

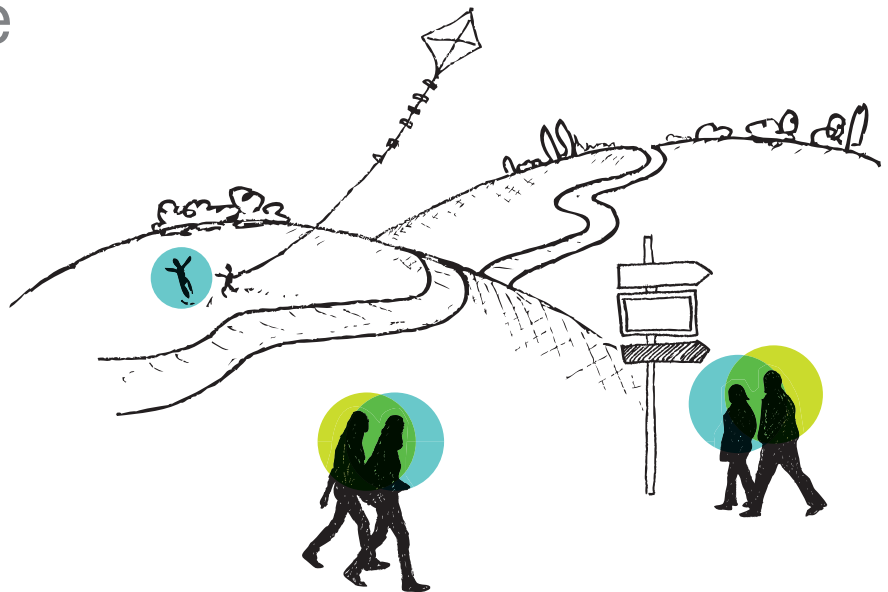


Better Together **Whitepaper**

The Importance of Aligning All Your Data Components

1. Permissioned Marketing - The New Climate

When the DPA was created, the Internet had not become the commercial force it is now. Smartphones did not exist. The world - and the data which it generated - was simpler and much easier to legislate for. Since then, widespread adoption of the Net and mobile phones by UK consumers - eight out of ten have online access in some form and nearly six out of ten use a smartphone - has grown awareness that personal information is being generated and captured for commercial usage. According to the Information Commissioner's Office annual tracking study, by 2012 60 per cent of consumers knew they had the right to see their information, compared to only 42 per cent in 2007, for example.



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Combine increased data volumes with greater understanding of the data exchange and you create the conditions for change. The first step was the amendment in 2012 to the Privacy and Electronic Communications Directive (PECR) of 2002 (itself written in the early days of the Net and pre-mobile). Commonly called the “Cookies Law”, it made it clear that permission was required from an individual before any information, such as a cookie, could be served to that person which would enable their behaviour to be tracked. In what has been probably the biggest public education programme about data rights ever, cookie notices have become commonplace and widely adhered-to by website publishers and online advertisers.

More change has followed - in 2012, the European Commission published its proposals for a new Data Protection Regulation (DPR) which would address

the new data flows online and through mobile, taking account of the era of Big Data. Although subject to intensive lobbying and extensive change - over 3,000 amendments have been proposed to the original document - the DPR will finally be voted into law during 2015 and will come into force by 2017.

Whatever the fine detail of the Regulation might be, a number of new requirements can be assumed:

- personal information will be redefined to cover a wider range of data types, such as IP address, which are not currently protected;
- consent will be required more often and for more activities, such as direct marketing and profiling. Companies that collect data will have to be able to track when, where and how they gain this consent;
- penalties for breaching the Regulation will be higher and enforcement will move towards pro-active searching for violations rather than reactive responding to complaints.

As if this were not enough, as soon as the DPR has been voted through by the European Parliament, a fresh review of PECR will be undertaken. Five years of regulatory updating and change - and counting. That is a big challenge for any company which relies on personal

information and has a commitment to be compliant.

Yet the culture of data management and data protection is moving faster than even these new laws. In publishing its new guidelines for members, the UK Direct Marketing Association has called for compliance to be just the starting point - it believes brands need to establish a higher level of trust and engagement with customers than simply ensuring they stay within the law.

