

Debunking the business of analytics

An Experian Data Quality white paper

Debunking the business of analytics

Generating a customized user experience is a necessity in today's environment, with a high degree of competition and an always-on consumer. However, the concept of big data and business intelligence has eluded some for quite a while.

The idea of finding the right intelligence and using it, at the right time, can be extremely overwhelming. That is not surprising considering that eighty percent of the world's data was created in the last two years. In addition, 2.5 billion gigabytes of data are created every day from a multitude of channels.

In addition to the increase in volume, businesses struggle with a high level of data inaccuracies, a lack of customer information and flexibility in data systems. Without an accurate, complete and accessible view of the customer, businesses have no hope of gathering meaningful insight.

It is important for organizations to improve data quality and data management practices as part of any business intelligence effort. Businesses need to understand why data quality is so critical and then take consolidated steps to improve information.

Debunking the business of analytics

Data for business intelligence

According to a recent Experian Data Quality study, 89 percent of companies use their data in a strategic way for business intelligence. Moreover, data has become so valuable that 93 percent of companies think some form of data is essential to marketing success. In terms of priority, businesses cite contact data, sales data and demographic data as the top data sets essential to marketing success.

Even with this desire for greater data insights, the concept of big data is still a confusing topic for many. The same survey asked individuals to pick a definition for big data and no one statement emerged as a front runner. Statements included:

- A large unified, single source database
- Unstructured data
- Predictive analytics
- Multiple sources of data

More senior level respondents selected more of the possible interpretations and many lower level staff were unsure what the term meant.

This general level of confusion is concerning and will impact business intelligence efforts. However, data quality also plays a principle role in business intelligence and analytics.

Issues in generating analytics

81 percent of companies encounter problems when trying to generate meaningful business intelligence. The primary problems are data inaccuracies, not having enough information on the consumer, and flexible data and systems.

Data inaccuracies

Data inaccuracies create a large problem for businesses. The vast majority of companies suspect their contact data might be inaccurate in some way and 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 a higher percentage of inaccurate data with 25 percent believed to be inaccurate.

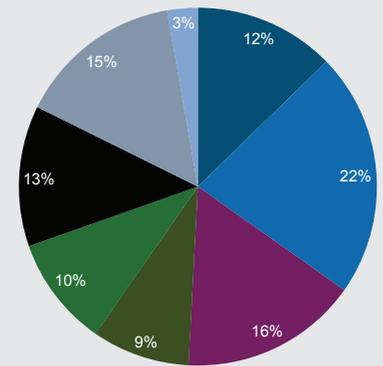
The level of inaccurate data is staggering when one considers the reliance businesses place on this for business intelligence.

The main cause of inaccurate data continues to be human error, which is a problem across all collection points and channels. Collectively, 78 percent of companies have problems with the quality of data they collect from various channels. Globally, call centers produce the poorest data quality, followed by websites.

Data has become so valuable that:

93 percent
of organizations think some form of data is essential to marketing success

89 percent
of companies use their data in a strategic way for business intelligence



Problems with business intelligence

- Cannot consolidate data across channels
- Inaccurate data
- Not enough information available
- Too much information available
- No analytics resources
- Lack of training
- Lack of flexible data
- Other

Debunking the business of analytics

Having enough information

Another major problem in generating business intelligence is having enough information on the consumer. To gain better insight, companies now look to third party intelligence to enhance the detail of their own first party information.

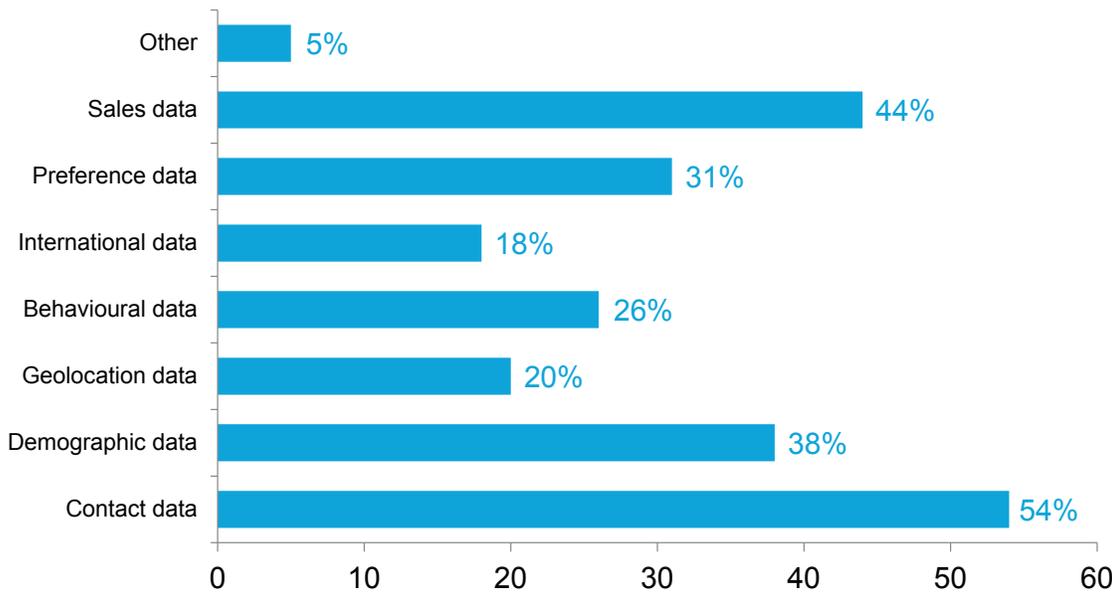
94 percent of businesses append enrichment data to their contact information. On average, companies append three different types of data. The top data sets are business data, geolocation data and demographic data. Companies in the U.S. are also more willing to append data and actually look for a wider variety of enrichment data, including preference data.

