

Brought to you by:



Informatica

Customer Data Strategies

for
dummies[®]
A Wiley Brand

Stand apart with great
customer experiences

Boost results with
great customer data

Apply AI/ML to create
actionable insights



Stephanie Diamond

2nd Informatica
Special Edition

About Informatica

Informatica (NYSE: INFA) believes data is the soul of business transformation. That's why Informatica helps you transform data from simply binary information to extraordinary innovation with Informatica Intelligent Data Management Cloud™. Powered by AI, it's the only cloud dedicated to managing data of any type, pattern, complexity, or workload across any location — all on a single platform. Whether you're driving next-gen analytics, delivering perfectly timed customer experiences, or ensuring governance and privacy, you can always know your data is accurate, your insights are actionable, and your possibilities are limitless.

Visit www.informatica.com for more information.

Connect with Informatica on LinkedIn, Twitter, and Facebook.

 <https://linkedin.com/company/informatica>

 <https://twitter.com/Informatica>

 <https://facebook.com/InformaticaLLC>



Customer Data Strategies

2nd Informatica Special Edition

by Stephanie Diamond

for
dummies[®]
A Wiley Brand

Customer Data Strategies For Dummies®, 2nd Informatica Special Edition

Published by
John Wiley & Sons, Inc.
111 River St.
Hoboken, NJ 07030-5774
www.wiley.com

Copyright © 2023 by John Wiley & Sons, Inc.

No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, scanning or otherwise, except as permitted under Sections 107 or 108 of the 1976 United States Copyright Act, without the prior written permission of the Publisher. Requests to the Publisher for permission should be addressed to the Permissions Department, John Wiley & Sons, Inc., 111 River Street, Hoboken, NJ 07030, (201) 748-6011, fax (201) 748-6008, or online at <http://www.wiley.com/go/permissions>.

Trademarks: Wiley, For Dummies, the Dummies Man logo, The Dummies Way, Dummies.com, Making Everything Easier, and related trade dress are trademarks or registered trademarks of John Wiley & Sons, Inc. and/or its affiliates in the United States and other countries, and may not be used without written permission. Informatica and the Informatica logo are registered trademarks of Informatica. All other trademarks are the property of their respective owners. John Wiley & Sons, Inc., is not associated with any product or vendor mentioned in this book.

LIMIT OF LIABILITY/DISCLAIMER OF WARRANTY: THE PUBLISHER AND THE AUTHOR MAKE NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF THE CONTENTS OF THIS WORK AND SPECIFICALLY DISCLAIM ALL WARRANTIES, INCLUDING WITHOUT LIMITATION WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE. NO WARRANTY MAY BE CREATED OR EXTENDED BY SALES OR PROMOTIONAL MATERIALS. THE ADVICE AND STRATEGIES CONTAINED HEREIN MAY NOT BE SUITABLE FOR EVERY SITUATION. THIS WORK IS SOLD WITH THE UNDERSTANDING THAT THE PUBLISHER IS NOT ENGAGED IN RENDERING LEGAL, ACCOUNTING, OR OTHER PROFESSIONAL SERVICES. IF PROFESSIONAL ASSISTANCE IS REQUIRED, THE SERVICES OF A COMPETENT PROFESSIONAL PERSON SHOULD BE SOUGHT. NEITHER THE PUBLISHER NOR THE AUTHOR SHALL BE LIABLE FOR DAMAGES ARISING HEREFROM. THE FACT THAT AN ORGANIZATION OR WEBSITE IS REFERRED TO IN THIS WORK AS A CITATION AND/OR A POTENTIAL SOURCE OF FURTHER INFORMATION DOES NOT MEAN THAT THE AUTHOR OR THE PUBLISHER ENDORSES THE INFORMATION THE ORGANIZATION OR WEBSITE MAY PROVIDE OR RECOMMENDATIONS IT MAY MAKE. FURTHER, READERS SHOULD BE AWARE THAT INTERNET WEBSITES LISTED IN THIS WORK MAY HAVE CHANGED OR DISAPPEARED BETWEEN WHEN THIS WORK WAS WRITTEN AND WHEN IT IS READ.

For general information on our other products and services, or how to create a custom *For Dummies* book for your business or organization, please contact our Business Development Department in the U.S. at 877-409-4177, contact info@dummies.biz, or visit www.wiley.com/go/custompub. For information about licensing the *For Dummies* brand for products or services, contact BrandedRights&Licenses@Wiley.com.

ISBN: 978-1-394-19884-9 (pbk); ISBN: 978-1-394-19885-6 (ebk). Some blank pages in the print version may not be included in the ePDF version.

