Where is the value?

trends. This blend of human and machine understanding seems likely to be the way forward.

Among the exciting insights into human behaviour that big data allows, such as tracking spikes in texts in Rome during Italy's extra-time loss of Zinedine Zidane during a World Cup match, there is a lot of arguably less valuable insight being thrown out, such as who might pick up an Oscar based on social buzz. The true value and accuracy of big data is still in play (unlike Zidane during that match) — even tracking the spread of flu, which Google has famously done based solely on search terms, has recently been challenged for its accuracy. Future Foundation's forecasting offered a valuable way to understand the real nature of the big data revolution in the consumer's life, even if it couldn't provide the answer as to what business should be doing about this.

David Reed FIDM

IDM data council discussion — Organizing for data and analytics

Journal of Direct, Data and Digital Marketing Practice (2014) **15**, 359–361.
doi:10.1057/ddmp.2014.13

Where should data sit?

The emergence of the new role of chief data officer (CDO) has given rise to much discussion about the nature of both the task involved and the type of person required to perform it. Less often considered is where the CDO should sit in the organization.

This is a question that has remained unanswered for the last 5 years of interest in data and analytics. While some organizations maintain their data asset and insight teams within whichever function first develops them, others work to create a standalone centre of excellence that serves the whole enterprise.

At the IDM Data Council meeting on 19 February, hosted by Microsoft, the issue was considered by members. James Morgan, Head of Management Information at British Gas, Former Head of Data Management at Telefónica UK and Council Chair, noted, 'At O2, it was centred in marketing. That is a very marketing-led organisation, so that was a good place for it. At British Gas, data has historically been spread across a number of different functions, but we now understand the importance of great information and are going on the journey to identify how best to realise its potential'.

Executive buy-in v sponsor support

All organizations can be positioned on an information maturity curve depending on their usage of data and analytics, moving from *ad-hoc* to optimized (although few ever reach the highest state of practice). Their rate of progress up that curve will depend on the industry sector, company culture and existing infrastructure when they start the journey.

Data used for three types of communication

Morgan argued that firms should not try to rush their development. He stated, 'If you create data as an independent function before you have executive buy-in and support from the company, you may not succeed. To some degree, it needs to sit in a sponsor function to help build the credibility and clout — and also to protect it from some of the politics'.

'Ultimately, if a company is going to become information-centric, using and protecting the data asset properly, then it is a natural progression for it to become a board-level function in its own right. You are seeing some of the more forward-looking companies making that move', added Morgan.

It was pointed out that in larger organizations it is not just one area of the business making use of data and therefore needing better organized data management. Anne Stagg, Business Development Director, Digital, Communisis, stated, 'We in the data world often think of it sitting in marketing, but there are three types of communications that should be driven by data — marketing, transactional, operational'.

She added that 'the challenge can often come in that, unless you have a centralised function, you have these silos which means, from a customer point of view, it doesn't look great. You need to think about how to drive that customer journey using data'. By allowing customer insight to drive customer engagement, the organization can achieve much greater impact and effectiveness, but that does often mean changing the infrastructure that delivers those communications.

Systems that operate fast enough

'Even if you know what data you want and what you want to do with it, there are often systems and processes that won't let you. I worked with a client recently that wanted to contact new movers', recalled Stagg. 'That data is readily available in the market, but their campaign process was so slow in getting it in and delivering a communication that they had lost the benefit. So we worked with them to allow a campaign to be triggered overnight by deploying campaigns through our system, rather than theirs'.

Age of company is a factor

Stephen Gilbert, Head of CRM (CMO), Microsoft, pointed to the transformation being pursued within the software business. 'From a Microsoft perspective, we're moving from being product-centric to our vision of "One Microsoft". Over at Google, it has a very different perspective and was set up around data from day one. It relates to the age of the company'.

Most companies established more than 10 years ago did not have a view that data would become a valuable asset. (It can even be argued that many established since, including the likes of Facebook and Twitter, did not realize this either.) To begin progression up the information maturity curve sometimes demands stepping outside of the existing organizational structure.

John Lewis appoints a head of data

As Ross Simson, formerly of Capita and now Insight Republic, stated, 'When we went in to bid to the BBC for TV Licencing, we said we would take it out of the IT and into a dedicated function of its own'. He pointed to John Lewis's recent decision to appoint a head of data answering directly to the CEO as an indication of the direction of travel.

He added that organizing for data and analytics is just part of the problem — another challenge is how to put that resource to work. 'A CFO at a retailer I spoke to was saying the first problem he has is getting hold of

Taking a broader perspective

the data he needs and the second is what to do with it once he has it', he stated. 'Organizations may not have anybody to take insight into the business and drive value from it'.

As data rises up the organizational ladder and more firms appoint CDOs, the nature of data practitioners will also have to change. In particular, they will have to embrace a broader business perspective, rather than just looking at everything through the lens of data.

When the Council was asked whether there were enough candidates with the skills to take on a position as CDO, there was a resounding answer of 'no' — and also laughter. Shaun Pitman, Head of Data and CRM, British Gas Business stated, 'It's all well and good seeing the rise of CDOs, they need the leadership skills, business and commercial accumen too. Data people are very good at their own discipline, but when you ask them to present to a senior level, it all unwinds because they haven't understood the commercial reality'.

'We need to see stronger leaders'

Pitman added, 'We need to see stronger leaders within the data community — maybe that is what the board is waiting for. Senior executives may already have an understanding that data should be board-level, but they can't see it happening, so they stick it with the CIO or with the CMO'.

The IDM is trying to get ahead of this demand, not least through its postgraduate diploma. It was noted that the student who achieved the highest score last year works for a data owner, suggesting that the need for an expanded skills set and perspective is well understood within the data industry.

Challenge is also an opportunity

While the focus of the discussion was chiefly around operational issues within the business when trying to adopt data and analytics, it was also pointed out that there is a real opportunity behind the challenge. 'We did some research among consumers and identified a trend called "MyAnalytics" -selling products so users can analyse their own lives', said Gilbert.

It was found that 28 per cent of consumers were interested in using devices they actually ingested into their body and 38 per cent were likely to buy a product or service that helps them make improvements to their life. As Gilbert noted, 'The better a company gets at doing it internally, the better it will be at selling that externally'.

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Customer analytics and insights in retail financial services

Journal of Direct, Data and Digital Marketing Practice (2014) **15**, 361–364.
doi:10.1057/ddmp.2014.26

Financial services back in the market

Financial services have long been a bastion of the use of data and analytics. Recent economic problems have held back some practitioners, however.