

# Data governance is key to differentiating your customer experience

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Customer Experience (CX) has become critical to business success. Customers are no longer satisfied with blanket marketing attempts to sell them products they are not interested in. They demand highly personalised and relevant experiences, and this requires marketing to become more data-driven than ever.



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Data can no longer be considered 'an IT problem' – it is arguably the most important asset to any business and it needs to be governed effectively. Data governance has become the key to excellent customer experiences.

## **Customer experiences are a source of competitive advantage**

Bad experiences alienate customers at best and drive them to the competition at worst. Conversely, customers are often willing to pay a premium for an excellent experience over a competitor that offers the same product or service but does not deliver on the CX front.

The experiences a business gives its customers are potentially their only source of competitive advantage in an increasingly commoditised and connected world. In addition, there is a proven link between CX and customer spend.

According to a PWC report on the Future of CX, there are several factors that are meaningful in delivering the customer experience. These are speed, convenience, consistency, friendliness and a human touch. The ability to use technology to create human connections is what sets successful brands apart and creates loyal customers.

The common thread in all of these factors is the need for insight, driven by data analytics, which in turn requires quality data in order to be meaningful. The long and short of it is that marketing needs to start taking data seriously.

### **What are you doing with the information you already have?**

The challenge is not obtaining the data, as in most cases, it already exists. Many brands have extremely granular information about what their customers buy, when, where, even at what time of day. However, they are not leveraging data effectively or using it to enhance CX.

The ability to deliver what a customer wants hinges off the ability to understand the customer in the first place. Data analytics is, therefore, the key technology for improving CX across all touchpoints. The real challenge is to ensure that it is of good quality, governed properly and used effectively.

There is also a fine balance between the need to understand customers and the need to maintain the ethical use of data without invading on customer privacy. Solving these challenges requires data governance policies and data management tools.

### **You cannot measure what you cannot manage**

This age-old marketing saying is more relevant than ever in a world where we are drowning in data. One of the issues with data-driven marketing is that there is simply too much information to enable significant insights to be gained. In fact, studies show that organisations use an average of 36 different data sources for marketing purposes.

However, because of the issues of poor data quality and lack of trust, as much as 88% of customer data is simply ignored. This means that valuable insight is being lost and organisations are missing out on many opportunities.

The customer experience is absolutely essential to customer retention, so the value investment this area brings is almost incalculable. Personalisation is critical to customer experiences, and personalisation requires data analytics. Data analytics requires data management, governance and quality. Investing in these areas will not only help to improve CX, it will also improve the efficiency of the business as a whole.

### **Data underpins every element of success**

If a brand understands what their customer wants, when they want it, how they prefer to interact and so on, they will be able to create optimal experiences for customers. Technology such as data management and data quality can help businesses to differentiate their CX strategy.

A data-driven approach is proven to deliver enhanced experiences, which in turn are proven to deliver increased customer spend. Technology can help you achieve better marketing, happier customers, improved profitability and generally a more

successful business – but data is the key to all of these and it needs to be taken seriously.

## ABOUT GARY ALLEMANN

MD of Master Data Management He is passionate about Information Communication Technology (ICT) and more specifically data quality, data management and data governance.

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