Publisher's Acknowledgments

Some of the people who helped bring this book to market include the following:

**Project Manager and
Development Editor:**
Carrie Burchfield-Leighton

Previous Edition Project Editor:
Martin V. Minner

Sr. Managing Editor: Rev Mengle

Acquisitions Editor: Traci Martin

Sr. Client Account Manager:
Matt Cox

Special Help from Informatica:
Monica Mullen, Jennifer McGinn

Table of Contents

INTRODUCTION	1
About This Book	1
Icons Used in This Book.....	2
Beyond the Book.....	2
CHAPTER 1: Introducing a Great Customer Experience	5
Creating a Great Customer Experience	6
Recognizing changes that impact the customer experience.....	6
Reaping the benefits of a great customer experience	8
Looking at the elements of a great customer experience.....	9
Recognizing why you need it.....	11
Impacting the Customer Experience with Great Data	11
CHAPTER 2: Rethinking Your Customer Data	15
Creating a Data Strategy to Support Your Marketing Strategy.....	16
Bad data is killing your marketing results.....	16
Facing data challenges	17
Dodging Data Strategy Mistakes	19
An Intelligent 360 View Is Possible	21
CHAPTER 3: Looking at Successful Marketers.....	23
Using Great Data to Transform with the Digital Economy.....	24
Powering Digital Transformation with Intelligent Data	25
Using Big Data Analytics for Better Marketing Campaigns.....	25
Streamlining a 360-Degree View across Lines of Business.....	26
Taking a Modern Approach to a True Customer 360 View	27
CHAPTER 4: Creating an Intelligent Customer 360 View	31
Recognizing the Value of an Intelligent Customer 360 View.....	31
Managing Your Data for Success.....	35
The Seven Elements of an Intelligent Customer 360 View.....	37
The Eight Steps of an Intelligent Customer 360 View	39

CHAPTER 5:	Getting on the Road to Success	45
	Building a Business Case for Your Success	45
	Understanding what executives want to know.....	46
	Aligning to the corporate vision.....	48
	Analyzing your findings.....	49
	Getting Buy-In for Your Proposal	49
	Maximizing Your ROMI	50
CHAPTER 6:	Sorting the Options for Managing Your Data	53
	The Data Management Platform.....	54
	Supporting data-driven online advertising.....	55
	DMPs are designed for digital advertising.....	56
	Looking at the CDP.....	57
	The MDM-CDP connection.....	58
	The marketing agility of a CDP	60
	Introducing Next-Generation Data Management	61
	The Marketing Data Lake (MDL)	64
	Managing the data in your MDL.....	64
	Looking at the benefits of an MDL for Marketing.....	66
CHAPTER 7:	Ten Principles for an Intelligent Customer 360 View	69
	Manage Your Data as a Strategic Asset	69
	Put Together Your Strongest Data and Operations Team	70
	Bring Your Data Together in One Place.....	70
	Connect the Dots So Your Data Is Trusted.....	70
	Focus on Your Operational Levers	71
	Test, Measure, Optimize.....	71
	Build an Environment Based on Growth and Speed	71
	Create a Data Culture	72
	Include Self-Service Capabilities.....	72
	Partner with Your CIO and CDO	72

Introduction

Did you know that nearly 376 billion emails will be sent every day by 2025 and less than 1 out of every 5 emails is opened? Sending your customers information that they don't want or can't use isn't the way to build a meaningful relationship. Customers won't waste their time with companies that don't know them or what products they own, or that don't understand their preferences.

It takes a series of great customer experiences, both online and offline, to build meaningful relationships with your customers, but it isn't easy to create great customer experiences.

Marketers need data to understand their customers fully, but often, they can't access the right data when they need it to drive a campaign or to engage with customers across the touch points that make up the end-to-end customer journey. That's why customers get messages like this daily:

- » An offer for an item that was purchased from that same company the day or week before
- » An offer that has no relevance to who they are, their needs, or their interests
- » Duplicate offers with their names slightly misspelled
- » "You've earned it" messages for items they didn't buy or rewards they haven't earned

To avoid these missteps, step up your game. Offer your customers a great customer experience to stand out, and great customer experiences start with great data. But great data doesn't happen by accident. Now more than ever, marketers need to strategically manage their data.

About This Book

Welcome to *Customer Data Strategies For Dummies*, 2nd Informatica Special Edition. This book explains the concepts marketers need to know to manage and use data as the strategic asset it is.

With data that's clean, trusted, and enriched, you can create the right offers at the right time for the right customers. If you're dealing with data that you can't trust, that can't deliver a definitive customer profile — data that's incomplete, inaccurate, rife with duplicates, and includes outdated information — this book helps you get on the road to create data that leads to successful, intelligent engagement.

Icons Used in This Book

Throughout this book are special icons that alert you to important information. Here's what to expect:



TIP

This icon highlights information that's important to know. Tip information can help you do things quicker or easier.



REMEMBER

This icon calls out information that's helpful to remember.



WARNING

Information contained here points out struggles you want to avoid in creating great customer experiences.



TECHNICAL
STUFF

If you like to know the technical details, watch out for this icon. It provides you with specialized technical knowledge.

Beyond the Book

Discover more information on customer data strategies and delivering a great customer experience with these resources:

» **“CX Data Strategy: The Ultimate Framework for Better Customer Experience”**: Use this guide to create and manage a 360-degree view of your customers. Visit <https://infa.media/44T7UjJ>.

- » **“The Definitive Guide to Customer Experience”**: Modern data management brings your customer into focus. Head to <https://infa.media/44Uaead> for more information.
- » **“How Discount Tire and Other Leading Companies Create Customer Experiences That Matter”**: Take a look at seven customer case studies that showcase data-driven innovation. Visit <https://infa.media/4602sjT>.
- » **“Create Customer Experiences That Matter by Using Trusted Data for Insights”**: Deliver the personalization, content, and offers customers want. Read more at <https://infa.media/44wR2iX>.

