



Global Expertise for Global Data

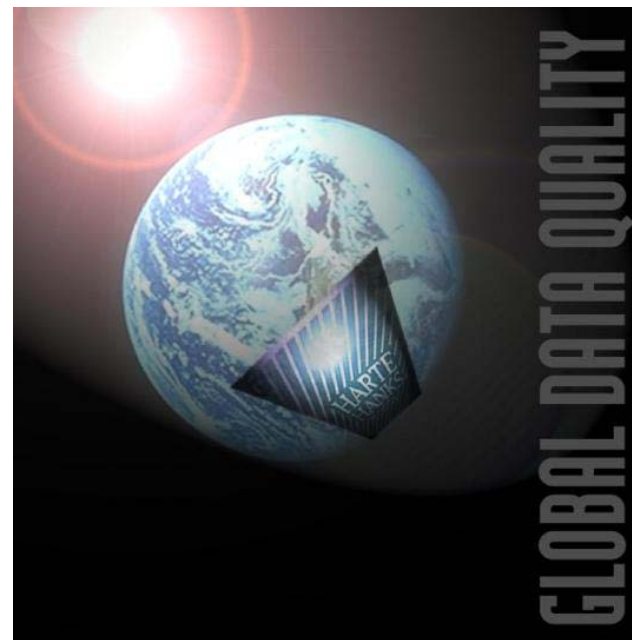
Overcoming the Challenges of Global Customer Data

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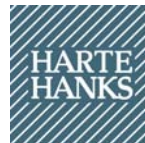
Global Data Management Event 30 June 2005



Contents

- **What is Global Data Quality?**
- **Global Customer Data Challenges**
- **Results of Recent Market Research**
- **How to Overcome the Challenges of Global Customer Data**
- **Improving Global Customer Data Quality**
- **Case Studies**

What is Global Data Quality?



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Global Customer Data

- **The world is getting smaller**
- **Modern technology is enabling companies to operate globally**
- **Regional boundaries no longer pose limits on a company's reach**
- **The whole world is your marketplace!**

The Global Customer Data Challenge

- **Data quality is critical to business effectiveness, but companies with multi-country databases have found this to be quite difficult. This is due to the challenges intrinsic with global customer data**
- **Companies holding & maintaining global data need to find a way of managing customer information that meets this challenge but is cost effective and easy to deploy**

The Challenges of Global Customer Data

- **Worldwide there are 241 countries, 5,000 – 10,000 languages, 130 address formats, 36 personal name formats**
- **Almost every language has specific scripts, writing directions and diacritical marks**
- **Personal names, company names and job titles differ in terms of order, casing, gender coding and titles etc by language / country / region**

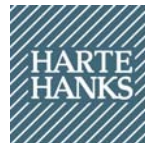
The Challenges of Global Customer Data

- **Addresses vary in terms of required content, order, numbering, casing, postboxes and postal coding by language / country / region**
- **The availability of address validation reference data changes country by country**
- **Other data formats - dates, time, numbers – can be very diverse based on language / country / region**

The Challenges of Global Customer Data

- **Cultural issues**
- **Attitudes to data ownership**
- **The importance of consistent data structures**
- **Other database issues**
- **Multiple character sets**
- **Privacy issues**

