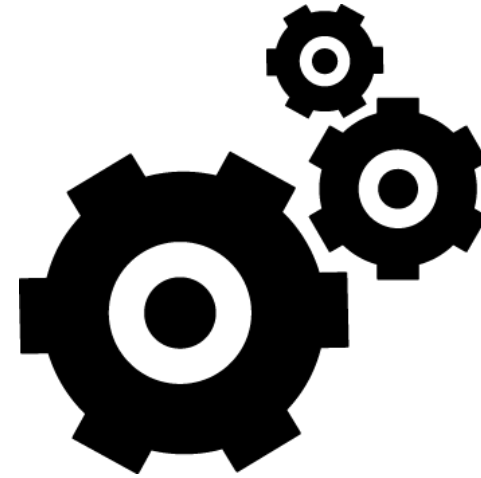
Impact of poor data

Effective operations

Customer data quality has a direct tie to effective operations. Therefore, any inaccurate information can have detrimental impacts on business performance.

In the study, businesses stated that they work to streamline operations to reduce costs and to improve customer service. This was followed by enhancing efficiency.

The importance of this driver remained consistent across all departments and job titles. This is not surprising, as data affects operational tasks across all areas of a business. Information collected across all channels is used by other departments for fulfillment, communications and billing.



73% of
organizations look to
streamline
operations to reduce
costs



Impact of poor data

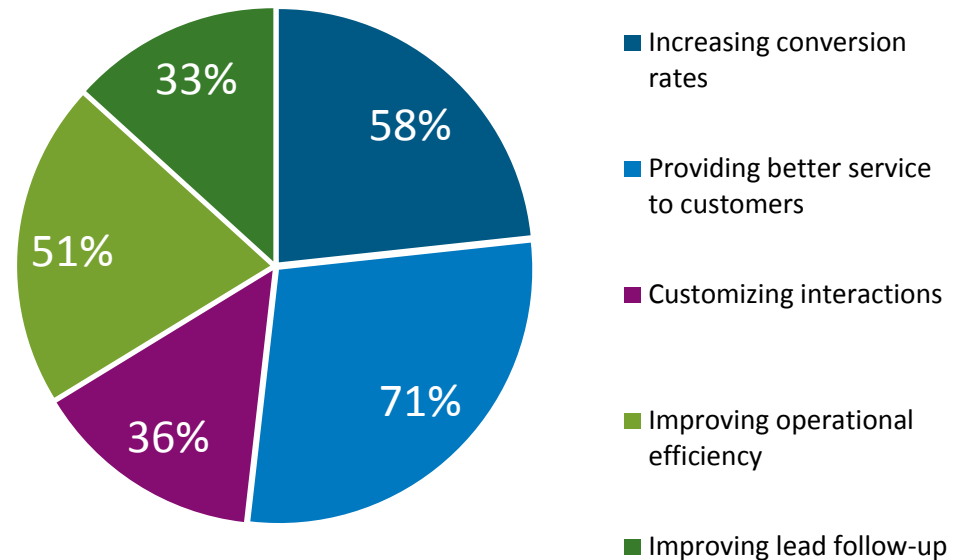
Real-time offers

Improving the prioritization of leads to make real-time marketing offers has come into prominence through today's digital environment. Many organizations are looking to use data to improve the customer experience and to better allocate resources.

With more online digital services, using intelligence to improve customer insight becomes increasingly important. The top three go-to-market channels for businesses are email, company website and physical location.

As companies create a more personalized experience for each consumer, data quality and accessibility allow for customized web displays, personalized email follow-up, and more relevant, real-time offers.

