3 Critical Data Governance Benefits for SMB Retailers

In today's marketplace, small retail businesses depend on data to drive business processes and stay competitive. But that data must remain secure, relevant and accessible if it is to deliver value. Reduced risk, increased trust and improved sales rank high among the data governance benefits for SMB retailers.

Data governance includes interconnected policies, beginning with identifying and categorizing data and determining rules for data retention and archiving. Additionally, a comprehensive data governance policy must ensure cyber security and regulatory compliance. Implementing solid data governance takes careful planning, but it delivers key advantages.
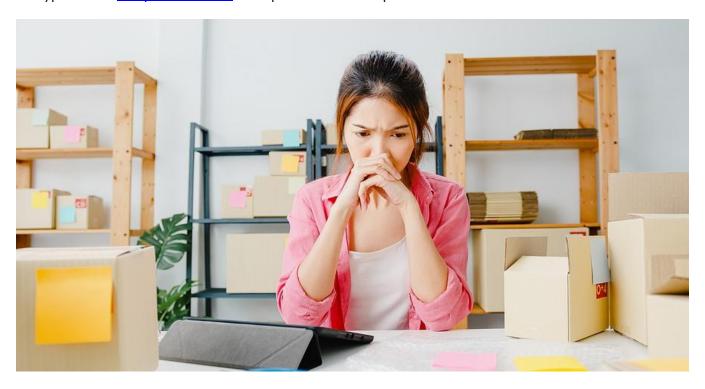
1. Reduce Risk

Because effective business strategy requires recent and accurate data, stakeholders need ready access to that data. For instance, marketing needs up-to-date customer information for personalized ad campaigns. At the same time, detailed sales projections drive inventory decisions. Even third-party vendors need access to certain data elements.

However, retailers must balance the need for data access against the cyber security challenges that access presents. For example, increasingly strict privacy regulations require businesses to protect sensitive customer information.

With a comprehensive data governance strategy, businesses meet regulatory requirements while making data available to the right people. Features such as multi-factor authentication, end-to-end data encryption and compliance audits both protect data and preserve customer trust.

2. Ensure Trustworthy, Useful Data

In 2019, Experian Data Quality published a study indicating that 95 percent of organizations suffer from the negative impacts of low-quality data. Information that is out-of-date, redundant or incomplete can result in faulty strategy and damage to customer relations.

For example, SMB retailers gather data from a large variety of sources. Customers enter information while making a purchase online, while signing up for a rewards program or when accessing product support. This may result in multiple records for a single customer. Each duplicate record reduces the quality of analytics critical for planning marketing and inventory.

However, a solid data governance process includes safeguards to ensure retailers have access to high-quality data. For instance, regular data audits flag duplicate records and ensure that data is properly categorized to facilitate strategic planning. As data proves more trustworthy, it delivers dividends in improved strategy, efficiency and, ultimately, revenue.

3. Improve Omnichannel Retailing by Eliminating Data Siloes

Data coming into the organization from multiple sources does more than create quality challenges. It also increases the risk of data siloes. For instance, sales departments gather data from POS systems.

Marketing harvests data from company websites and social media campaigns. Customer support collects its own customer data related to product issues.

Each department can benefit from data collected in other departments. For example, if salespeople know a customer has an unresolved product complaint, they will avoid poorly-timed sales calls. Likewise, marketing can use up-to-date sales data to effectively target personalized ad campaigns. And data from all sources combined delivers a more complete customer picture.

Data governance holds the key to eliminating siloes by working toward a holistic view of data across multiple platforms and departments. When businesses centralize customer data, updates occur in real time across the entire organization. This, in turn, allows for more effective analytics and improved merchandising across all channels, from online to in-store.

Take Advantage of Data Governance Benefits for SMB Retailers

By improving the security, quality and accessibility of information, data governance unlocks data potential. For SMB retailers, this can prove critical to developing and retaining customer relationships, improving business strategy and reducing risk.

The data governance experts at Messaging Architects stand ready to help you implement a data strategy tailored to your needs. We will assist you with data management, ensuring a single source of truth for the entire organization. We also provide the tools to implement multi-faceted cyber security and monitor compliance. Call us and discover where your data can take you.