- » Understanding the elements of a great customer experience
- » Using great data to impact the customer experience

Chapter 1

Introducing a Great Customer Experience

The battle cry, “We need a great customer experience,” is on the lips of the savviest marketers. If you don’t deliver a great customer experience, you may lose the war for loyal customers. Your customers have raised their expectations. With every interaction, they form an opinion that dictates how, when, and *if* they do business with you again. And their opinions can shape the buying decisions of people they know *and* don’t know.

Like it or not, the nearest competitor is as close as a Google search. That makes delivering a great customer experience imperative. To deliver great customer experiences that inspire return visits and positive reviews, you need to use all the valuable customer data you have to create personal, relevant, and seamless interactions across the end-to-end customer journey. But if your customer data is stuck in isolated applications, spreadsheets, or other silos that are line-of-business-, department-, or region-specific, you may never be able to use it to achieve your goals. In this chapter, you look at what it means to develop your own great customer experiences so you can be at the forefront of leading the customer experience charge within your business.

Creating a Great Customer Experience

Welcome to the new world. It's digital, mobile, and social. It continues to change and disrupt the way people do business and impact their expectations about things like marketing, sales, and customer service. As a marketer, you need to be able to satisfy your customers by using your data to understand them better and to engage with them more authentically. You need to identify whom to market to, when to send an offer, and what the most relevant content would be for your audience. The principles of marketing haven't changed. What has changed is the increased complexity you have to deal with and the laser-like precision you need to market effectively. In fact, experts often tout that for many companies and industries the main market differentiator is customer experience instead of brand or price.

Recognizing changes that impact the customer experience

Digital, mobile, and social trends have impacted the customer experience. These trends include the following:

» **Always-connected consumers:** Consumers have come to expect a personal, relevant, and seamless experience across the end-to-end customer journey. They want to engage with you on any device, anywhere, and at any time. They want to switch channels easily and have a consistent and continuous experience when talking to a person in your call center, web chat, or during a face-to-face interaction. They expect to be consistently recognized as individuals and rewarded for their patronage.

Companies such as Uber and Amazon have raised the bar for customer experience. For example, Uber has made it super easy to get from point A to point B. You use its mobile app to hail a car that arrives within minutes, hop in the car at the exact location you choose, and hop out without spending time on the payment process. Uber offers a convenient, frictionless, and seamless experience.

Amazon makes accurate recommendations about products customers might enjoy. It does this based on deep knowledge of your browsing habits and the choices of similar customers. Then with one click, you can have that product



REMEMBER

delivered to your door within 24 hours. Amazon offers a convenient, frictionless, and seamless experience.

These superior levels of service are only possible because these companies rely on data they trust to deliver a great customer experience. Your customers now expect you to do the same. But without accurate, current, and complete customer data, you'll continue to struggle.

- » **More and more channels and devices:** With the onslaught of more channels and devices, your world and the data that drives it just became more complex. Customers want to do business with your company from whatever channel or device is most convenient to them at the time. You may think that you're providing customers an omnichannel experience (a seamless experience no matter which channel they're on), when in reality you're providing a multichannel experience (a different experience based on the channel they're on).

What's the difference between omnichannel and multichannel? Think about it. Customers jump from one channel to another, from different locations, and on different devices. They expect their experiences to be connected ones. They don't care how complicated it might be for you to coordinate across your marketing, sales, and customer service teams. If you present different experiences on your website, on your mobile app, in an email, and during a discussion with your call center or salesperson, you aren't providing a unified experience. Managing content and messaging across these channel silos is complex. You need to make sure your customers have a personal, relevant, and seamless experience that ties all their activities together. You may view channels and devices as independent interaction points, but customers expect a seamless experience delivered by a single company. Everything must be integrated. Everything must be connected.

- » **More and more applications:** As you well know, there's no shortage of operational and analytical applications promising to solve your marketing problems. These apps include customer relationship management (CRM) systems, advanced analytics, marketing automation and applications, campaign management software, and customer data platforms (CDPs). Each one sounds like the right answer. But is it? Do they work together to help you reach your marketing goals? Can these applications provide you with the rich, contextual data you

need from across your company? Do you trust the data to help you market more effectively, maximize returns on your marketing investments (ROMI), and boost customer experience metrics, such as Net Promoter Score (NPS), Lifetime Value (LTV), or Customer Satisfaction (CSAT)? Are you leaving the responsibility of your data to your agency? These are important questions. The more applications a marketer uses, the more important it is to automate managing your data so that you're not wasting time and money manually merging, managing, and cleaning your data within each system.

- » **More and more data:** The good news is that the data you need to deliver a great customer experience is available to you. The bad news is that the amount and complexity of data grow *every single day*. Not only are you collecting data about what your customers share on social media channels, but also you're collecting data from sensors in equipment and wearables. All this data helps you get richer insights into customer behavior and preferences. To reach your goals, you need to harness data from each of these valuable data sources and connect them to your trusted customer profile. Only then can you gain a clearer understanding of your customers, their needs, and how you can serve them better.

