

Data Governance Best Practices Drive Retail Business Growth



Successful retailers know the [value of information](#). Armed with data from all facets of the business, from marketing to shipping, retailers use information to gain a competitive advantage. But vast potential comes with inherent challenges. Harnessing data governance best practices allows retail businesses to move past roadblocks and drive success.

Business Benefits of Data-driven Retailing

When effectively organized and managed, data delivers significant benefits throughout the customer journey. For instance, retailers use data to personalize marketing campaigns and forecast demand for products and services. Knowing customer buying habits boosts upselling and customer retention.

Additionally, data provides insights into business processes, paving the way for necessary adjustments. For example, when businesses identify hours of high demand, they can allocate resources more effectively. Likewise, using location data, retailers can adjust fulfillment operations to move products closer to the customers most likely to purchase them.

When decision makers have access to high quality data, they can make decisions more effectively and with increased confidence. And with objective data to back those decisions, stakeholders gain the buy-in they need to act without costly delay. This enables the business to react quickly to changes in the marketplace.



Retail Data Challenges

While big data offers big benefits, it also brings challenges that businesses must overcome. Some of these key [retail data challenges](#) include the following.

- **Data silos mean decision makers act with insufficient information** – When teams fail to share data, they create data silos, each area holding just a piece of the puzzle. This means no single team has a complete picture of the customers and products. And without access to the full picture, business leaders build faulty strategy.
- **Poor quality data damages the brand** – In addition to poor decisions, redundant, outdated or incomplete data can also damage customer relations. Personalized marketing and customer service only work when the personalization builds on accurate information. Acting on incorrect data can result in loss of customer trust and loyalty.
- **Difficulty balancing data accessibility with data security** – Decision makers, salespeople and even third-party vendors need access to the right data at the right time. However, making data easily accessible to the right people may also open the door to bad actors. Striking the balance between accessibility and security can prove difficult.
- **Privacy laws add additional complexity** – Each year, new data privacy laws make achieving compliance more difficult. The consequences of noncompliance range from loss of customer confidence to stiff legal penalties.

Data Governance Best Practices Deliver Powerful Solutions

While the challenges inherent in big data can prove daunting, data governance best practices provide the solutions retailers need. When businesses know where their data lives and who owns it, they can

begin to harness its value. And when they properly manage that data, it becomes an asset rather than a liability.

Start by building a data map. Identify where data comes into the organization, where it goes and who uses that information. Additionally, gain an understanding of who has access to the information. Access management forms a critical component of data security and [regulatory compliance](#).



The key to any successful data governance program involves people. Establish executive buy-in from the very beginning and build a culture of data governance throughout the organization. Communicate data policies and procedures early and often, beginning with employee onboarding and continuing with embedded alerts and ongoing training.

Even with effective communication, data governance works best when it happens naturally. Automate the process wherever possible. For instance, [well-defined Policies](#) help to ensure that the data lifecycle adheres to regulatory requirements.

Finally, review and update basic data security measures such as data encryption, [multi-factor authentication](#) and continuous monitoring. A comprehensive security and [compliance risk assessment](#) will help identify vulnerabilities and inform a cybersecurity strategy moving forward.

Partner with Data Governance Experts

Implementing effective data governance takes time. Most organizations achieve success by thinking big and starting with small, manageable projects. The [data governance experts](#) at Messaging Architects bring the tools and expertise you need to discover and harness valuable retail data to power business goals.