Prioritizing real-time offers



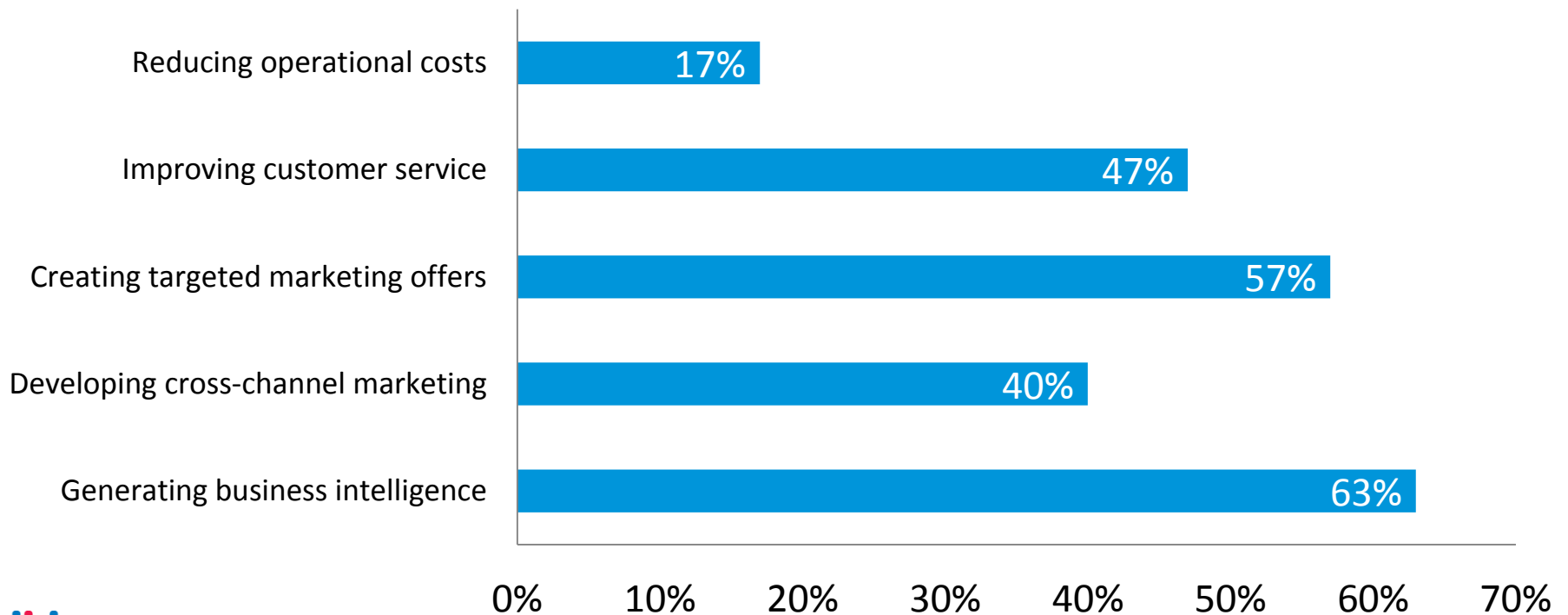
Impact of poor data

A single customer view

Consolidating information into a single customer view is a basic step in maintaining accessible information that can be utilized for data-driven insight. A single customer view is important to businesses mainly to generate business intelligence. However, this did shift for retailers who are most concerned with creating targeted marketing offers.

Unfortunately, many companies have yet to achieve this goal due to poor data quality maintained within a multitude of databases. On average, companies maintain eight different databases, not to mention other sources of information. The division of information across channels, databases and departments makes it difficult to have a consolidated understanding of the customer.

Problems with loyalty programs





Level of inaccurate data

High degree of poor data hurts objectives

The vast majority of companies suspect their contact data might be inaccurate in some way. Globally, the average amount of inaccurate data has risen to 22 percent from 17 percent just 12 months ago. U.S. organizations actually believe they have the highest percentage of inaccurate data at 25 percent.

The level of inaccurate data is staggering when one considers how much businesses rely on information for all of the areas mentioned previously.