Reaping the benefits of a great customer experience



TIP

Providing a great customer experience rewards companies with happier customers and the following meaningful benefits:

- » **Customer loyalty and trust:** Every company strives to gain its customers' trust because that often results in more revenue. But with new brands constantly popping up online, earning brand loyalty becomes extremely important — and difficult. When loyal customers plan to make a purchase, you're the first brand they consider, and maybe the only one. A loyal customer may become a brand advocate, which is the best salesperson a company can have. A loyal customer shares their opinions about the brand with friends and followers and can influence brand perception far beyond the boundaries of their own circle. Using your data to demonstrate that you understand your customers' needs and can serve them is the key to building customer loyalty.

» **Less customer churn:** It's long been accepted that it costs more to acquire a new customer than to keep an existing one. *Customer churn* refers to the loss of customers who join a service and then leave. Churn typically happens because the customer had a disappointing experience, or a new competitor enticed the customer to switch, or the customer's needs were no longer met. Using your data to detect the signals of a potential churn candidate is the key to reducing customer churn, which can have a significant impact on a company's bottom line.

» **Increased Share of Wallet (SOW):** Customers vote with their wallets. SOW is the amount of money a customer spends with a specific brand in a given category. To help you grow SOW, use your data to get visibility into which products your customers currently own, to understand their needs, and to make the next best offer or the next best experience.



According to *Forbes Insights*, data-driven marketers are six times more likely to obtain higher profits than those marketers who use more traditional methods.

Looking at the elements of a great customer experience

So what goes into the making of a great customer experience? Customers' expectations are exceedingly high. They expect companies to deliver exactly what they want in a way that delights them. They expect a personal, relevant, and seamless experience. If they're misunderstood, inconvenienced, or treated generically, they're gone.

To avoid driving your customers away, you truly need to know their wants, needs, desires, and intents. You need to dig deep into your data to expose the relationships your customers have with the people, places, and things that matter most to your business. Only then will you be able to make predictions about how best to serve them.

Take a step back for a moment and look at the average customer experience. Most company employees want to provide the best customer experience they can. But their performance is only as good as the data available to guide the next best action. Messy,

incomplete, siloed data holds them back from delivering the best experience possible.

Think about how you feel when someone in a call center can't locate your customer profile, determine your last purchase, or find the status of your order. Chances are the customer service rep doesn't have all the information they need in one place. The rep jumps from system to system trying to piece together the information they need. The information in these siloed systems isn't always consistent, which makes it harder for the rep to do their job. The company missed the opportunity to transform your interaction into a great experience because the person you were working with didn't have access to the data that they needed to do their job effectively.



WARNING

Why is this a common problem? Tactical or isolated attempts to improve the quality of data just don't work. One of the methods people use to try to solve their data problem is to add more applications. These applications are designed to automate a process. They aren't designed to strategically manage and fix poor quality data. Instead, more applications fragment your data even further. They don't connect the dots for you. They don't give you the visibility you need into the end-to-end customer journey.

Another method is to try to fix the data manually. Marketing teams often rely on spreadsheets to pull together the data they need, and then they spend a ton of time trying to correct it. This inefficient approach drains the productivity and morale of your team. It's also not a permanent solution. When they need the data again, they have to start from scratch and fix it all over again.

A third method is to correct the data once a year, spending money annually to update, fill in missing information, and correct the data with an outside party. I'm sure you see the problem with that. Data is ever-changing, so there's no way a one-time fix would solve any data problem.

The true solution involves automating the process of finding, fixing, managing, and improving the quality of your data on an ongoing basis and then delivering it to the right applications and analytics to ensure a great customer experience.



TIP

Do you understand your buyer's end-to-end journey? When you know the roads your customers travel to learn about and buy your products, you can supply them with the best product information and offers along that path. You can't do this effectively if you have poor quality customer or product data. With all the advantages that great data brings with it, it's short-sighted not to get serious about making your data the best it can be.

Recognizing why you need it

Some marketers overlook the importance of great data when transforming the customer experience. When they think about the customer experience, they think of things like easy website navigation or first call resolution. They don't think about how clean, protected, consistent, and actionable data can improve all customer interactions.

In order to display easy website navigation, you have to know what the customer is looking for to ensure that the first click takes them to the information they really want. Likewise, first call resolution is only possible when the support tech can quickly see the customer profile and history from a central location rather than having to look across five or more different applications to help the customer. And think about the times when Marketing shouldn't send an offer: if that customer already has that product, has unpaid bills, or is in heated discussions with Customer Service.

And when you stop to think about it, if Marketing truly wants to be data-driven, it would put a focus on understanding and managing its data and not allowing someone else to take total control. And with today's tools and artificial intelligence (AI), managing data is easier than ever.

Impacting the Customer Experience with Great Data



TIP

Informatica believes that great customer experiences start with great customer data. Table 1-1 shows you how managing your data effectively leads to great customer experiences.