Market Research Results



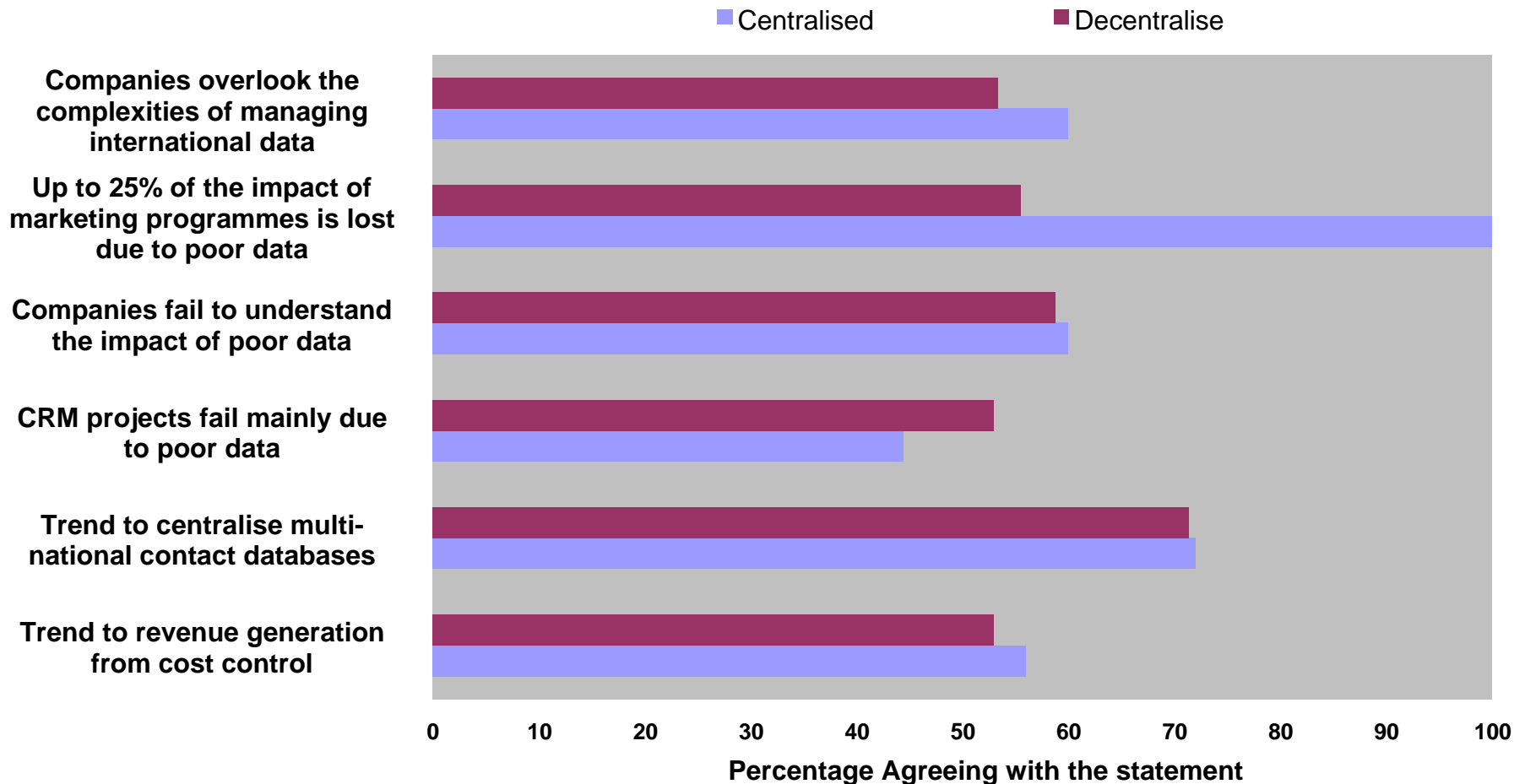
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Introduction

- **Study commissioned by Harte-Hanks, undertaken by Impact Partnerships Limited, a market analysis and strategy company**
- **102 large companies, turnover > \$1bn, with international customer data were profiled**
- **Sectors were: Automotive, Consumer Goods, Hi-Tech, Manufacturing, Media, Oil & Gas, Chemicals, Telecommunications, Transport, Travel & Leisure**
- **38 companies interviewed, split 50:50 between those holding data centrally and those holding it in-country**

