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Get a more accurate view of your customer data for better business returns

Understand how you can improve the data within your CRM application with an agile data quality strategy

An Experian Advisory Note

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1. Executive summary

Customer Relationship Management (CRM) software continues to adapt to our ever-changing digital world. We have not only seen the rise of bespoke solutions, often with vertical-aligned features to suit specific business requirements, but it's also become more social in tune with more flexible working practices. Despite all of this, many users are still struggling to realise the full potential of the tool, which can only be achieved if the data it contains is of high enough quality. In a recent research project, conducted by Experian, we found that common data errors still occur within organisations due to incomplete or missing data (60%), outdated information (54%) or duplicated data (51%)[1].

Disruptive technology and the Internet of Things (IoT) have done nothing to help these issues. In fact, they have contributed to an increase in data, much of which businesses will capture and analyse whilst determining what is most relevant to their changing requirements. Businesses will need to focus on capturing the data that is relevant to them, particularly, as our research found, over the next 5 years data management will evolve to help inform decision-making through better real-time analytics (90%)[1].

It's therefore essential that organisations implement a clear data management strategy and look to a leader, such as a Chief Data Officer (CDO), to drive an agenda of system effectiveness forward. Not only will they be able to determine the data that will add value to their organisation, but they will introduce relevant, structured governance practises and ensure the organisation is compliant in time for upcoming data regulations. Businesses are expected to be more 'lean' with their data, only capturing and storing what is necessary, deleting what isn't, and being agile enough to provide certain information, when requested, in line with regulatory timeframes.

And at the heart of this, data quality is fundamental, yet organisations are still struggling to get the basics right. Of the organisations we surveyed, they believe almost a quarter (23%) of their customer or prospect data is inaccurate in some way, shape or form[1]. This poor data quality will have an impact as it travels around the business. But fear not, there are many ways you can improve the effectiveness of your CRM solution, even if some of the data has been sitting in your CRM system for years.

Here are our recommendations:

1 Understand how data enters your business

2 Implement checks when data is captured

3 Profile key data to understand it's depth, breadth and quality

4 Create a programme of transformation to correct the issues

5 Monitor the effects of the changes you made over time

Read on to understand how an agile data strategy can improve the effectiveness of your CRM application.

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2. An agile data strategy should sit at the heart of your business

Below we outline a number of issues that can impact the effectiveness of your CRM solution.

Stay connected in an ever-changing world

In a world facing constant digital innovation, the way we do business continues to evolve and 'user accessibility' for CRM platforms has become a much bigger issue. The move towards agile working environments and less time being spent in the office has seen mobile devices overtake computers as the device of choice for professionals[2]. It's no surprise that in the future sales reps will rely on, "mobile CRM [to] keep connected and in touch with prospects and their sales manager"[3]. Organisations must consider 'connectivity' for their users if they wish to stay competitive whilst ensuring data processes, such as a data quality initiative, remain safeguarded and robust.

The breath of data continues to expands

The overload of data has forced companies to rely on technology to collate all of their data in one place. However, what if the data being collected and stored is incorrect or invalid? Businesses must look to build out their data quality strategy to ensure that bad data does not creep into their organisation. Our research found that businesses overwhelmingly believe that over the next 5 years data management will evolve to help inform decision-making through better real-time analytics (90%)[1], so it's vital the data is correct.

Leader of the pack becomes essential

Despite all of this, businesses are still facing issues due to ownership, or lack of. In 2014, one in five businesses (21%) reported that a lack of support from the board was the reason data quality projects failed[4]. Without the support from the board, or a senior figure such as a CDO, it is difficult for businesses to make improvements that will have a lasting effect on their strategy. Gartner stated that, "with the explosion of datasets everywhere, an important task is determining which information can add

business value, drive efficiency or improve risk management"[5]. It's vital businesses look to employ a CDO, or equivalent, to help bridge the gap between data, people and technology. This is a trend we're likely to see in the future as Gartner predicts that, "90 percent of large companies will have a CDO role by the end of 2019"[5]. Without an owner, departments will continue to work in silos and data will be collected and stored in various formats and locations. This will make achieving goals such as a creating a single customer view, a much bigger challenge.

Legislation on the rise

Over the years there has been a dramatic shift in the volume, variety and speed data is being produced. To combat potential issues and protect the consumer, regulatory bodies have increased the potency of legislations. With the release of the EU General Data Protection Regulation (GDPR), data quality will play a big part in regulatory compliance. Failure to comply could result in a maximum fine of up to €20,000,000 or 4% of total worldwide annual turnover of the preceding financial year, whichever is higher (for GDPR) per breach[6]. Adhering to data regulations just became a lot more important to an organisation's board. Our research revealed that currently the, "accountability for data being prepared and fit-for-purpose is widely spread – data management (56%), marketing and CRM (53.2%) play the lead roles"[7]. It is not surprising that only 7% of businesses interviewed actually feel prepared for the arrival of GDPR[7]. The introduction of such regulations will have a large impact on data processes and must be considered carefully as part of a wider CRM and data strategy.

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GDPR in focus

As part of the GDPR there are a number of new (e.g. the Right to be Forgotten) or enhanced (e.g. Right to Information) data subject rights that will be included. Businesses will need to make sure individuals understand who is collecting their personal data and the purposes for which they are processing it. Individuals will also have a qualified right to request that their data be erased, provided certain grounds apply. Plus, where relevant, businesses will have an obligation to erase the relevant personal data it holds concerning that individual without undue delay.