TABLE 1-1 How Great Data Impacts the Customer Experience

Great Data	Great Customer Experience
Segmentation	<p>Identify opportunities to cross-sell, upsell, or acquire a customer, based on their prior history, interactions, relationships, and inferred characteristics.</p> <p>A trusted customer profile enriched with demographics, psychographics, buying behavior, preferences, and other insights empowers you to group similar customers into actionable segments. For instance, knowing which customers are homeowners versus renters helps with sending the right insurance offer.</p>
Personalization	<p>Increase lead conversions by personalizing your marketing offers.</p> <p>When your trusted customer profile is combined with accurate, rich, and easily searchable product information, you can deliver the exact right offer at the right time at an individual level. If you're selling shirts and know that I like floral patterns, perhaps you can show me a picture of a shirt with flowers in my emails or embedded ads, instead of a solid colored one.</p>
Relationships	<p>Improve your marketing results by bringing your customers' relationships to light.</p> <p>After you have a trusted customer profile, you can link the relationships between people and people, people and places, and people and things. Maybe you want to know which customers have kids or pets, the store locations where they shop, or the make or model of cars they drive.</p>
Marketing analytics	<p>Maximize your ROMI by understanding why customers buy and the marketing activities that influenced their buying decisions.</p> <p>A trusted customer profile that's connected to the marketing activities and offers that lead to a purchase empowers you to replicate your success across similar customer segments. Let's say you want to identify what distinguishes your best customers and then find prospects fitting the same profile.</p>

NEXT BEST EXPERIENCE POWERED BY GREAT DATA

Great data also helps you better understand and predict your customer's behavior and in turn identify the next best offer, action, or interaction. Accenture research from 2022 found that 88 percent of executives think their customers are changing faster than their businesses can keep up. This gap leads to static, irrelevant, and overly simplified insights about customers. As customers become more complicated, it's harder for businesses to understand the relationships between people, places, and things that give needed context to create experiences that matter.

Executives who invest in a strong data foundation to power customer analytics and predictive insights can

- Create micro-segments of customers for highly targeted campaigns
- Deliver more relevant cross-sell/upsell offers
- Identify and resolve friction points in the customer journey
- Personalize every interaction and create consistency across multiple channels

- » Designing a data strategy for your business
- » Sidestepping data strategy missteps
- » Expanding your view of the customer

Chapter 2

Rethinking Your Customer Data

Plain and simple — everywhere you turn, you see a survey about how marketers are becoming more data-driven. The chief marketing officer's (CMO) technology budget is now the single largest area of investment when it comes to marketing resources and programs. Marketers are adding applications, applying scientific techniques, and gaining more insights into their customers through technology.

But the approach to managing marketing data is still siloed across agencies, applications, and analytics. None of these practices are effective for driving a great customer experience. There's no way you can ignore your data and be successful. With the growing mountains of data from every interaction, you need to start paying more attention to your data sooner rather than later.

In this chapter, you look at data strategy missteps that explain why a customer 360 view seems impossible and what you can do to rethink your customer data.

Creating a Data Strategy to Support Your Marketing Strategy

The key to getting comfortable with your data is to realize that it reflects all the things your customers are telling you. That's definitely something you should be interested in. More importantly, your data can tell you things such as who's likely to buy after reading your content. That's powerful.

Bad data is killing your marketing results

If you want to use great customer data, you need to rethink how you're currently managing your data. You may not even realize how bad your data really is. Ask yourself the following questions:

- » What does great data look like for our marketing strategy?
 - Do we have all the customer and product data we need to be effective? If not, what's missing?
 - What kind of revenue impact could we have if we had access to this data?
 - Which internal and external sources might contain the data we need?
- » What is the current state of our data?
 - How accurate is our customer and product data?
 - What percentage of the fields in our customer and product profiles are incomplete?
 - What percentage of our profiles are duplicates?
 - What percentage of our phone numbers, emails, and mailing addresses are invalid?
 - How consistent is our customer and product data across systems?
- » How are we currently managing our data?
 - How many people are reconciling data in spreadsheets?
 - Are we cleaning our data manually? How often do we do this?
 - Are we verifying contact information? Are our bounce rates and returned mail costs high?

- »» Are we enriching customer data to get better segmentation, personalization, and recommendations?
- »» Are we protecting customer data to comply with privacy regulations?
- »» Do we understand our customers' preferences and consents and linking those to how their data is used?
- »» How are we measuring risk?
- »» Who in our organization may be able to help solve our data challenges (data management, information management, or chief data officer [CDO], for example)?
 - What new data sources would we like to use in the future?
 - How much is bad data costing our business?

Facing data challenges

Most companies face major data issues. This section gives you some specific challenges that the average marketer faces. See if your challenges are listed here:

- »» Working with inaccurate, incomplete, and inconsistent customer profiles or product information
- »» Integrating data that's fragmented across your own department in dozens of marketing apps and systems
- »» Integrating transaction data from other departments or channels that's locked up in systems and legacy data silos
- »» Integrating interaction data from other departments or channels, including third parties and agencies
- »» Lacking data standards and dealing with multiple data formats that must be made usable
- »» Interpreting or gaining meaning from all data for next best action recommendations based on sentiment or behavior
- »» Integrating new data types, such as data from social channels, web chats, or Internet of Things (IoT) data from sensors or wearables



WARNING

This list is quite full, and it doesn't end here. In the “Data-Driven Marketing Trends Survey Summary Report” conducted by Ascend2 and its research partners, Informatica and Dun & Bradstreet, 57 percent of respondents called “improving data quality” their most challenging obstacle to success. In Figure 2-1, you see the other obstacles they cited.