For that reason, anybody connected with the collection, management and use of data within their business has to think carefully about whether their existing business practices are up to the new standard. Marketers, sales teams, customer insight and analytics practitioners, loyalty scheme managers - all rely on data and need to take the individual with them in their journey towards value creation.

At the same time, legal teams and compliance managers need a better understanding of just how far data has penetrated the organisation and is relied on to drive business processes. Data governance needs to be an enabling culture, not a barrier to innovation and success. Data management needs to be underpinned by the belief that doing the right thing with data, from start to finish, will enhance customer satisfaction and trust, as well as deliver positively to the bottom line.

2. Getting it Right

Fit for Purpose Data

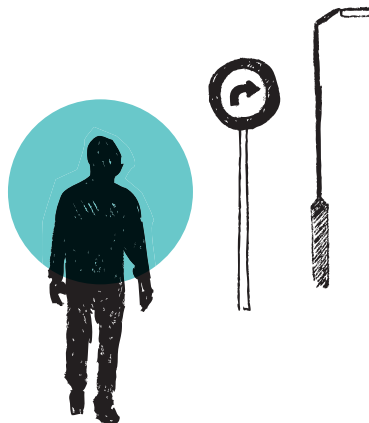
Almost every company now relies on data for critical business processes - from customer marketing to account management, from distribution to reporting. At the moment when it is most needed, that data needs to be fit for purpose. Everything has to be in the right place (names and contact details in the fields where your software expects to find them), every element has to be accurate (up-to-date contact information and account status), and every definition has to be the same (orders in GB pounds or dates listed by day, month and year).

When any of those elements is wrong, it is usually the business user trying to do something with that data who complains - a marketing campaign which gets delayed because email addresses are not present or postal addresses are not up to scratch, for example. Worse is when such errors are not identified, the data gets used and something goes wrong for the individual - an order goes astray or their name is misspelled. Worst of all is when data problems trigger a media story or regulatory enquiry - marketing to a deceased person or children are real risks.

Data quality gets attention most often as a result of such problems arising. Fear or being fined can sometimes trigger action. Yet it should not be the case that your business waits until something has gone wrong before addressing underlying data quality issues. The law requires data to be properly maintained - one of those core eight principles of the Data Protection

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“ACCORDING TO MAILCHIMP, SEGMENTED EMAIL CAMPAIGNS ACHIEVE 14.444 % MORE OPENS THAN THE LIST AVERAGE”



Act is that personal information should be accurate and up-to-date.

Even more importantly, customers demand that their personal information is treated with respect, which means not only keeping it secure and using it fairly, but also ensuring any errors are corrected or changes dealt with. Doing this will keep your business compliant - and can also save it a lot of cost. Every individual has the right to submit a subject access request (SAR), for example, asking for a copy of any personal information you hold on them and having errors corrected. The cost of dealing with a SAR may be in the hundreds of pounds (yet a company may only charge the individual £10 to process their request). That is a potentially heavy burden compared to the cost of ongoing data quality and maintenance routines.

The upside of ensuring data is fit for purpose is that it will enhance the

performance of those business processes which it is being used to support. Take the example of email marketing. If additional data can be appended to the target file of email addresses which is to be used, it will allow that list to be segmented. According to MailChimp, segmented email campaigns achieve 14.444 per cent more opens than the list average. That is an important uplift from data quality initiatives which will surely deliver a positive return on investment.

Updating data when an individual moves house is a core dimension of data quality initiatives. Flagging a file when it has been identified as containing a deceased person ought to standard practice - after all, 550,000 people die in an average year in the UK. Yet expenditure on suppression is less than £20 million annually, barely 0.1 per cent of total advertising budgets. Given the modest cost of suppression - one-time flags can be appended for as little as 17.5p per record - the gain in consumer trust and customer satisfaction, combined with the reduction in compliance risks, looks like great value.

The same arguments apply to business-to-business data - each year, around 25,000 companies go bust, while tens of thousands relocate or open new premises. If your company depends on maintaining a close relationship with another business, it can not afford to lose contact through poor data quality. Equally, it could gain significantly through being able to match all of the data held about one business and enhancing it with third-party variables that add insight and support better segmentation of messages and offers.

