

dataIQ[™]
Research report



DRIVING VALUE FROM NON-PERSONAL DATA

In partnership with





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Harnessing the power of non-personal data



Raj Pattni
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Barclays

This report provides fascinating insights into how business organisations are harnessing the power of non-personal data. It underlines the critical importance of accessing third-party data sources to support business strategy.

With both the short and long-term impact of COVID-19 on our economy and lifestyles still something of an unknown, it is more important than ever that businesses have timely information on which to base key business decisions to respond effectively to these changes and plan for the future.

Yet as this report shows, while around two-thirds of organisations use external non-personal data to inform customer experience and customer management, the use of this type of data for contingency planning for events like the COVID-19 epidemic is much less widespread.

However, more than 40% of the organisations surveyed say that urgent contingency planning is increasing their appetite for non-personal data.

The power of customer data is something we have long recognised at Barclays and has been the foundation of our Market and Customer Insights service offering, which provides unrivalled intelligence on real UK consumer spending habits and market performance.

Recognising the importance of upholding the strictest possible ethical standards when it comes to the use of customer data, we have very robust



governance and controls in place to ensure we collect and use data responsibly and we work closely with DataIQ to promote such ethical data practices.

Barclays Market and Customer Insights data is fully GDPR-compliant and aggregated from 250 million anonymised monthly debit and credit card transactions, tracking the actual spending of over 17 million customers, covering one in two UK households.

This means we can deliver regular non-personal data updates within days of real transactions, combining customer profiling with time and postcode-specific data to bring spending to life. This helps a wide range of businesses to understand the market challenges they face, enabling them to make informed strategic decisions to gain competitive advantage and grow their businesses.

As this report indicates, there is an increasing appetite for business intelligence derived from analysis of non-personal consumer data and a growing necessity to utilise it effectively, brought sharply into focus by the COVID-19 crisis.

Driving value from non-personal data





Key findings

41.8% of organisations have fully aligned their data strategy with the business strategy. But 15.3% have no formal data strategy in place.

62.5% would use any trusted source for third-party non-personal data. This is the same for organisations with an aligned data strategy and those with nothing formal.

External non-personal data is recognised by nine in ten as being of benefit to customer analytics and data science, while two-thirds use it for customer experience (66.7%) and customer management (62.5%).

Most third-party non-personal data being used is from established sources, such as geographical data (63.5%), government open data (62.5%) and official statistics (61.5%). Aggregated spend data usage is emerging and already used at location level by 38.5%, with 13.5% more considering using it in the next 12 months.

Organisations with no formal data strategy are more likely to adopt external non-personal data sources than those who are aligned with the business strategy - this is the only group to say they will not look at using this type of data for their emergency plans.

22.9%
would consider publishing customer spend data aggregated by location in the right circumstances



Publishing non-personal data is currently at a limited level, primarily through 59.4% making product information available on their web site. But 22.9% would consider publishing customer spend data aggregated by location in the right circumstances.

Trust is central to choosing a supplier of non-personal data with 74.0% of users looking for a transparent supply chain, although aggregation techniques are less influential (30.2%).

Despite the high level of adoption, half of organisations (47.9%) do not measure whether value is created through using external non-personal data.

Organisations with a data strategy aligned to the business strategy are more likely to have metrics in place, with 24.0% having either specific or top-level measures in place.



Most third-party non-personal data being used is from established sources, such as geographical data

63.5%

Use of external data for contingency planning currently lags well behind - nine in ten organisations are not yet making any use of it in their Covid-19 response.

There is a balance between organisations who agree that urgent contingency planning is increasing their appetite for external non-personal data (41.7%) and those who remain neutral (40.6%).

Section 1

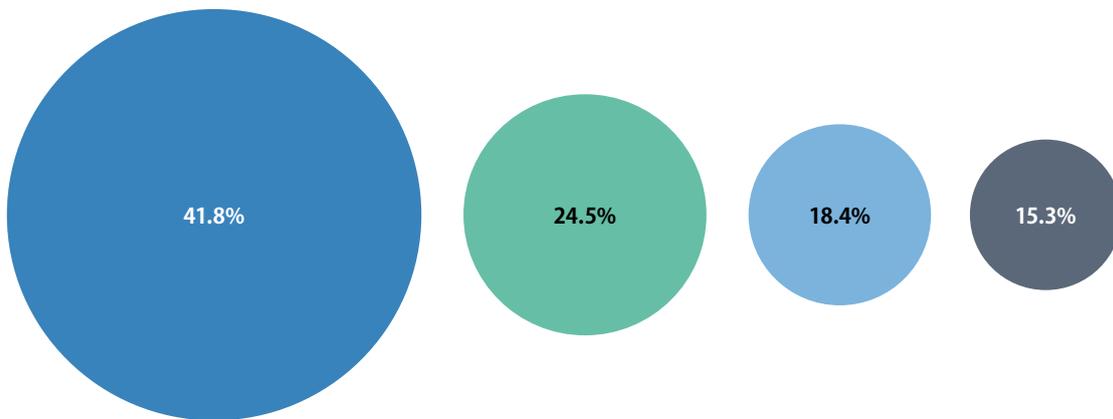
Non-personal data in the business





1.1 - Is data aligned with the goals of the business?

Alignment of business strategy and data strategy



- **“Aligned”** - Business strategy and data strategy are fully aligned
- **“Referred”** - Data strategy is referred to in business strategy
- **“Standalone”** - Data strategy was developed as standalone document
- **“Nothing formal”** - Have a business strategy, but no formal data strategy

Organisations are guided by their business strategy, a living document that defines its vision and goals as well as the strategy for achieving them. Alongside this, the data strategy sets out how this asset will be created, managed, governed and used. Ensuring these two are fully aligned is an optimal state - four in ten organisations say they have achieved this. Even allowing for the maturity of DatalQ’s community, this is a surprisingly high level.

By contrast, just over one in six say there is no formal data strategy in place. This is likely to make it challenging to realise the business strategy which has been laid out, given that most routes to market and

internal processes are likely to rely on an organised data asset.

Between these two opposites, there are several stages which can help to drive up the level of data maturity, such as creating a data strategy and then having it recognised within the business strategy. Slightly more organisations are on this journey (42.9%) than have reached the ideal end state, suggesting there are hurdles they struggle to overcome.

These four levels of alignment are referred to across this report as indicators of where it is providing to be beneficial or where the claims made seem to exceed practice at a more granular level.