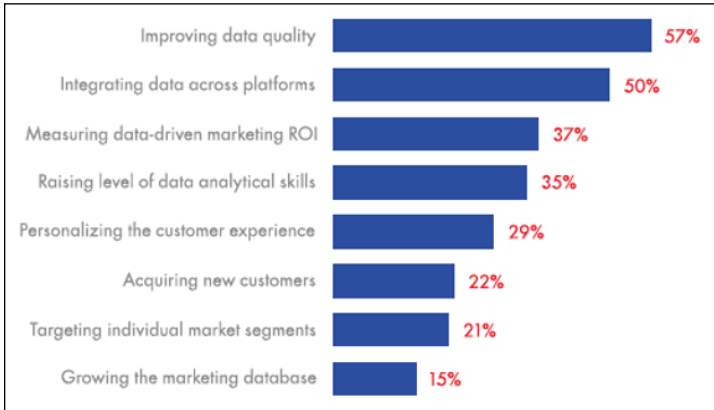


FIGURE 2-1: The most challenging obstacles to data-driven marketing success.

You may agree that the quality of your data needs to be improved. If you can't trust your data, how can you expect it to fuel your actions and analytics? Unless you've mounted a strategic data management effort, you know that tactical, short-term, manual efforts won't produce lasting results.



TIP

The best way for you to solve these data problems is to pin down what great data looks like for you. Then use the right process and technology to create clean, protected, consistent, and actionable data:

- » **Clean:** Clean data means you don't have duplicate customer profiles, bad addresses, and a host of other problems like misspellings, incomplete fields, errors, and inaccuracies. For instance, do you list a customer as Coke or Coca Cola Company — or both?
- » **Protected:** Protected data means that you don't expose personally identifiable and sensitive information. For example, you don't want everyone in your company to see a customer's credit card information or social security number.

- » **Consistent:** Consistent data is created when you take the data currently scattered across your applications and automate the process of identifying and resolving duplicates and other errors on an ongoing basis. This process ensures that your most important data remains trusted and keeps your customer and product data in sync across your teams, analytics, and applications.
- » **Actionable:** Data that's locked up in a system is of little use. Actionable data pulls from all the data sources you need to create and uses great customer and product data to fuel your processes, business decisions, and next best action.



REMEMBER

When your data is clean, protected, consistent, and actionable across the organization, you can deliver great customer experiences. Get the basics right and you begin to understand the power of your data. A very wise chief data officer (CDO) once said, “You can make a lot of conclusive judgments as a data scientist. You can tell anything about a customer. But if you can’t spell the customer’s name right, you’ll never be able to win that customer.”

Dodging Data Strategy Mistakes



WARNING

When planning your customer data strategy, be aware of some of the common mistakes that people have made. Here is a checklist of the mistakes to avoid:

- » **Focus on the applications:** Some people mistakenly make applications the centerpiece of their data strategy. This can't work because there are too many applications. Instead of creating a cohesive view of your customer, this approach makes it even more fragmented. Focus on your data first. Make your data clean, protected, consistent, and actionable and then share it across your applications.
- » **Take a tactical approach:** A tactical data management approach results in a customer profile that's never updated or complete — or worse, it's inconsistently multiplied across the organization. You should manage your data like the strategic asset it is.
- » **Rely on manual processes:** People often rely on time-consuming, labor-intensive, manual efforts to manage data in spreadsheets. You can't create a great customer

experience if you rely on an inefficient and unproductive process. You need to automate your data management.

- » **Overlook the importance of product data:** Your product data should also be treated as a corporate asset. Think about it. Getting to the top of search is a huge data challenge. If your product data is bad, you can't effectively sell to your customers when they're searching for a product like yours on Google or Amazon. Your product data should be accurate, rich, and highly searchable so your customers can find what they want, when they want it.
- » **Ignore the future:** By focusing only on today's needs, you put your future needs at risk. You prepare for tomorrow by strategically managing your data today. Then you can capitalize on new types of data and marketing innovations that will help you become even more effective.



REMEMBER

Poorly managed customer data can frustrate your customers, prolong the time to resolve a customer issue, lead to duplicate billings or invoices being sent, result in multiple or conflicting offers and messages, create gaps in reporting, direct leads to the wrong salesperson, and base predictive insights on suboptimal algorithms. Or worse yet, you may lose your relevance as a company. Take a look at how your customer data management practices are impacting your customer across Marketing, Sales, and Customer Service.

As odd as it probably sounds, you most likely don't have a standard definition of a customer across your company. A customer who's purchased a product from one line of business may be a prospect in another line of business. A customer whose most recent purchase was five years ago may no longer be a customer. How you identify and define a customer will be unique to your situation.



TIP

Make sure your team agrees on the definitions as you work through the attributes you manage about your customer. Your business goals will help you decide what to include. Some companies collect as few as 20 attributes or as many as 200. Your common definition of "customer" will help you determine the most important information you'll want to manage.

An Intelligent 360 View Is Possible

At the heart of every great customer relationship is clean, protected, consistent, and actionable data that makes an intelligent customer 360 view possible. You can't fully understand your customers without learning about their needs and offering them exactly what they want when they want it. They need to believe that they're getting the attention they deserve. This means that you need to know about *all* their purchases across channels. You also need to know about their preferences, attitudes, behaviors, influencers, customer service interactions, marketing responses, goals, and demographics. In short, you need a full view of your customer. In Figure 2-2, you see that great customer data is at the heart of an intelligent customer 360 view. You learn how to build an intelligent customer 360 view in Chapter 4.



FIGURE 2-2: An intelligent customer 360 view is comprehensive and actionable.