The GDPR came into force on 24th May 2016. Businesses have two years to implement the changes, so forward thinking business should start to think about implementation requirements now, so as not to risk falling behind[6].

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3. Data plays a key role

Whilst traditional channels such as email and call centres are still cited as the most common customer touch points by businesses, this is likely to evolve. Our research highlighted that over the next 5 years businesses plan to increase their use of website (65%), mobile devices (62%), mobile applications (62%) and social media (60%) as a source of data[1]. As channels increase, the pressure to provide an effective CRM system that meets the objectives of the business will naturally rise, and data accuracy will be the key to a truly effective CRM application. Research shows the most common data errors occur due to incomplete or missing data (60%), outdated information (54%) or duplicated data (51%)[1]. From there; poor quality data will continue its journey around the organisation.

In this section we'll explain how various stakeholders are affected.

The marketer's dilemma

Most marketing activity relies on valid customer data. When the data within the CRM system is poor, inaccurate, incomplete or duplicated, campaign success will be reduced resulting in specific challenges, such as:

- Inability to communicate effectively with customers
- Decreased profitability and ROI from marketing campaigns
- A less than optimal multi-channel experience
- Limited understanding of customers, leading to irrelevant messaging and lower click-through

The sales person's challenge

A CRM application is often used as a customer contact management system to record sales activity. Common data errors, such as duplicate accounts and out-of-date information, will result in resources being wasted as individuals spend time targeting contacts that don't exist. Whilst this is a current issue, research suggests that the importance of this information improving will increase in the future. By 2020 businesses believe 79% of sales decisions will be driven by customer data[1], so it's vital it's kept up-to-date. The long-term impact of incorrect data may result in:

- Account ownership conflicts and frustration for the customer
- Reduced sales effectiveness and lost sales
- A drain on sales resources and disillusionment with the CRM application

The customer support centre's experience

Often, inaccurate data occurs due to human error. A recent report found that over half (56%) of businesses interviewed attribute data errors to human mistakes[1]. Customer information could be misheard or mistyped, and is then passed around the organisation. If an attempt to reach out to a customer is made and the data is inaccurate, unavailable or dispersed across the CRM system, the interaction could be less than ideal, resulting in:

- Reduced customer satisfaction
- Damaged brand reputation
- A loss of customer loyalty

The customer's point of view

Customers sit at the heart of the organisation, and it's important their data is correct and valid. Customers have become increasingly empowered, and their expectations are on the rise. Get it wrong, and the consumer will vent their frustrations and dissatisfaction online, for all to see. Customers affected by poor data quality will mean:

- A loss of trust between the buyer and seller
- Increased frustration for the consumer due to poor communications
- Likely increase in consumers switching to competitors

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4. Recommendations

Throughout this paper, we have highlighted how data quality within a CRM application impacts the business and its stakeholders. These issues can easily be avoided. Below are our top five tips which will ensure you get the most out of your CRM system.

Understand how data enters your business

The first step is to understand how data enters your organisation, particularly as the speed and variety of data has increased. By charting the 'flow of data' within your organisation you can create processes and policies to ensure the data within your CRM application is as accurate as possible. At this point you should understand how data is used, once it's been captured and by whom. For example, mobile phone numbers are essential for sales, whereas marketing need access to correct email addresses.

Create a programme of transformation to correct issues

Once you've located the problems, you need to fix them. However, don't waste resources trying to fix them all, as some of your legacy data may not be relevant anymore. Technology exists today that can make rapid transformations based on referential data source that can save your organisation time and money. Take this time to re-train staff, so they understand the importance of good data quality, and what they need to do to get it right.

Implement checks when data is captured

Make sure the data collected is validated at the point of entry, to ensure inaccurate data doesn't travel round your organisation. At this point, it's worthwhile investing in data quality tools which can help to validate your consumer data as soon as it's captured, whether that be on your website, via your call centre, or from social media channels. Real-time solutions will ensure that only consistent and complete information enters your CRM system.

Profile key data to understand its depth, breadth and quality

Whilst it's vital to validate your data as it's captured, your legacy data is just as important. It's here that the real data quality issues could lie. Data profiling and discovery will help you to understand the problems within your data, such as gaps in information, common language differences within the organisation, or basic formatting issues. You can then prioritise which issues to address depending on the value to the business.

Monitor the effects of the changes you made over time

Cleaning your data on an ad hoc basis is only one part of the solution as data can quickly decay and become unusable. 11% of the country move house every year, and without continuous checks and updates, you could lose communication with these consumers[8]. Ensure you have a data quality strategy in place to enforce new rules and regulations around regular data cleansing to combat this problem. The owner of your data, whether that's your Chief Data Officer or Head of Data Governance, can use the results of your monitoring processes to decide where to apply resources. Automated cleaning reports also need to be reviewed regularly, and as the business changes and regulations are introduced, the business will need to monitor its affects.

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Experian unlocks the power of data to create opportunities for consumers, businesses and society.

At life's big moments – from buying a home or car, to sending a child to college, to growing your business exponentially by connecting it with new customers – we empower consumers and our clients to manage their data with confidence so they can maximize every opportunity.

We gather, analyse and process data in ways others can't. We help individuals take financial control and access financial services, businesses make smarter decision and thrive, lenders lend more responsibly, and organisations prevent identity fraud and crime.

For more than 125 years, we've helped consumers and clients prosper, and economies and communities flourish – and we're not done. Our 17,000 people in 37 countries believe the possibilities for you, and our world, are growing. We're investing in new technologies, talented people and innovation so we can help create a better tomorrow.

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