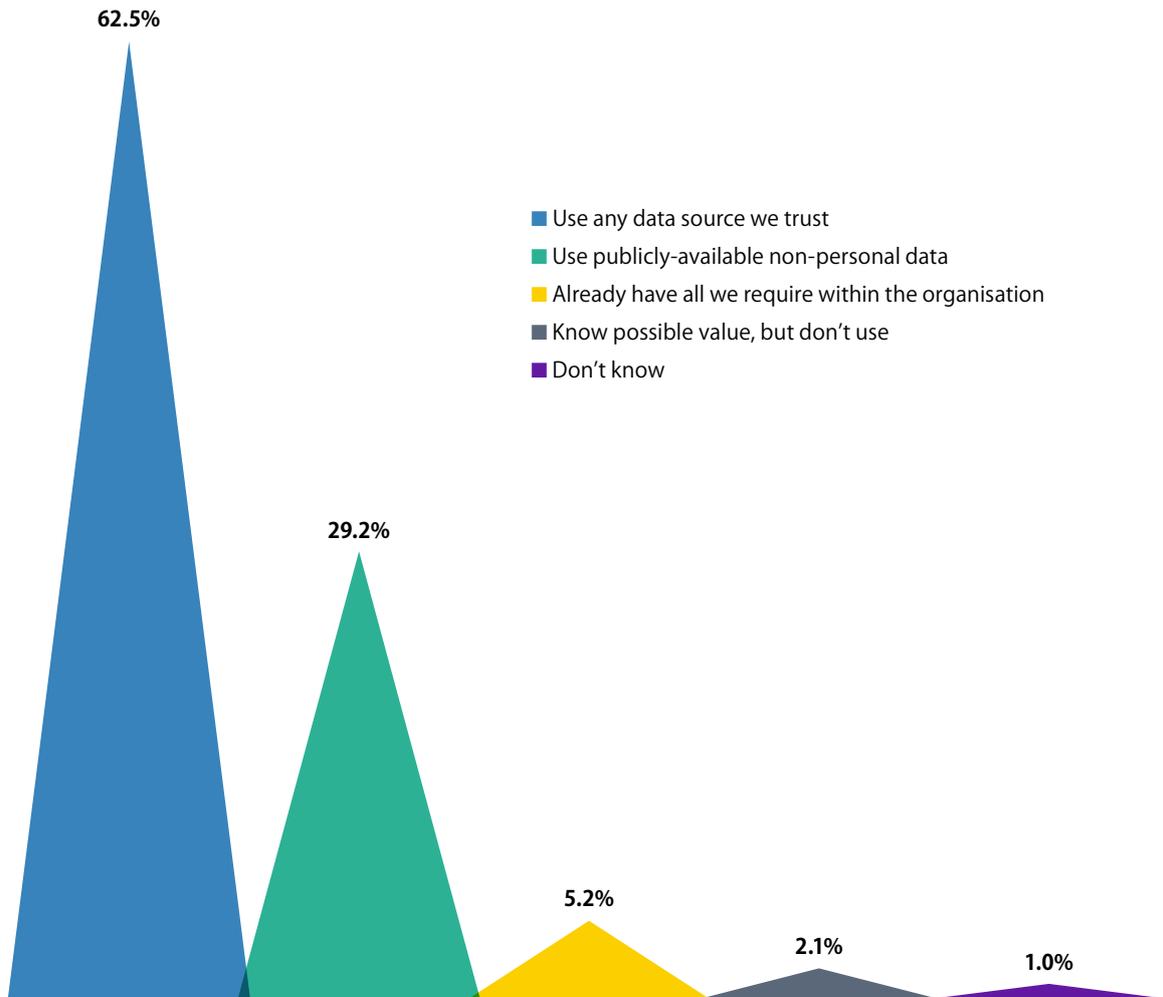
Driving value from non-personal data





1.2 - What is the attitude towards using non-personal data?

Attitudes towards third-party non-personal data



For any organisation with data-driven processes, whether these are internal or customer-focused, there will be a sizeable data asset available for planning, measuring and executing the business strategy which is created from the organisation's own activities. However, only one in twenty believe this provides them with everything they require.

As 91.7% acknowledge, internal data on its own does not provide the full picture of the market, customer base, competitor activity or opportunities. For that,

external data sets are required to fill in the rest of the picture. Nearly two-thirds recognise this and will make use of any data source they can access, with the critical correlative that it is from a trusted source.

Three in ten are making use of publicly-available non-personal data which is readily accessible, such as government statistics. By contrast with other third-party non-personal data sources, it is worth noting that these sources may not have the same rate of collection and refreshment found in commercial data sets.

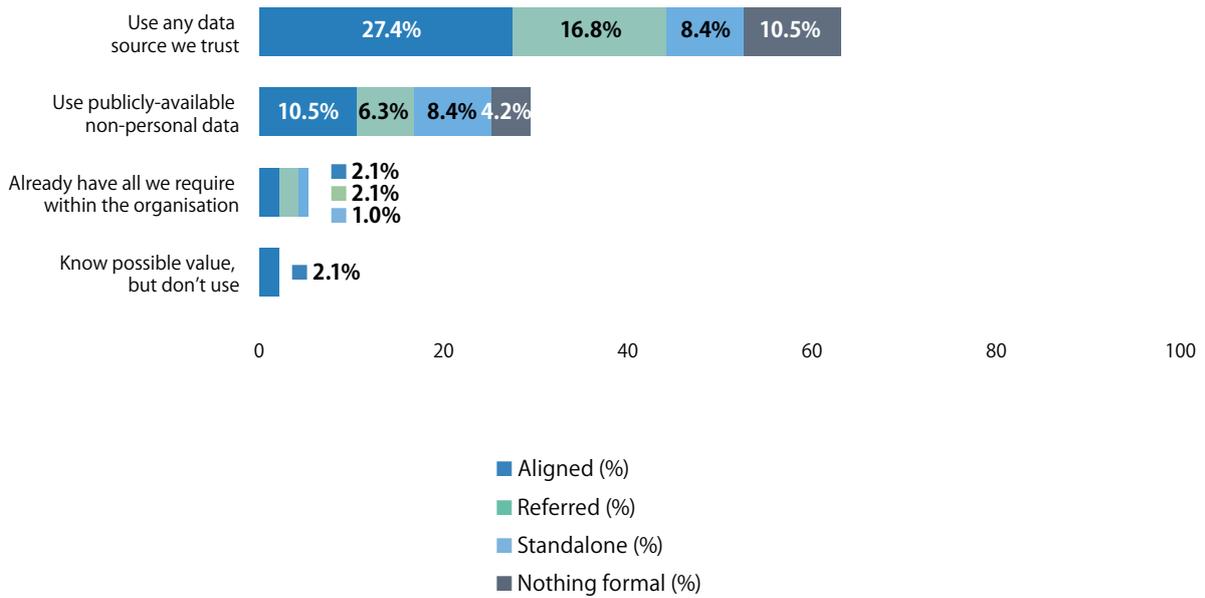
Driving value from non-personal data





1.3 - Data strategy and attitudes to third-party non-personal data

Attitudes to third-party non-personal data x data strategy



Having a data strategy that is fully aligned with the business strategy might be assumed to suggest a very structured approach to leveraging data sources. Similarly, the lack of any formal data strategy ought to imply the absence of appropriate data licensing. Yet both the Aligned and Nothing Formal groups have the same attitude towards using trusted external data sources.