The outer ring of the diagram represents the types of data that should be gathered and connected to get a full view of the customer. You see there are internal data sources like products and services purchased and external sources of data like enriched customer data (data provided by data brokers or that can be obtained through social media). There are also advanced data elements such as attitudes, relationships, experiences, and events.

In the middle ring, you see the data characteristics that create a trusted customer profile — data that’s clean, consistent, and actionable — governed by holistic company rules, linked to privacy and protection policies, and paired with valuable product data.

Think of an intelligent customer 360 view as a complete picture of each customer — a view of everything customers believe companies should know about them, regardless of where an interaction happens. An intelligent customer 360 view incorporates all data about a customer, prospect, or business partner to give users the perspective they need to engage with contextual relevance, create offers and new products, build a strategy, and inform next best action.



TECHNICAL
STUFF

A recent Experian survey found that 81 percent of marketers find building a single customer view a major challenge. Variability is a big reason for this. Consider this: Customer data changes at a rate of 25 percent per year; corporate structures change (an acquisition, merger, or reorganization means reexamining how customer data is managed); and applications change (they’re typically designed for specific functions, not for ensuring that the customer data is of high quality).



REMEMBER

Unless you have a customer 360 view that provides consistent, synchronized insights about relationships, preferences, and other activities — one that’s shared across your technology pillars and with the parts of your organization that need it — you don’t have a 360-degree view of your customers. At best, you have a full view of your customer as it exists within that application.

IN THIS CHAPTER

- » Boosting lead conversion rates with great data
- » Improving marketing campaign effectiveness with big data analytics
- » Achieving a 360-degree customer view following a merger
- » Choosing a marketing data lake to gain predictive insights

Chapter 3

Looking at Successful Marketers

If you've been reading this book up to this point, you're realizing the importance of great data to power a great customer experience. In this chapter, you learn about companies using Informatica technology to manage their data strategically. You look at several different kinds of companies, including a telecommunications company, an electronics manufacturer, an insurance company, a travel company, a casino, and a high-tech company.

With accurate, current, and complete data to uniquely empower their marketing, sales, and services teams, they're delivering personal, relevant, and seamless experiences across the end-to-end customer journey. As you review the stories, think about how each scenario may apply to your company's data management challenges.

Using Great Data to Transform with the Digital Economy

KPN provides fixed and mobile telephony, internet, and TV services; it serves over 4.5 million customers and has been involved in data transformation based on defining data management as a strategic topic. This involvement supports the telecommunication company's corporate strategy:

- » Build the best converged smart infrastructure
- » Focus on the best customer experience
- » Ensure profitable converged services
- » Accelerate simplification and digitalization within the company

With a strong strategy in place, KPN wanted to raise the bar to solve a disconnected and fragmented customer view. This lack of unification undermined the company's ability to deliver fast, rewarding customer service, and as a result, it missed opportunities for cross- and up-selling, and marketing campaigns weren't as successful, which resulted in higher operational costs.

KPN needed to provide sales and service representatives with a single view of the customer; migrate data from 50 legacy systems; and optimize customer data quality. The company sought help from Informatica's powerful solutions: Informatica PowerCenter, Data Quality, Data Explorer, and Master Data Management.



TIP

Through the 360-degree view of customers and by providing clean, trusted data in near real-time, Informatica helped KPN excel in customer satisfaction, targeting customers with compelling cross-sell and up-sell opportunities, and reduced marketing and sales time to market. Additional achievements included

- » Increased projected average revenue per user by 5 percent
- » Reduced annual customer churn by 10 percent
- » Decreased length of customer support calls by 10 percent
- » Increased call center productivity by 5 percent

Powering Digital Transformation with Intelligent Data

A global electronics manufacturer wanted to deliver new insights faster within its marketing and sales teams. After several acquisitions, the company ended up with disparate marketing systems and lacked a true understanding of its customers. To support a digital marketing transformation and a billion dollar+ business opportunity, the manufacturer needed to unify data and insights across all global systems — covering over 5 billion source records.

The company chose Informatica to help move from quarterly campaigns to on-demand, micro-segmented campaigns based on deeper insights into digital interactions and actionable intelligence on cross-sell buying patterns. Informatica matches and links more than 5 billion customer records, including interaction and transactional data for sophisticated modeling and segmentation with a goal of 1:1 personalized marketing across all business segments.

With this rate of success, sellers can leverage information for scalable, data-driven, personalized interactions with customers. Sales reps have access to a visual representation of the customer 360 view directly in Salesforce, through the web, or on a mobile device, without having to swivel between systems.

By employing AI and natural language processing (NLP), the manufacturer created an intelligent omnichannel view of the customer built from transactional data (orders, quotes, incidents, assets, entitlements) and interactions (web chats, and so on). With Google-like search capabilities against all its data — both structured and unstructured — the manufacturer gained a consistent, 360-degree view of the customer across marketing, sales, fulfillment, finance, and corporate teams.

Using Big Data Analytics for Better Marketing Campaigns

A major insurance company that was established nearly 100 years ago has grown through acquisitions and now has multiple business units, products, and channels around the globe. The firm

sought to understand the question, “Why did this customer buy?”. Its goal was to improve marketing campaigns and measure which marketing investments were producing a real return.