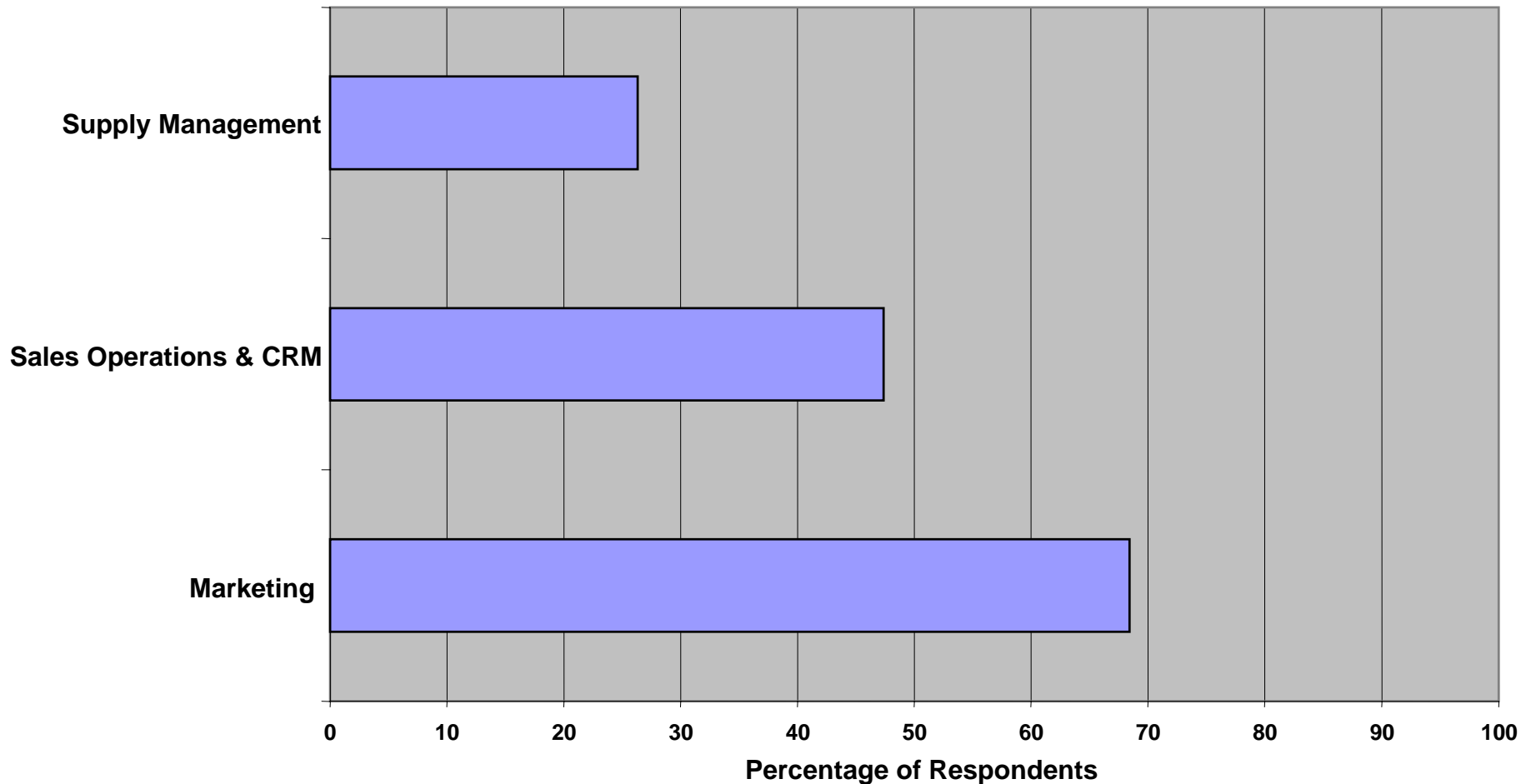
Key Issues and Trends

Comparative Views on Key Issues, Attitudes & Trends



Use of Multi-National Databases

Primary Use of the Multi-national Databases



Centralisation

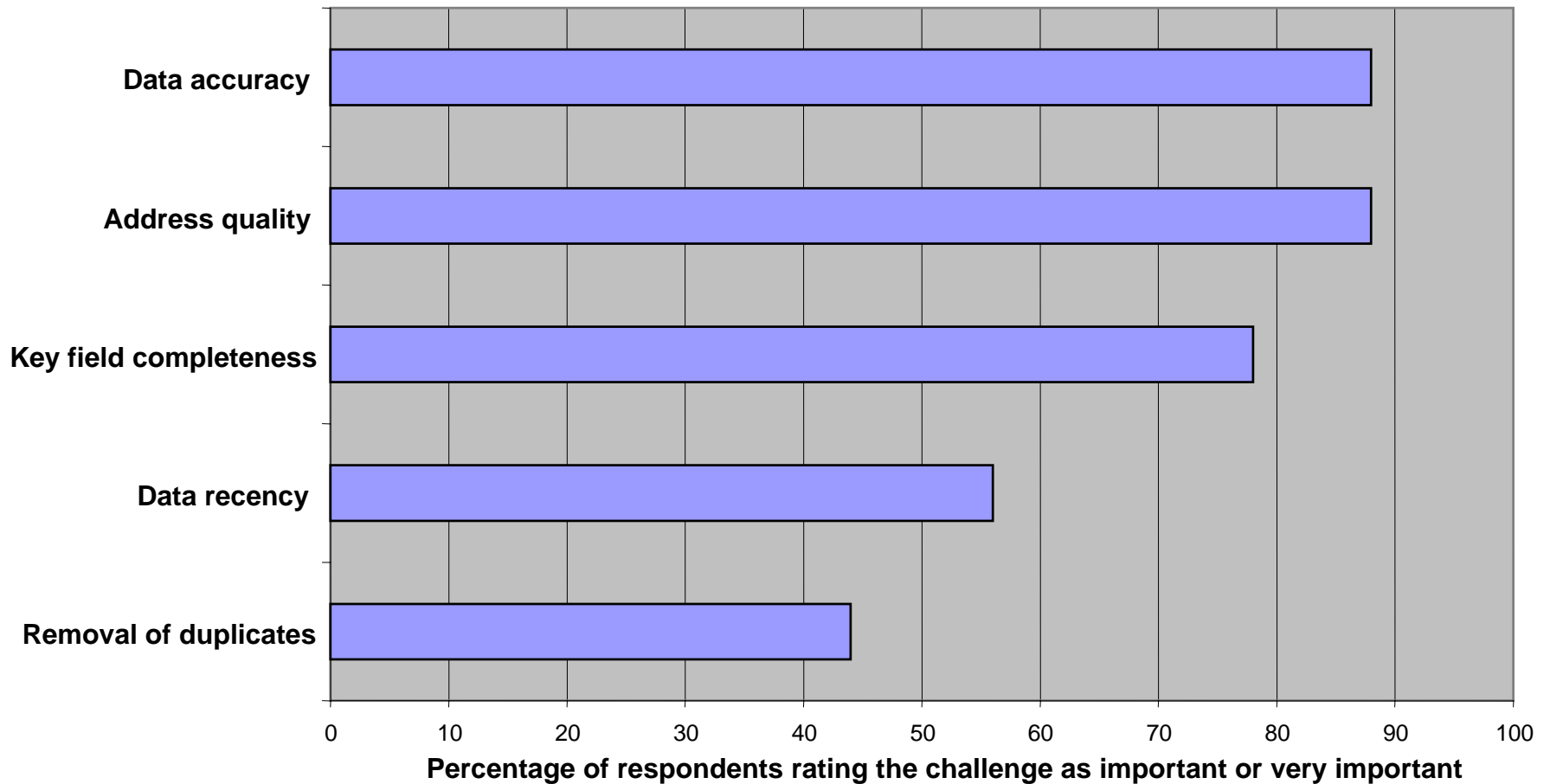
- **51% have centralised international data**
- **71% agree that there is a trend to centralise**
- **42% of in-country had or are considering centralisation**
- **Where data is centralised:**
 - 50% of databases are global, the rest regional
 - In Europe most cover 6-10 countries
 - Global data supports customer management and the brand
 - Local data supports service and local campaigns

Why Centralise?