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3. Benefits of Better Data

Data management is not an end in itself - it is a means to an end. Usually, that outcome is a sale (or retention of a customer) at the end of a marketing process along the lifecycle of a prospect or customer. Contact strategies rely on the ability to interact with those individuals at key points in the journey - if data quality throws up a roadblock, all of the built-up momentum may be lost. Better data also delivers better results - being able to segment a list of email addresses leads to 0.803 per cent fewer bounces, according to MailChimp. In a large-scale email marketing campaign, that could mean a significant number of messages getting delivered because the data was accurate and could be selected according to tighter targeting criteria.

Segmentation is one of the key outputs from analytics and insight - the new drivers of value for business, with 66 per cent of companies believing that analytics gives them a competitive advantage, according to the MIT Sloan Management report "The Analytics Mandate". Winning that advantage fundamentally relies on high

quality data, yet that same report found 53 per cent of companies struggling to aggregate or integrate their data. Poor data quality, with missing or incorrect variables, can be one of the main obstacles to that

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process as match points and data links may not be available or reliable.

Another significant area of competitive advantage is the customer experience - 69 per cent of companies see it as vital to their growth strategy, according to Forbes Insight. That experience is built up through multiple "moments of truth" when an individual makes contact with the business, starting with early search and comparison activity right through to after-sales service. At every stage, recognising who that individual is and reflecting what is known about them in the context or content of a message enhances the experience and increases the chances of conversion and retention. Getting it wrong has the reverse effect - having a bad experience with a company would make 43 per cent of consumers lose trust in that brand, according to the DMA's Data Tracker Study. Accurate data is often used by individuals as a proxy measure for how valued they are by a business. If effort has clearly gone into keeping personal information up-to-date and correct, it demonstrates respect. Failure to do so can look like a casual insult.

4. How to Do it

Five Top Tips

Data is a living entity - elements within it are constantly changing as a result of births, deaths, marriages, house moves, business closures and start-ups or relocations. As a result, your data strategy needs to include constant attention to the quality of the data being captured and managed. Here are five tips on how to get the best out of this critical asset:

1. Make it everybody's job - across your business, people rely on using data and also have opportunities to check and correct it. Embedding data quality into their job description - ideally linked to a specific key performance indicator - is the best way to keep up with those underlying changes. It also gives users of data a sense of ownership of its quality, rather than seeing it as somebody else's job to keep it correct.

2. Screen and clean - suppression and data hygiene measures need to be a constant aspect of your data management. Even with your frontline and back office staff taking responsibility for the quality of specific data items, they will never touch all of the data you hold, especially on customers. Batch cleaning (or scrubbing at the point of use) will ensure you catch errors that have gone un-noticed.

“SUPPRESSION AND DATA HYGIENE MEASURES NEED TO BE A CONSTANT ASPECT OF YOUR DATA MANAGEMENT”

3. Measure it - creating data quality metrics keeps the importance of this activity front of mind. If data users can see that quality has improved (or gone down), it rewards them for the attention they have given it (or warns them when more focus is needed).

4. More in, more out - good data quality enables you to enhance records with additional variables from third-party sources which you would probably not capture directly. This enhanced data then supports better insight and improved decision making, leading to higher performance from your marketing (with less wastage), higher customer satisfaction (with lower attrition) and improved repeat business (with fewer complaints).

5. Let your customers in - consider creating a privacy centre for customers which allows them to adjust the permissions they give you for marketing and at the same time review and amend their personal information. Active users of your service or the most loyal customers - the people you particularly want to engage with - will be most likely to use this function, while those who do not want to hear from you can opt-out, saving you time and money.



5. About DBS Data

DBS Data has been pioneering business intelligence solutions and marketing intelligence techniques since 1994. We are passionate about data and have a deep understanding of the challenges that come with using it to drive value in your business. Everything we do is rooted in a creative, actionable and compliant approach, from helping you to improve the quality of your customer data through building customer segmentations right through to deploying data in your sales, marketing and even social media activity. Working to ISO 9001 standards, we are a trusted partner to develop your data asset by ensuring its quality, enhancing its depth and delivering it to you when and where you need it.



To find out what challenges you need to address with your own data, contact us today for a free data audit and profiling report:

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