Flexible data and systems

While this is a strong step in gaining additional information, many organizations are not able to access the data needed. Systems and data flexibility plague companies as they try to gain access to data. One component is a lack of a single customer view. Duplicate data is a top three data challenge for a third of companies as they look to consolidate information and access it easily.

To improve the quality of business intelligence, organizations need to improve the quality of the information they already have and look to create more access to valuable data.

Information essential to marketing success



Debunking the business of analytics

Improving data quality and accessibility

To improve the core problems outlined in the survey, organizations must prioritize the management of their data or else risk the analytics and ultimately decisioning abilities. Those include:

1. Data quality
2. Data volume
3. Data accessibility

Without ensuring accurate and substantial information that is easily accessible, data will not be fit for purpose and businesses will be unable to gain the intelligences needed to compete in today's business environment.

There are six steps organizations can take to improve these core components.

1. Centralize data management

While the majority of organizations have a data management strategy, 66 percent lack a coherent, central approach to data quality. Most organizations rely on segmented approaches that vary by channel or department. While taking any step to improve data quality is positive, this disjointed approach is leaving businesses with a wide variety of data standards and quality thresholds that makes it extremely difficult to trust information and also consolidate it across departments.

Given the importance of data-driven efforts, the level of inaccurate data needs to be decreased across all data collected, not just in individual departments or channels. Data quality should be managed by a central task force or central director to ensure methods are consistent across the organization and all data is held to the same accuracy level and standards.

2. Consolidate data sources

To obtain a complete customer view, information needs to be fully aggregated across all sources. According to the study, the average large organization has eight different databases. By consolidating these sources, data can more easily be accessed and data management processes can be standardized.

To do this, organizations should start by cleaning and standardizing as much information as possible. This standardized data can be utilized by software tools to identify duplicate records across sources to consolidate customer records into a single source. While creating a centralized source can take some time, it will be invaluable for quickly accessing customer information and improving business intelligence.



Debunking the business of analytics

3. Clean information upon entry

Today, most businesses utilize information as soon as it is entered. Depending on the type of business intelligence required, information could be used to populate online displays or make a real-time marketing offer at a physical location. Inaccurate data affects customer interaction almost immediately. Therefore, it is important to check the validity of information as it is entered.

Software tools should be used to verify structured information, such as contact data. This standardized and validated information allows organizations to more easily find existing accounts or input data into modeling systems.

4. Intelligently append data

While many organizations append third party data sets to gain additional insight, it is important that organizations focus on collecting the right information, at the right time, to maximize investment.

Organizations should clearly outline objectives regarding customer data. From there, define what assets are needed that may not be contained within first-party data sources. Information should not be appended for the sake of having more data on customers. Businesses must know how that data will enable more personalized or productive interactions.

Then organizations should determine when to append information. If a business is looking to make long-term business decisions, information may be best appended in bulk for analysis. If an organization is trying to make real-time decisions, such as providing an instant marketing offer, details should be appended in real time and modeled for an immediate action.

Keep in mind that information expires quickly, so timing is everything. Append data right before it is used to ensure you are working with the most accurate information possible.

5. Improve searching functionality

Duplicate records cause problems for organizations by spreading out account history and creating incomplete customer records. Duplicates are often created when any new information cannot be reconciled against an existing record. Most often, the record cannot be found due to a slight variation in the record.

Basic searching functionality within a database is often poor, requiring an exact match to find an existing record. This poor searching functionality hurts the flexibility and accessibility of information.

More sophisticated searching can be put in place to find potential matches and identify more possibilities for the account than just a one-for-one match.

Debunking the business of analytics

6. Regularly monitor processes

Data management and information requirements change constantly across an organization. To ensure that data is fit for purpose and can be used in the desired way, data management processes should be reviewed on a regular basis. New requirements for data or inadequacies in processes can be identified to ensure improvement. By reviewing management processes on a regular basis, organizations can make certain they are able to use their valuable data asset to its maximum potential.

Conclusion

With more data available than ever before, organizations are investing heavily in collecting, appending and analyzing information. As a whole, businesses now have an opportunity to achieve a personal connection and make more informed strategic decisions if data is managed appropriately.

However, the amount, quality and accessibility of information are impeding initiatives around business intelligence. Organizations should take steps to improve these areas to drive action from data and see a return on investment from analytical efforts.

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>.

Experian Data Quality
125 Summer St Ste 1910
Boston, MA 02110-1615
T 888.727.8330
dataquality.info@experian.com
www.qas.com



Intelligent interactions.

Every time.

© 2014 Experian Information Solutions, Inc.
All rights reserved.

Experian and the Experian marks used herein are service marks or registered trademarks of Experian Information Solutions, Inc. Other product and company names mentioned herein are the property of their respective owners.

09/2013