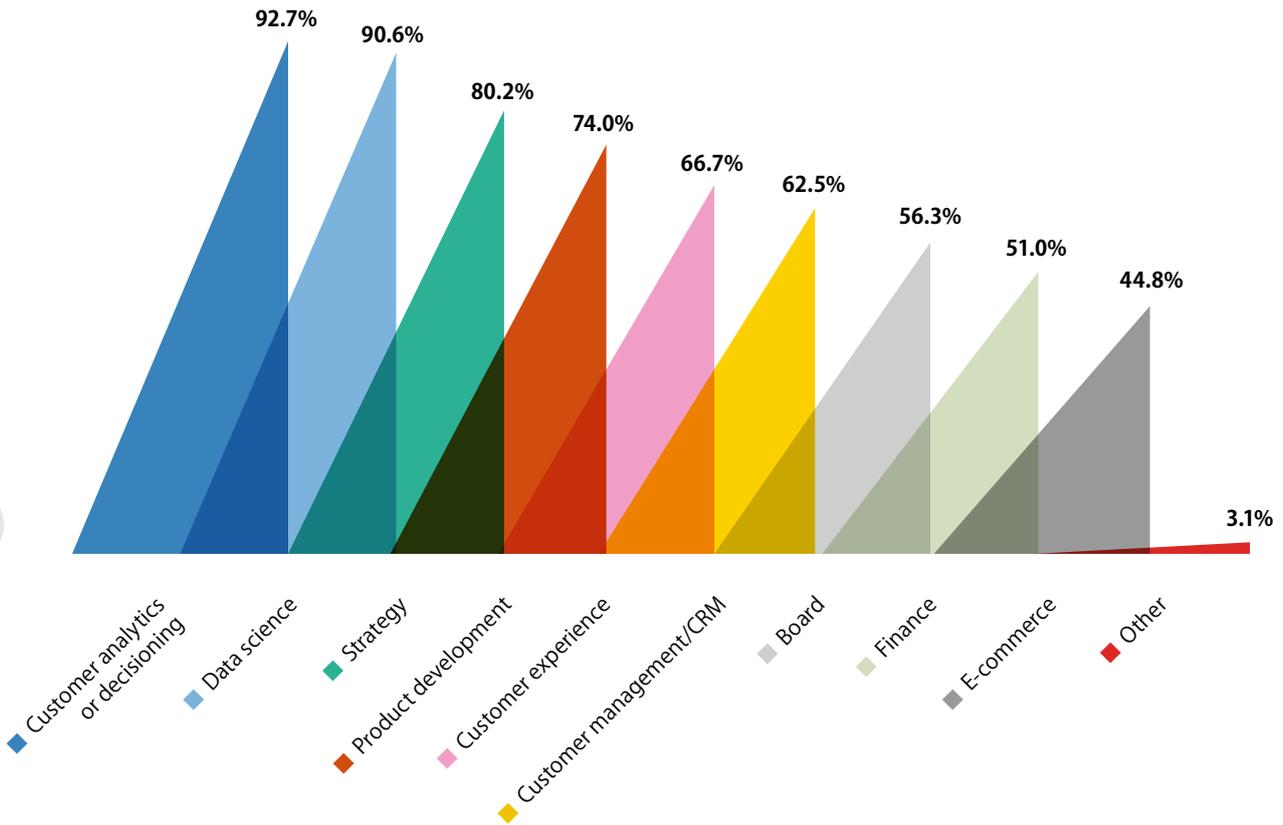
A clear implication is that accessing third-party non-personal data is much more of an ad-hoc activity, regardless of the maturity of the organisation. This may be because new needs and use cases arise in the short-term that require this data, or perhaps that external data was not considered when developing the data strategy. Either way, the door is clearly open for trusted suppliers of this non-personal data, even if the way it is then used could benefit from a more structured approach.





1.4 - Which functions might benefit from using third-party non-personal data?

Functions that might benefit from non-personal data



The potential benefits of using external data sources are clearly recognised and there is a considerable domain in which it might deliver value. Prime among the functions who could make use of it are the most data-hungry - customer analytics and data science - although it is notable that the key business-focused functions of strategy and product development are also identified as major potential users. This is where alignment between the data strategy and the business strategy would really start to pay off.

Although two-thirds of organisation can see how customer-facing functions (CX and CRM) might use this type of data, this does also reveal a lag among the other one-third. Perhaps they have yet to work out how knowledge of location, weather, traffic, business conditions and the rest could be deployed into the customer relationship sphere.

This is even more the case within e-commerce where the majority of organisations have yet to understand how to enrich this process with external data, for example, by identifying when traffic conditions might delay deliveries or where a local distributor might be found.