- **Cost control and data exploitation more effective**
- **Economies of scale**
- **Single centre of excellence vs. wider distribution of lower level skills**
- **Centralisation is recent, but incremental benefits are being achieved:**
 - 50% said benefits being realised
 - Improved data quality was the biggest achievement for some, but there is still room for improvement
 - Travel examples include a 400% improvement in response rates, and customer recognition uplifts rebooking by 5%
 - Benefits are expected from analysis and response to customer behaviour

Current Challenges

Most Important Current Challenges

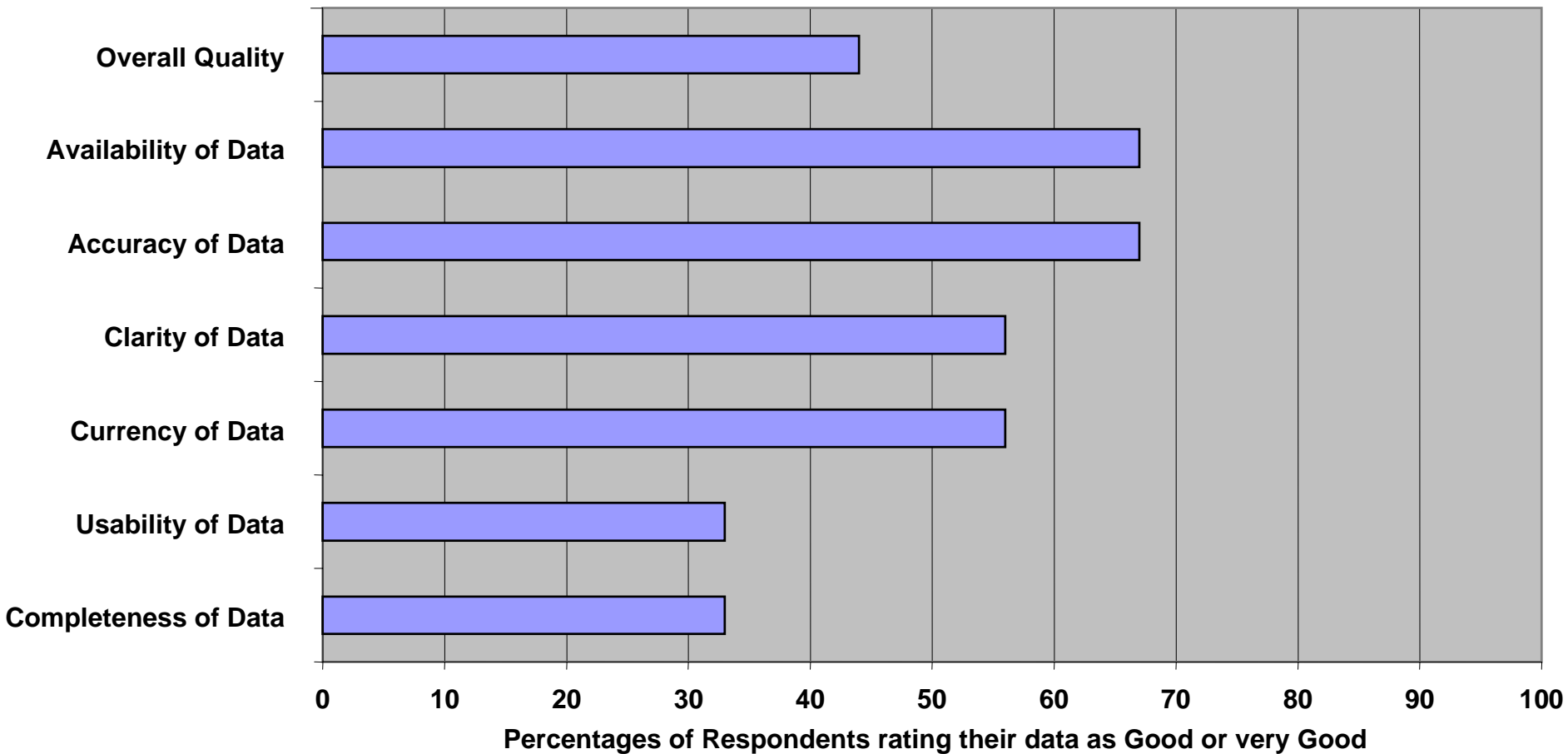


Some specific global issues

- **High granularity of post coding in the UK compared to countries like Italy**
- **High character count, up to 100, needed for job titles in Germany**
- **Relative distributions of company sizes in the US compared to Germany and its impact on selection criteria for campaigns**
- **Managing many differing address templates**
- **Need to speed up data capture through tools**

Data Quality

How do you rate the Quality of Your Data?



