

The Importance of Data Governance in Marketing Management

Data governance is foundational to organizing and managing data and information assets across any enterprise. In the twenty-first century, organizational business is supported by data and information in many ways and forms. A large part of data generated today is in the form of electronic or digital data. For example, high-volume transaction processing systems (financial or accounting systems) generate reports, statements, and electronic checks. Analytical systems produce documents, spreadsheets, forecasting models, visual images. Marketing and planning systems generate emails, Web pages, XML from the Web or corporate intranet, and so forth.

Here is some reason why data governance matters for marketing :

- **Compliance** : Start with the most obvious benefit of good data governance, called legal compliance. Laws like the EU's General Data Protection Regulation require organisations to closely comply with consumers' data preferences. Managing permissions and privacy is virtually impossible in an organisation with siloed data. Customers might express their preferences to the customer service department, for example, and marketing might continue to use their data, never realising the customer has opted out using another system.
- **Customer Trust** : Customer relationships are built on trust, and customers increasingly expect transparency about how their data is used, and whether it is to the customers' ultimate benefit. A good data governance strategy can help earn and reward that trust, enabling businesses to make strong claims about privacy and data usage.
- **Consistent Customer Experience** : Data governance can also actively improve the quality of your marketing and its relevance to customers. In a

siloed organisation, for example, a customer could buy a product in your retail store, be dissatisfied with the purchase, complain to customer service, be issued a refund and then receive an email voucher to buy the same product. A good data governance strategy that unites and standardises data across the organisation creates a working memory of each interaction with an individual customer, both online and offline.

- **Capacity for Personalisation** : All of the above are primarily concerned with data governance from the customer perspective. From the marketing perspective, there are clear advantages too. With a standardised, central source of data available, analysts can apply machine learning to spot trends, identify buying signals and customers at risk of churning, and much more. Intelligent algorithms can even create audience segments based on the behaviour of customers who have chosen to remain anonymous.

References

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