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Section 2

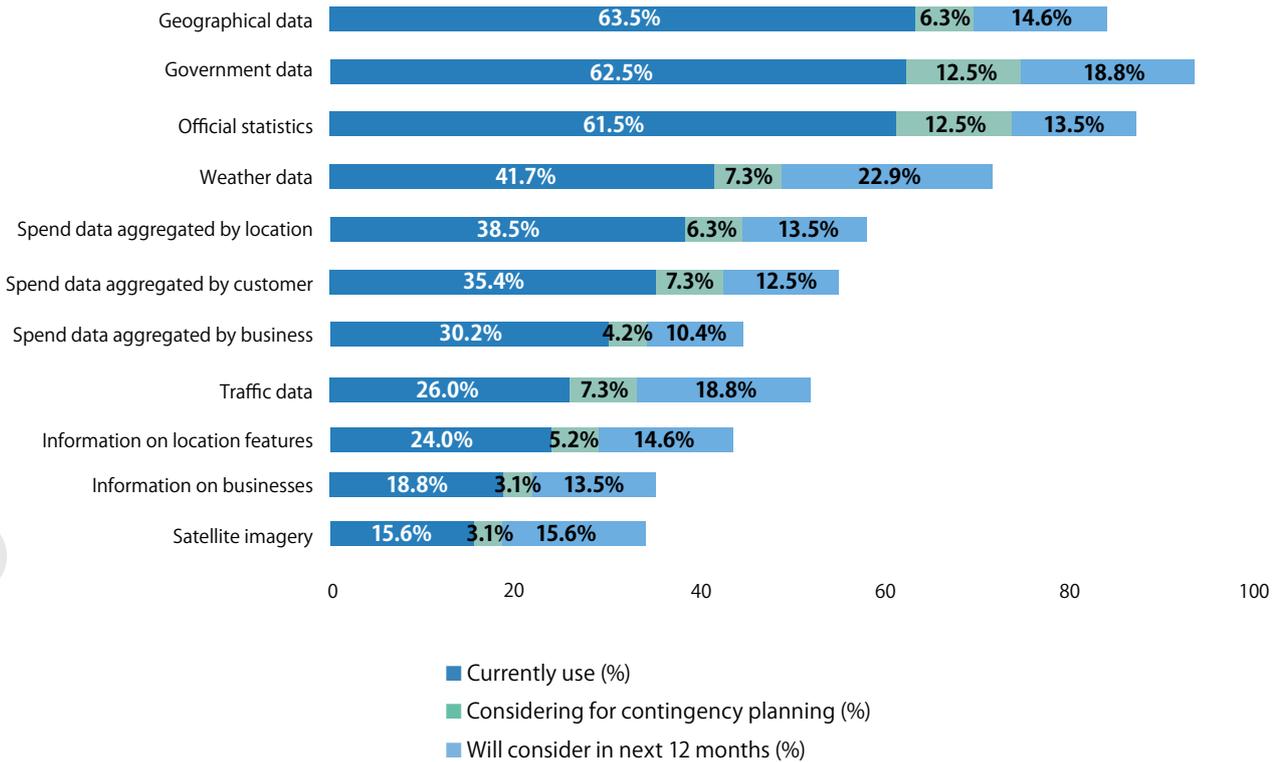
Adoption of non-personal data





2.1 - What types of non-personal data are being used?

Types of non-personal data in use



Three categories of non-personal data can be identified among the types already in use - established, emerging and lagging. Established data is being used by nearly two-thirds of organisations and is built from information relating to geography, such as Royal Mail’s Postal Address File, Government-captured data which has been released as open data via open.data.gov, and the statistical view of the population built by the Office for National Statistics. All of these have been available for decades and are also the basis for many standard analytical practices, such as geo-demographics.

Emerging non-personal data types reflect the more recent focus on big data, enhanced compute power to deal with high volumes, data science techniques that can manage uncertainty and incomplete data,

as well as the increased availability of anonymised customer data from commercial businesses. These have been adopted by three to four in ten organisations, indicating an appetite, but also an opportunity to expand their uptake.

Lagging data types, such as traffic, location, satellite imagery, have found a market among between one in six and one in four organisations, but there is a strong indication of future demand doubling this level.

Most notable is that nine in ten organisations have not turned to external non-personal data to support their contingency planning for the Covid-19 emergency. This means they are planning blind with regard to external factors and could make assumptions that do not reflect real-world conditions, populations or influences.

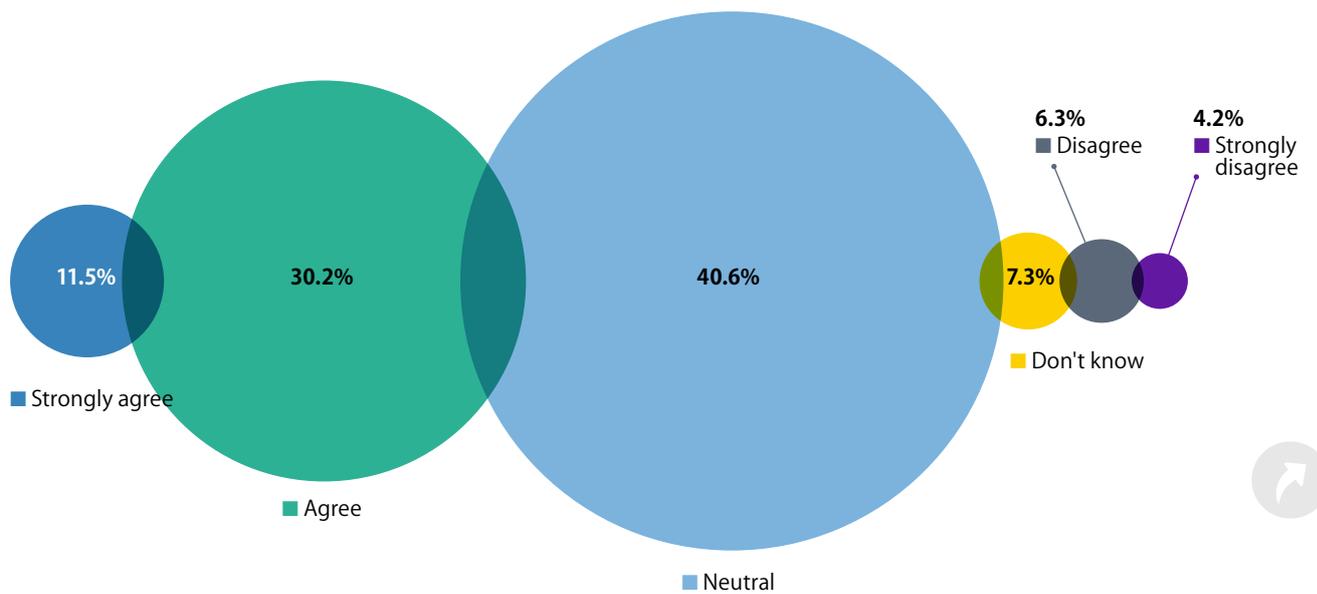
Driving value from non-personal data





2.2 - Impact on non-personal data usage of emergency planning

“The need for urgent contingency planning has increased our appetite for using external non-personal data”



Although only a maximum of one in eight organisations have made use of external non-personal data to plan for the impact of Covid-19, there is potential for that to rise significantly. Four in ten (41.7%) agree or agree strongly that they have an increased appetite for these data types because of the urgency of the current situation. The challenge will be to convert that interest into action if they do not have an established practice for sourcing, onboarding and analysing these data types.