25% of data in U.S. organizations is believed to be inaccurate



Reason for data quality challenges

Management support lacking

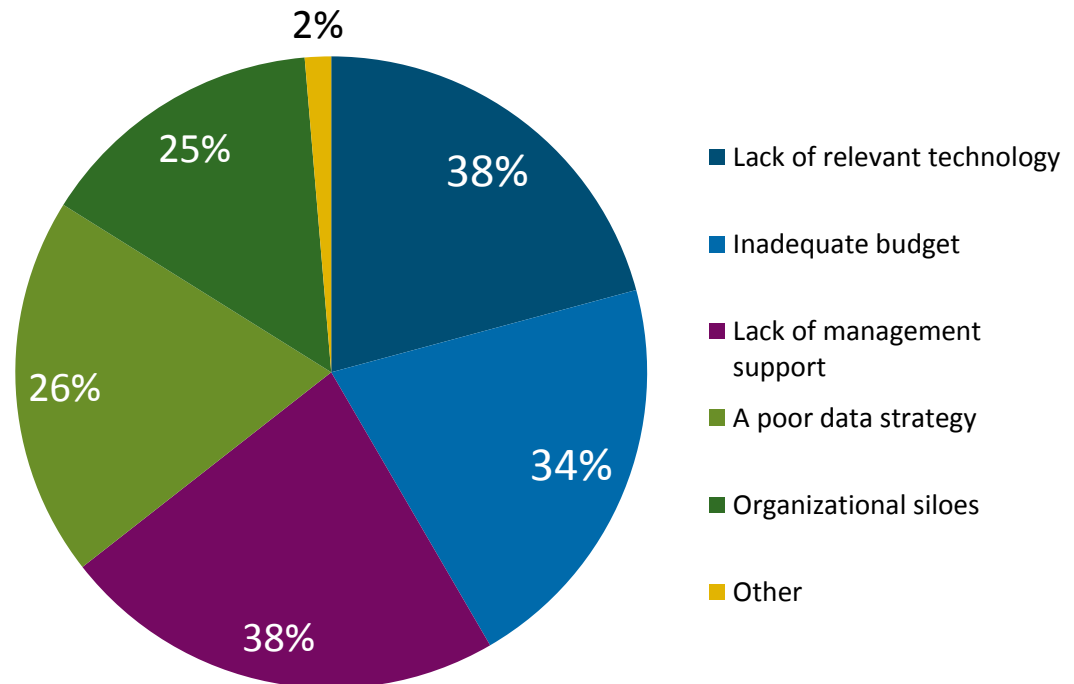
Organizations experience many data quality challenges due to a variety of issues. The main challenge is a lack of management support according to the most recent survey.

Management may have a hard time supporting data quality projects because of the way they are presented. Without a clear demonstration of how data quality is affecting the bottom line and hurting strategic initiatives, it may be hard to gain management support. However, with an average of 12 percent of departmental budget being wasted due to poor data quality, staff should be able to show a strong return on investment for data quality projects.

The reasons for data quality challenges did vary by industry. Retail put an increased focus on a lack of relevant technology. Small businesses said their challenges were mainly due to an inadequate budget and a lack of relevant technology. This is not surprising considering cost considerations played a major impact in all small business responses.

Finally, IT respondents put a great emphasis on having a poor data strategy. This could be due to other strategic priorities being put in place over data quality, forcing IT to put minimal effort into developing a robust data management strategy.

Reason for data quality challenges





Methodology

In March 2014, Experian Data Quality commissioned a research study to look at current approaches to data quality. This report, 'The effect of dirty data on business,' reviews top challenges businesses are facing today around data quality and the reasons for those obstacles.

400 respondents in the U.S. took part in the research, produced by GMI for Experian Data Quality. Individuals in marketing, data management, customer service, IT, sales, finance, management and operations departments all took part in the survey who had knowledge of data management practices. Small to large enterprise businesses from a variety of industry sectors, including manufacturing, automotive, retail, financial services and travel responded to the survey.



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.

For more information, visit <http://www.qas.com>.

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interactions.
Every time.**

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