Illustrative comments

- “The need for accuracy is paramount in a key customer focused database”
- “Address quality and de-duplication are vital to a single view of the customer”
- “For us it is more important that management reporting is available rather than reliable!”
- “Data protection issues are poorly understood by our users so we have to actively manage this”
- “We have 9 different data sources so multiple source integration is absolutely vital”
- “Character sets are different for each country even where they use a common alphabet, plus accents create problems by occupying additional space, so multiple source integration is complex”

Looking forward

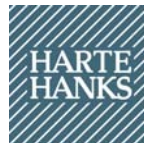
- 60% expect more extensive use over the next 12 months and development will be needed, 40% have development work under way
- Main development areas are segmentation and analysis of customer behaviour
- Some respondents are looking for quick wins from report writers and web-based access tools
- Just under half the respondents felt there was a trend to revenue generation rather than just cost control in their industry sector
- In a recent IBM study “80% of CEOs said their main business objective had switched from cost cutting to revenue growth and that improving the capture of information about and understanding of customers was a priority”¹

¹ The IBM “Global CEO Study 2004”, published in February 2004

Conclusions of Research

- **The study revealed a trend to centralise multi-national contact and customer data to achieve three major benefits:**
 - Improved cost-effectiveness
 - Improved marketing impact through better data quality
 - More effective use of corporate data
- **But, this is heavily dependent on data being “fit for purpose”**
- **Greater use of databases are predicted for the coming year**
- **Business results will be compromised without an understanding of the need for investment in data quality and the ROI**

Overcoming the Challenges of Global Data Quality



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Tackling the Challenges of Global Customer Data Quality

- **Auditing - to understand any inherent problems that may exist**

— Data Audit

- Uniqueness
- Completeness
- Validity
- Accuracy
- Relational integrity

— Information Audit

- Business use and requirements for essential information
- The business rules and definitions

Tackling the Challenges of Global Customer Data Quality

- **Unicode Data**

- A method of indexing all types of characters and storing them in a way that is language independent
- The best solution to all types of character set issues

- **Parsing**

- Splits a data record into pre-defined parts so that comparisons can be correctly made with other records

Tackling the Challenges of Global Customer Data Quality

- **Address Validation**

- Compare addresses to postal address files to find a matching entry
- Once a match is found, the postal address can be used to append additional elements to an address
- Sometimes items of an address can be changed to correct typographical errors and other data capture mistakes
- Address validation is variable across the world as there is tremendous variation in postal address quality from country to country

Tackling the Challenges of Global Customer Data Quality

- **Matching**

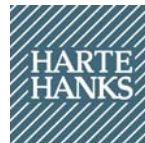
- Standard data management tasks such as de-duplication, data enhancement, and merging & purging require intelligent quality matching of name, address and other data
- To do this within one centralised database requires a great deal of understanding of the country-specific differences that exist

Tackling the Challenges of Global Customer Data Quality

- **Local Knowledge**

- A best practice solution should combine technology with regional experts in order to get the optimal results
- Consider cultural differences, local customs, country-specific addresses
- Local experts should review matched data to identify cultural issues

Case Studies



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GDQ Case Studies - **Leading Network Product & Services Provider**

- **The Challenge**

- The implementation of a new CRM system brought a new focus to data quality problems. Efforts to get to grips with these problems were complicated by the global nature of data

- **The Solution**

- An information and data audit found the key areas in need of attention and quantified \$15 million in poor quality costs
- By using a best practice global data quality solution, an improvement initiative was begun to reverse costs and increase revenues by effectively managing their multi-national B2B data