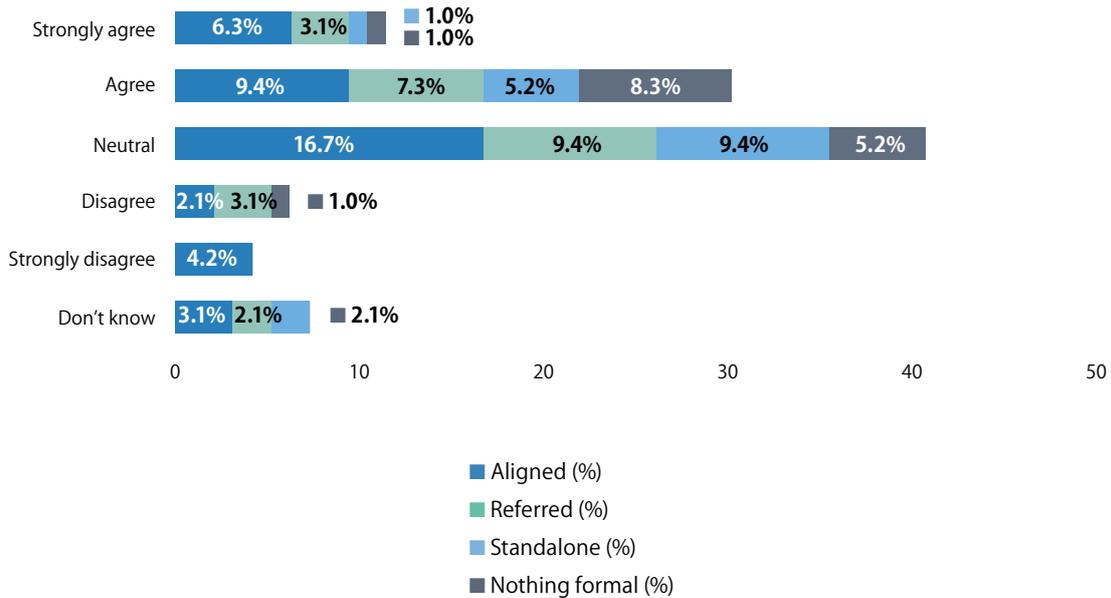
By contrast, a similar level of four in ten have not adapted their views on this data type in the light of the worldwide crisis. While this may just reflect the rapidity of changing circumstances and pressure to focus on what is immediately at hand, this does risk leaving a blind spot which could be usefully filled by understanding customer profiles and financial exposure at a population level, for example.





2.3 - Data strategy and non-personal data usage for emergency planning

Contingency planning use of external non-personal data x data strategy



While it might be assumed that organisations whose data strategy is fully aligned with their business strategy would be the most likely to adopt external non-personal data in their contingency planning, this is far from being the case. In fact, it is only the Aligned who disagree strongly that their appetite for this data has been changed. Choosing not to change the data strategy when external factors will have dramatically changed the business strategy looks like a potential risk.

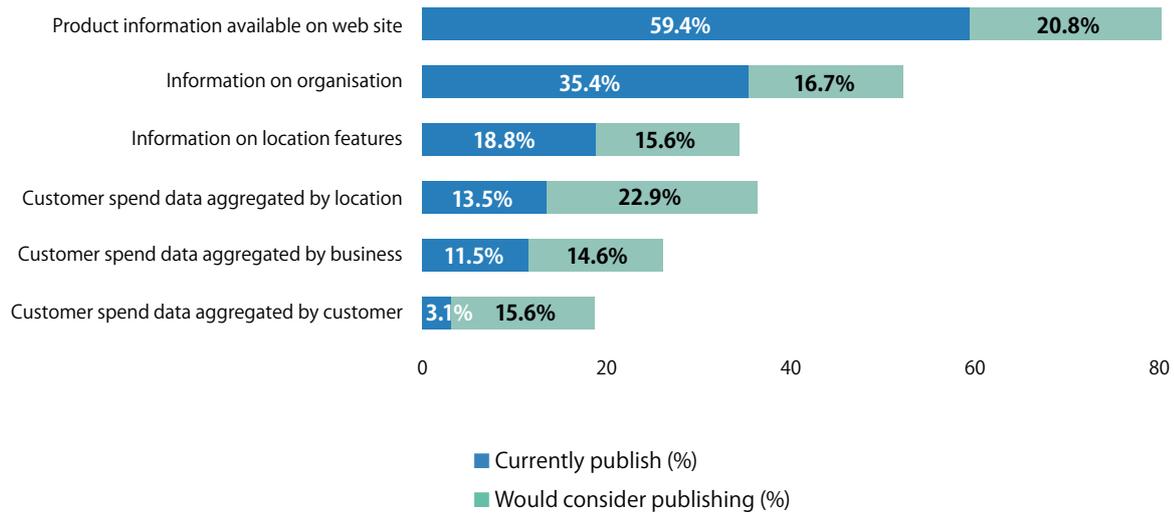
Conversely, organisations with no formal data strategy are more ready to look at external data that could support their contingency planning. It may be that having no fixed views on which data types could prove useful is a more flexible attitude during turbulent times. How these opposing approaches play out in the long-term for their organisations will provide an interesting piece of evidence for future data strategies. ➔





2.4 - Does the organisation publish any non-personal data?

Types of non-personal data published



The UK is a world leader in open data, driven by a Government policy to publish state-curated data on an open basis wherever possible. While this has driven up levels of consumption of open data, there continues to be a lag when it comes to organisations publishing their own non-personal data sets on an open basis.

There is also a blurring of the distinction between data which is open by default - such as product information on a web site, which six in ten organisations say they publish, or information about

the organisation itself, which one-third publish - and installing a proper API-oriented open data strategy using industry standards for data models and formats.

Alongside this, there is a natural inhibition around publishing aggregated customer data due to historical risks from de-anonymisation or customer perception. These can clearly be overcome and, if appropriately communicated, could tap into the significant willingness to consider publishing that between one in ten and one in five organisations express.



