

Transform the effectiveness of your CRM with more accurate contact data

Five ways to unlock efficiency and drive performance



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1. Introduction

Growth in Customer Relationship Management (CRM) system adoption over the last decade has been unrelenting. And there are no signs of this trend tailing off with the \$19bn technology sector set to continue growth at 13% CAGR until 2029¹.

Investment in a new CRM system is a serious business for any organisation (with the cost of mid-tier deployment projects ranging from hundreds of thousands to millions). And yet, a startling number of implementations fail to achieve the desired outcomes. Research by Harvard Business Review found this number could be in fact, as high as 90%². Which is clearly a disappointing return for such an important investment decision and central business tool.

One critical reason CRM system implementations fail to deliver value over time is a lack of focus on maintaining the accuracy of their primary asset - data. And in particular, as it's a 'customer' system - contact data or contact records (depending on your organisation's nomenclature).

Our research indicates that organisations' believe that almost one third of the data stored in their CRM is inaccurate³. That's one in three items of data used by the business every day are not correct. It has long stood to reason that if your system contains inaccurate data then the output you receive, and subsequently your decision making / insight, will be of little value too.

In this paper we are going to explore the challenges faced by organisations trying to improve the effectiveness of their CRM system and focus on steps that can be taken to improve contact data quality. If you only have two minutes then we've summarised our key recommendations below.

- 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 issues**
- 5 Monitor the effects of the changes you made over time**



2. The nature of CRM contact data

Over the last few years people's habits have changed significantly. There has been a monumental shift towards digital interactions and the number of touchpoints in a typical customer lifecycle has increased in volume and variety.

Let's assume your acquisition cycle works well, you have a great product or offering, and you are attracting lots of new customers. These customers will then interact with your organisation through various channels and through various devices of their choosing. This is the point at which capturing and maintaining accurate contact data becomes more complex.

It is fair to assume customer interactions may span across your website, social media platforms, email accounts, customer call centres, or face-to-face sales departments, such as shops or show rooms. All of these departments will be collecting contact data and feeding it back to your CRM.

Sadly, all these channels are prone to inaccuracies. Manual error being the main culprit, but also how your systems and processes overwrite new pieces of information and 'talk' to each other can also play a part.

Plus, to add to this, many of your customers and prospects will move house this year. Sadly, some might pass away. Lots of them will change their contact details, such as phone number or email address.

Poor quality data, once inside your system will continue its journey around the organisation, and as it travels it impacts multiple stakeholders and the day-to-day support activities in the areas of marketing, sales, service and business operation.

3 touch points

People use more than 3 touchpoints when interacting with you



1%

Around 1% of people pass away in a normal year



5%

5% of the UK population move house every year



3. How agile is your data strategy?

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 significant challenges right now and 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.



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 breadth of data continues to expand

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 has found that businesses overwhelmingly believe that over the next five years data management will evolve to help inform decision-making through better real-time analytics³, 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. Our research indicates that one in five businesses reported that a lack of support from the board was the reason data quality projects failed³. 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". It's vital businesses give data quality the priority it deserves. Without an owner, departments will continue to work in silos and data will be collected and stored in various formats and locations.

Legislation has changed the game

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.



We all know about the penalties for mis-managing data under the new beefed up regulations and so having a stringent compliance policy has become absolutely essential.

4. The impact of poor quality contact data

In the last section we touched upon the potential impact of poor quality data moving around your organisation. Below we have outlined the effect of bad data on key departments.



Marketing

Customer data flows into the CRM application and forms the basis for most marketing deliverables and programs. It's no surprise then that 67% of marketers rely on CRM data to segment and target customers. So when CRM data is poor, inaccurate and incomplete, the impact of marketing campaigns and activities may be greatly reduced resulting in specific challenges such as:

- Inability to communicate effectively with customers
- A less than optimal multi-channel experience
- Decreased profitability from marketing campaigns



Sales

Most organisations will also use their CRM application as a customer contact management system, where information is used in connection with contact planning and administration, such as recording contact history, appointment making which later may support sales order management. Common data errors such as duplicate accounts and out-of-date information may mean that sales teams are using outdated, inaccurate information to develop customer relationships. The long-term impact of which may result in:

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

Customer Support



Often call centre telephony and customer support portals will link into the CRM application; this could extend further to customer order management, tracking and delivery, which some organisations choose to link in as well. Providing a high quality service is imperative in the customer support environment, however if customer information is not accurate, unavailable or dispersed across the CRM system rather than as a single entity, the interaction with the customer may be sub-optimal resulting in:

- Reduced customer satisfaction
- Brand damage: a negative perception or feeling towards the brand
- A loss of customer loyalty, potentially translating into detractor

Business Operations



The analytical side of the CRM system focuses on the preparation of analysis and reporting that will be used by functions such as Finance, Operations and Senior Management to drive informed business decisions. It collects the information gathered from marketing, sales and the customer service centre and analyses these to deliver valuable findings about the customer, company performance and future trends. An abundance of poor quality data means analysis and key performance indicators used to guide the organisation's strategy and inform decision making are potentially flawed. In the long term the impact may result in:

- Inconsistent management reporting
- Operational inefficiencies and wasted budgets
- Decreased revenues from lack of insight and customer understanding

As we have seen data plays a key role within the CRM application, more importantly accurate and complete customer data, can be attributed to increased CRM effectiveness.

Yet, if the processes used to gather, link and maintain quality data are partially in place or not in place at all then the one cannot operate without the other and CRM performance will be diminished.

5. Adopting a quality-first mindset

Data is seen as an essential component to many initiatives. These are not only data-related initiatives like data governance or machine learning, but also customer experience and operational efficiency.

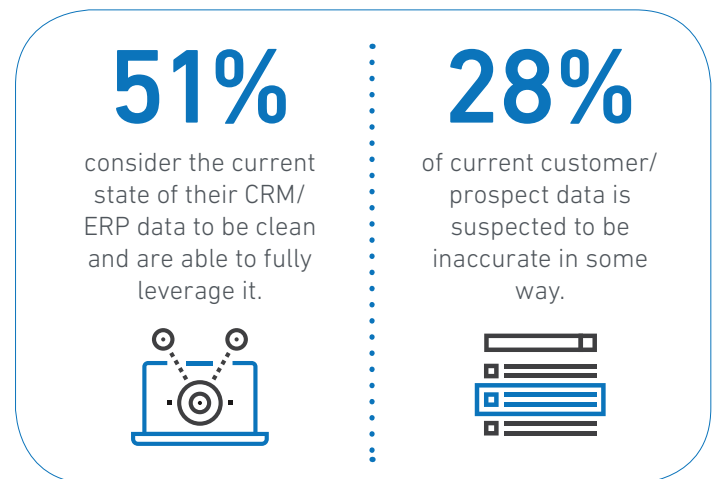
However, despite supporting these functions, our research shows that gaining backing for data quality projects remains challenging. Over the past several years, the level of inaccurate data within organisations has remained high.

This year, on average, organisations believe 28%³ of their customer and prospect data is suspected to be inaccurate in some way.

That level of inaccuracy affects the organisation in a

broad number of ways. Organisations see traditional issues like wasted resources and an inability to rely on analytics. However, it also affects the organisation in terms of its key initiatives. Poor data negatively impacts the customer experience and the success of new data-driven programs.

The level of poor data has become so pervasive that only half of organisations consider the current state of their CRM or ERP data to be clean, not allowing them to fully leverage it.



Clearly organisations need to adopt a 'quality-first' mindset when approaching their data. On the next page we address some of the things you should be considering as part of your CRM data strategy.

6. Five things you can do to improve the effectiveness of your CRM

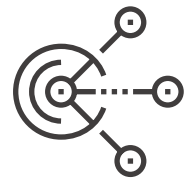
This report has talked to some of the key challenges faced by CRM application users, as a result of poor quality data and processes. The following recommendations have been proposed to help organisations begin to address these issues in order to drive CRM effectiveness. However, there are a few things this group is more likely to do than the norm.

1

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 dramatically. 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.

**2**

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. Use technology to build a 'data quality firewall' around your system ensuring data accuracy regardless of collection channel. Real-time solutions protect your system and empower your users and will ensure that only consistent and complete information enters your CRM system.

**3**

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.



4

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.



5

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. People's personal details change all the time and without continuous checks and updates, you could lose communication with these consumers.

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.



About Experian

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.

Learn more at www.experianplc.com

Learn more about data quality from Experian at www.experian.co.uk



White paper

Transform the effectiveness of your CRM

For more information on how to turn your customer contact data into a competitive advantage, contact Experian.

Get in touch...

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Sources

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