GDO Case Studies - Leading Global High Technology Company

- **The Challenge**

- This company wanted to implement a data driven strategy to produce incremental revenues from its sales channels
- Their existing processes required manual cleansing and combining international data from various internal and external B2B sources – a costly and time consuming solution

- **The Solution**

- Automation using global data quality tools shortened the process significantly
- Introduction of best practice processing is set to deliver ROI within months

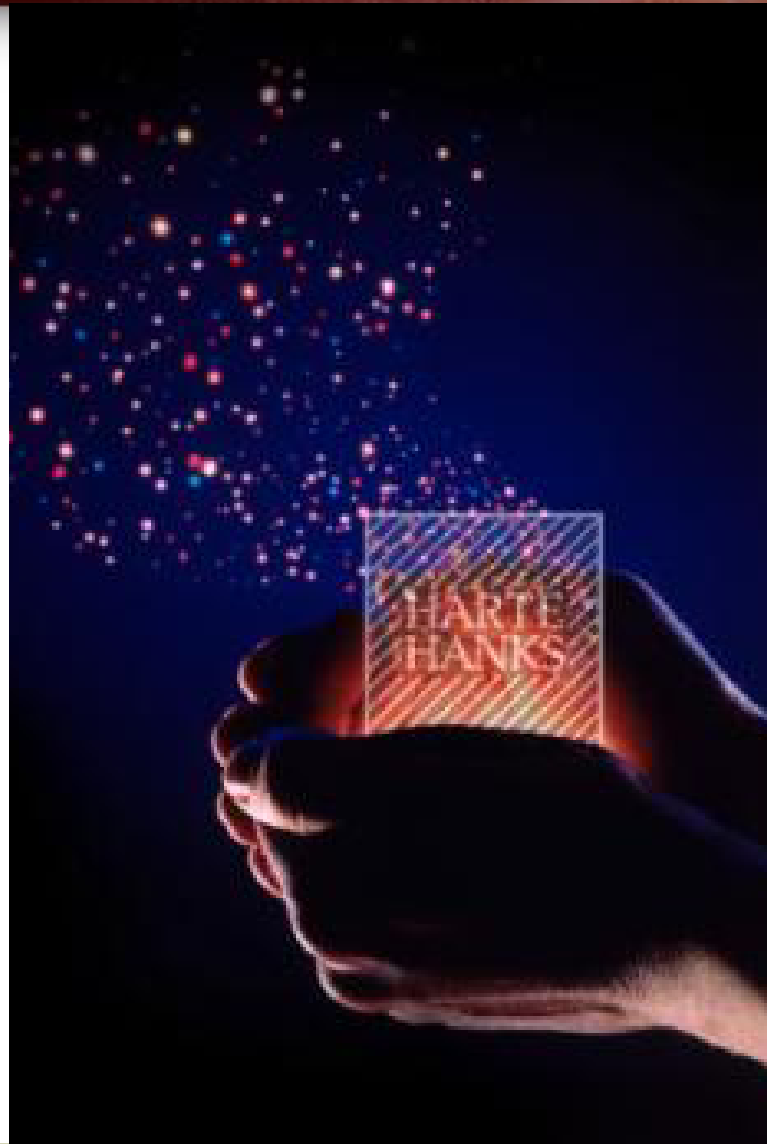


In Conclusion

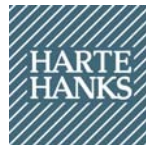
- **Market Research shows a trend within global organisations to centralise their data**
- **The challenges of Global Customer Data Quality are significant but not insurmountable**
- **Data quality in centralised multi-national databases can be improved through careful global data management**
- **Local knowledge must be a part of any global data quality initiative**

Who are Harte-Hanks?

- **30 year track-record in direct marketing and experience of over 600 databases**
- **In-depth specialist skills in both B2C and B2B, using award winning technology**
- **Specialists in global data quality with our GDM services**
- **Database marketing is our core competency and data management our lifeblood.**
- **At Harte-Hanks, we too think globally and act locally!**



Any Questions?



®

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