Section 3

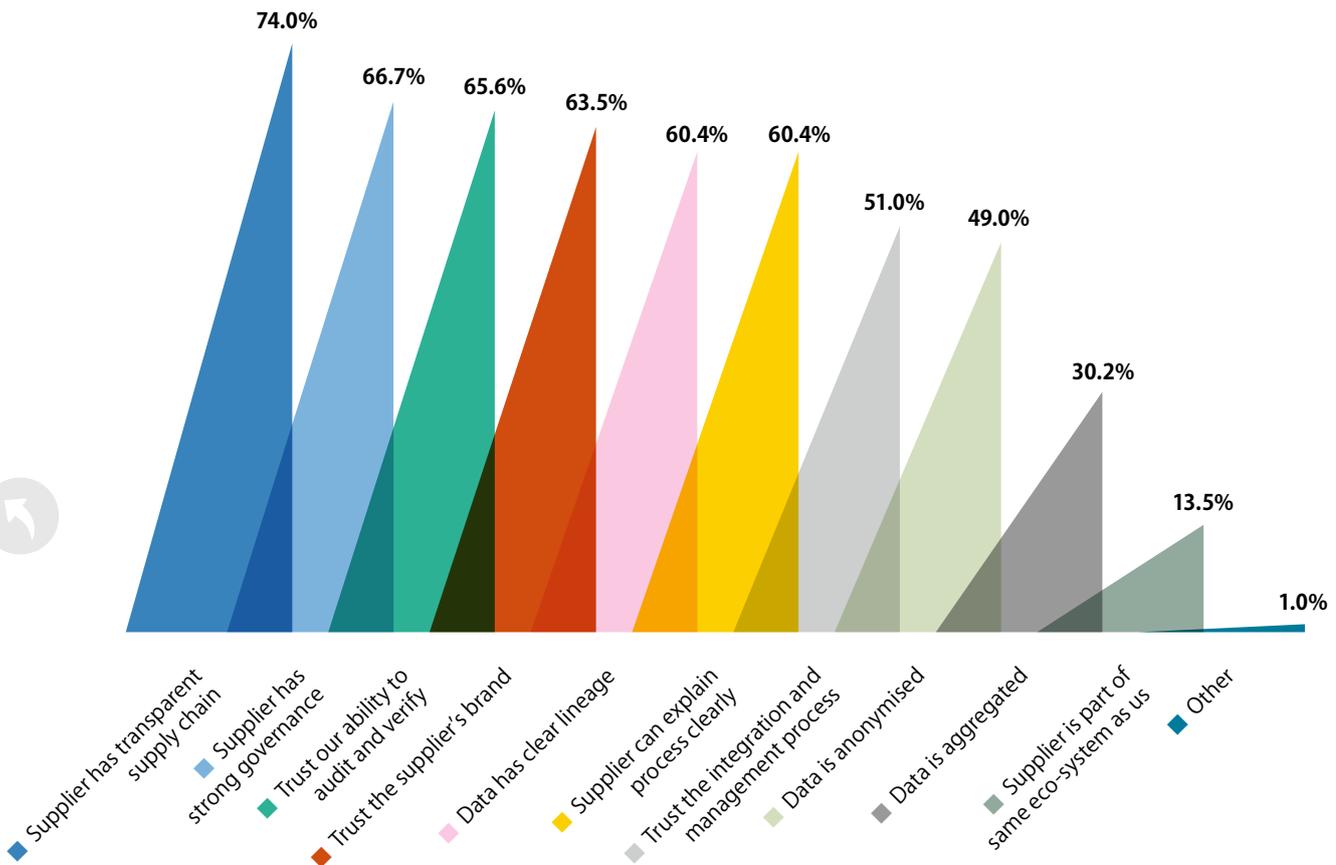
Sources and value of non-personal data





3.1 - What makes you trust a supplier of non-personal data?

Indicators that data supplier can be trusted



The critical driver of usage of external non-personal data is trust - 62.5% say they will use any data source that can be trusted. Reaching that stage involves two things: the way the data supplier operates and the internal governance applied by the client organisation.

Against the first of these, suppliers can best build trust by being transparent, demonstrating their own governance, being able to explain where the data comes from and how that process is run. If they operate in that way, it will build a trusted brand, something that

nearly two-thirds of clients say they look for.

Technical aspects of how data is anonymised are important to half of users, while aggregation techniques matter to three in ten, an indication that these are secondary factors in trust, rather than primary indicators. This may be because users of non-personal data have confidence in the effectiveness of their internal governance to a significant degree - if this confidence is well placed, it will ensure they avoid any poorly collected and prepared data sets.

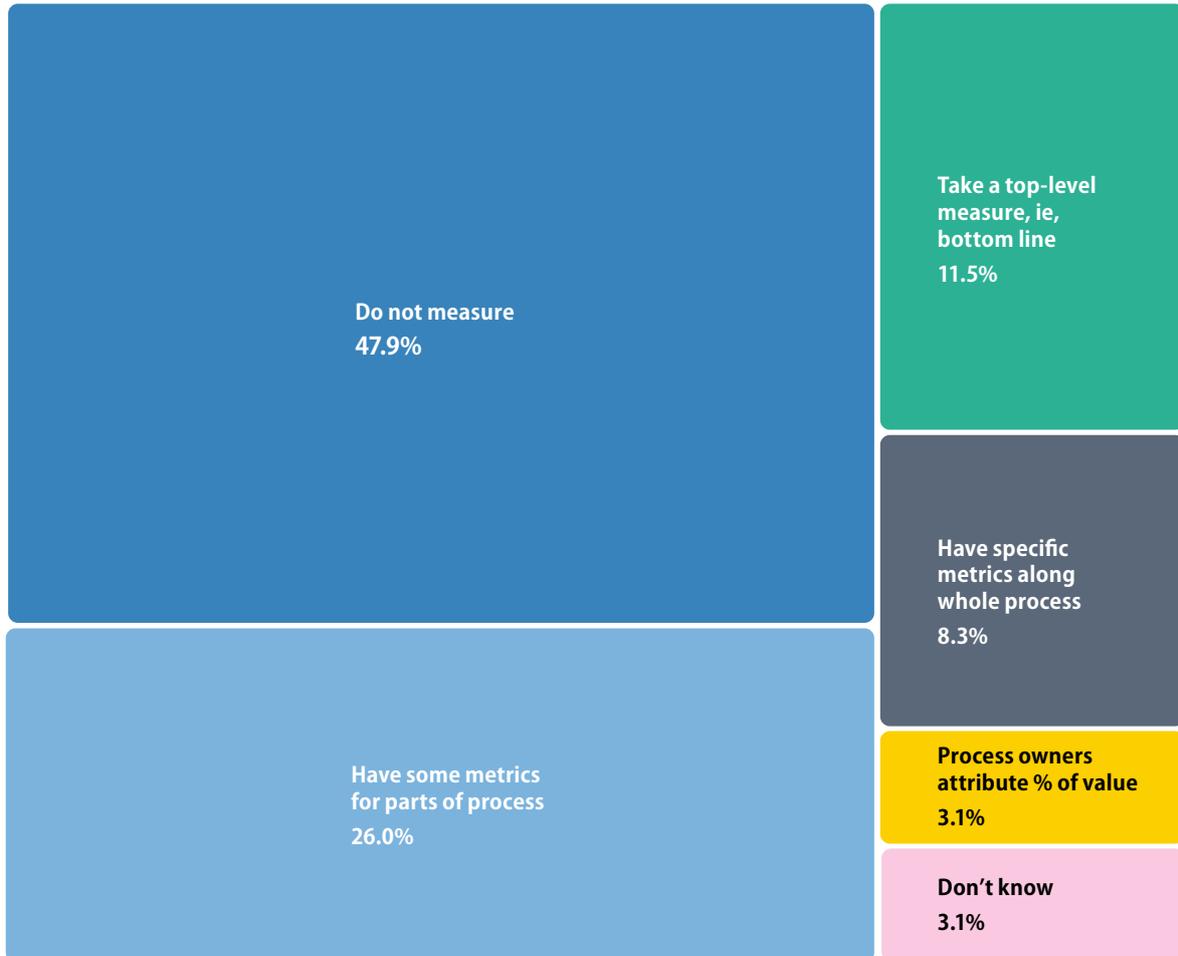
Driving value from non-personal data





3.2 - How is the value created through non-personal data usage assessed?

Assessing value created through use of non-personal data



The sole purpose for using data of any type is to create value for the business. That is one reason why alignment of the data strategy with the business strategy can be very powerful. But that goal is not capable of being realised if there are no clear metrics in place - the fact that half of organisations do not measure any value created by their use of non-personal data is therefore shocking.

It can be challenging to establish appropriate metrics given the complexity of how data gets deployed across an organisation, but 48.9% are attempting this at some level. Different levels of detail are involved, from top-level down to the granular. But critically, it is this half of organisations that will understand how data is really driving their business.

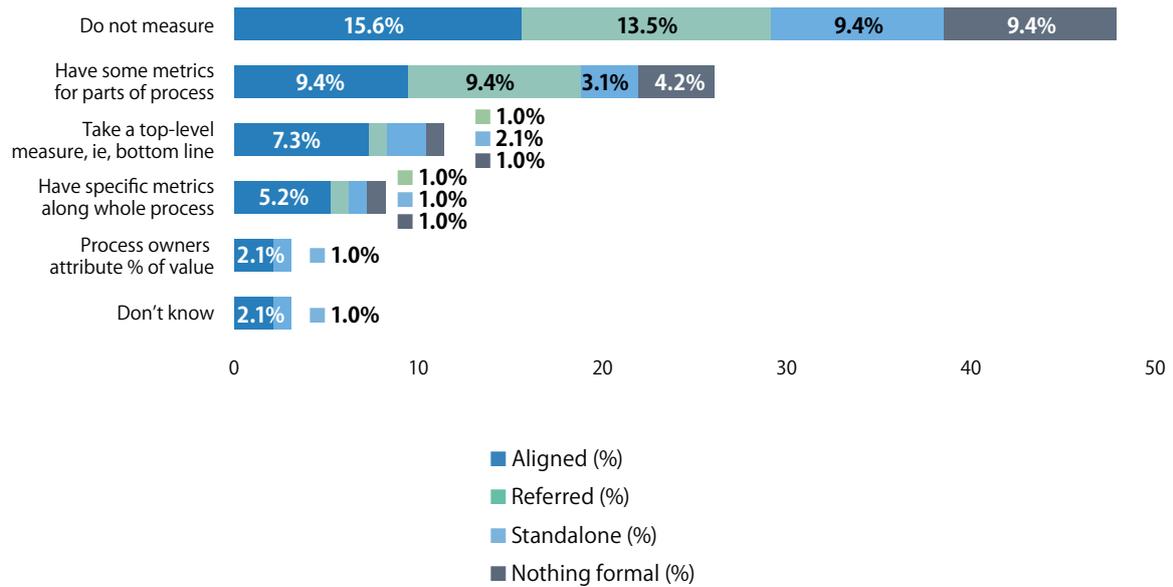
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3.3 - Data strategy and value creation through using non-personal data

Assessing value created x data strategy



Across the half of organisations who do not measure value creation, it is evident that this is not necessarily the consequence of having no formal data strategy or one that was created separately from the business strategy - all groups are represented.

But there is much stronger use of metrics by the Aligned segment than any other, one of the critical areas where this alignment will be of real benefit. This is also a lever by which to extend the use of external non-personal data in those organisations because they will understand how it is paying off.

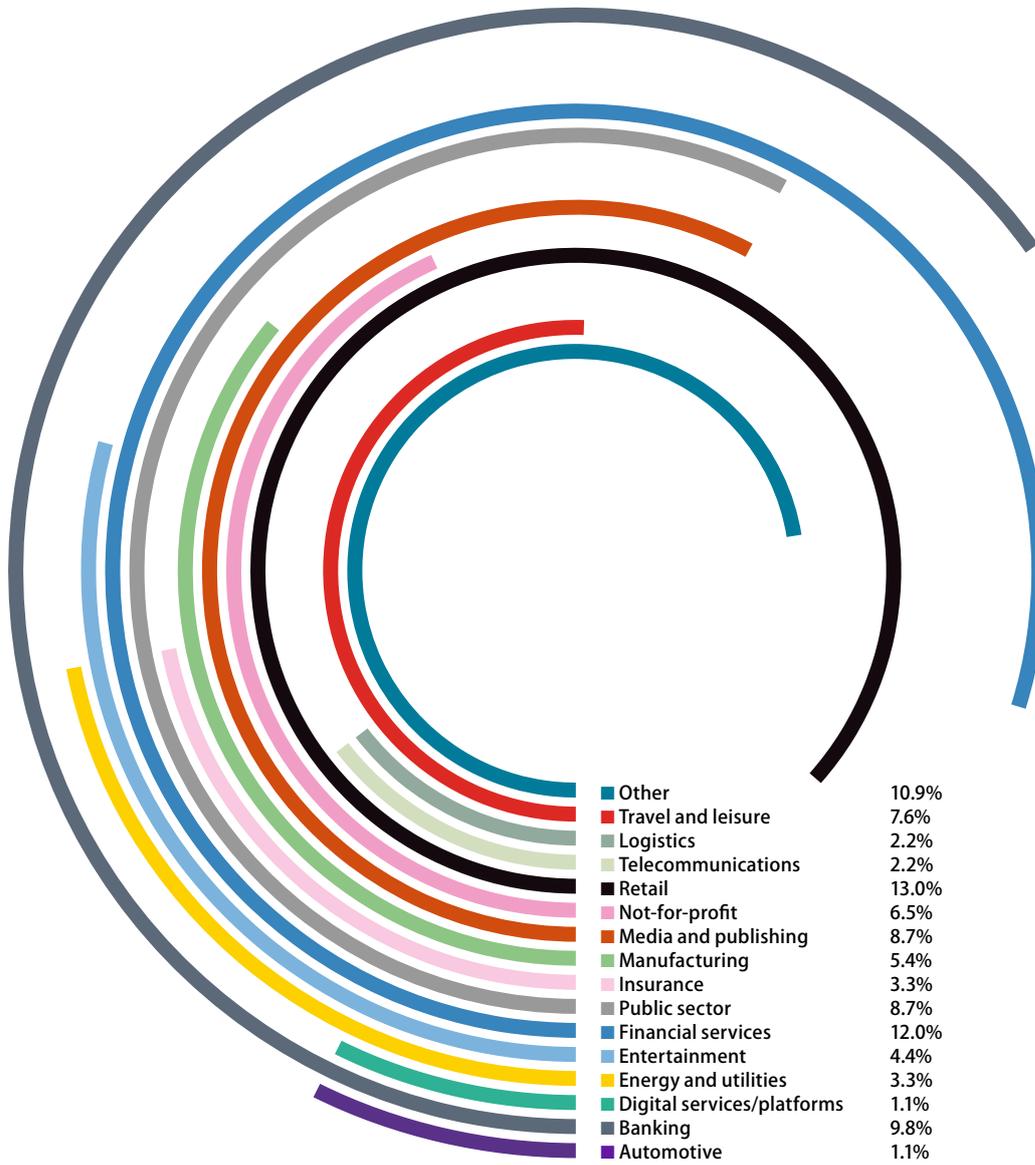


Sample profile and methodology





Respondents by industry sector

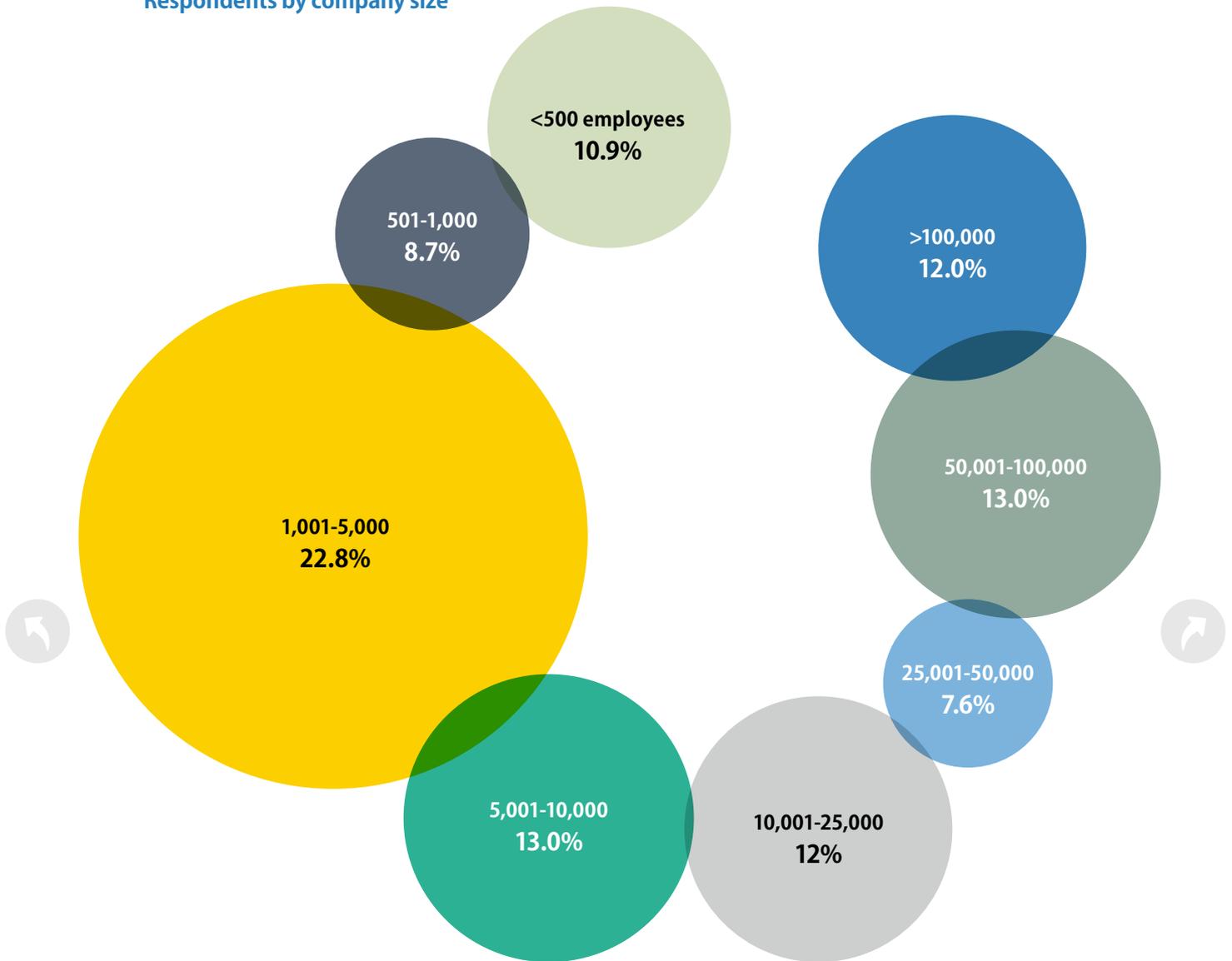


Driving value from non-personal data





Respondents by company size



DataIQ curated a research panel directly from its community and entirely made up of end-user practitioners in data and analytics. Seniority ranged from senior managers and heads of department through directors and chief officers up to global directors. Functions represented across the sector

included analytics, CRM, data, data services, data strategy, data quality, data science, decisioning, insight and predictive analytics.

A total of 103 responses were generated via a self-completion online survey.



Driving value from non-personal data





About Barclays Market and Customer Insights

Customer transactions, strategic actions

Barclays Market and Customer Insights unlocks a wealth of customer transaction data and brings it to life so you can take action and shape your strategy.

We can help you keep up-to-date with spending trends, monitor your market position and enhance your understanding of customer behaviour, based on actual customer spending.

Leveraging anonymised data from our 250 million monthly customer transactions in the UK can help you understand who your customers are and how, when, and where they spend.

For further information on how Barclays Market and Customer Insights can help you, visit insights.uk.barclays/MCI or email contact-MCI@barclays.com



About DataIQ

DataIQ is the first membership business for the data and analytics profession. DataIQ is a platform for providing much needed intelligence and help to data leaders and their teams to advance the data and analytics industry. Its goal is to help people build great businesses by protecting and utilising their valuable data assets.

The growing DataIQ membership comprises many global, FTSE 100, large and mid-market organisations including Aviva, Barclays, BBC, BT Group, HSBC, Sainsbury's, TUI, VWG, Walgreens Boots Alliance, WarnerMedia and Zurich Insurance.

DataIQ is a trading name of IQ Data Group Limited.

For more information go to www.dataiq.co.uk