With this knowledge — specifically, which channels and programs produced each individual sale — the marketing team can improve customer segmentation and create personalized offers that are sure to convert leads to opportunities.

The initial challenge focused on analyzing households to determine which ones were purchasing its products (and which were not). That meant that the company needed to gather and centrally combine all its in-house and third-party marketing and customer data and then effectively analyze this massive amount of data.

The traditional data warehouse in use wasn’t able to handle the volume of data, so the IT group teamed with Marketing to launch a big data management initiative within three months. The efforts produced rich data that would fuel its marketing campaigns and create more refined customer segments and more personalized offers. The company also met its goal of linking specific marketing channels to sales.



TIP

By using the right data management technology, this company was able to accomplish in hours what had previously taken months. That’s a significant savings!

Streamlining a 360-Degree View across Lines of Business

The Travel Corporation (TravelCorp) is a travel and leisure group operating in more than 60 countries and serving more than 1.5 million customers annually. TravelCorp comprises 30-plus brands in operation for 40+ years, including independently managed tour operators, hotels, and river cruise ships. To get an accurate view of the business, the corporate office has to leverage multiple global sources of data.

TravelCorp’s goal was to develop a trusted view of its customers and determine accurate customer demographics and purchase patterns. With greater customer insights, TravelCorp’s marketing and sales teams could deliver more customized and tailored

service offerings. But first, the company needed to see all interactions with each customer across every interaction point: mobile, social, phone, and website.

The challenges included a legacy customer relationship management (CRM) system that couldn't be rapidly integrated with other systems, the need for enough flexibility to sustain more than 500 users, and an aggressive deadline for the project. TravelCorp also had to ensure that each newly acquired business arm could onboard its data and be connected to and receive data quickly.



TIP

TravelCorp relied on Informatica to help ensure that its data was actionable and reduced the time it took to import daily data into Salesforce from 36 hours to 60 minutes. The business was also able to automate many of its existing manual CRM processes, eliminate duplicate customer records, and maintain high-quality customer data.

One of the great outcomes of the project was reported by TravelCorp's Global Director, 360 Engagement. He said, "Our company is made up of businesses that have been either acquired or built up by The Travel Corporation. The time to get a company onboard is often constrained by the ability to pull in their data. This new capability helps with that process."

Taking a Modern Approach to a True Customer 360 View

You may find it unusual that Informatica is included in these examples of successful Informatica customers. But as an advocate for great data, the high-tech company recognized the need to improve its own customer account and contact data and its own data management capabilities. Its sales, service, and marketing teams have undergone such a transformation in using Informatica's own solutions that the journey is worth sharing here.

Informatica is a leading independent software provider focused on delivering transformative innovation for all things data. More than 5,000 active corporate customers depend on Informatica to fully leverage their information assets regardless of where they reside, including social networks.

To modernize their application landscape, the sales, marketing, and customer service departments at Informatica invested in Salesforce Sales Cloud for salesforce automation, Salesforce Service Cloud for customer service, and Marketo for marketing automation. Informatica's customer success strategy is the lifeblood of its transition to a cloud data management company. But data needed to support the investment in customer success was scattered across more than 35 applications. What it still lacked was a way to bring together all the data from those separate applications and connect its own cloud data management platform across the end-to-end customer life cycle to give better insights into how marketing and sales teams and customer success managers can best serve customers.

To solve this data problem and gain an intelligent customer 360 view, Informatica invested in its own data management platform. It has enormous processing power, and the ability to handle almost limitless simultaneous tasks or jobs to get the job done quickly. This enabled Informatica to collect all its important customer data in one place.

Today, business intelligence dashboards empower Informatica's teams by showing them the following information:

- »» Who the buying team is
- »» What prospects are looking for
- »» The overall health of the account
- »» The customer's satisfaction and sentiment
- »» Products the customer has purchased
- »» How the customer is using the product

In Figure 3-1, you see what goes into Informatica's 360-degree view of a customer, which is shared across teams to enable a great customer experience and multitude of benefits.

Armed with this data, Informatica can now accomplish the following:

- »» Accelerate digital transformation and transition to new cloud-only business models.
- »» Predict customer behavior and customer pains.
- »» Initiate account-based adoption programs for key accounts.



FIGURE 3-1: An enterprise 360-degree view of the customer.

As a result, Informatica has reaped these benefits:

- » Increased satisfaction and revenue through data mining for customers most likely to buy
- » Targeted cross-selling of additional products based on customer adoption
- » Improved adoption models that help prioritize sales and service efforts



TIP

To support its data-first strategy, Informatica unified its marketing, sales, and service data where it's strategically managed using Informatica's own customer data management technology. Now, clean, protected, consistent, and actionable data fuels its marketing, sales, and customer service applications, the data warehouse, and customer insights. Informatica has improved its analytics, streamlined operational processes, and discovered new opportunities with this data-centric approach.

IN THIS CHAPTER

- » Understanding the value of an intelligent customer 360 view
- » Appreciating the value of a data management process
- » Looking at the elements of an intelligent customer 360 view
- » Building your intelligent customer 360 view

Chapter 4

Creating an Intelligent Customer 360 View

Great data creates a customer experience that matters — one that's personal, relevant, and seamless by fueling an intelligent customer 360 view for better marketing outcomes. But how do you build a 360-degree view of your customers?

In this chapter, you see the value of using a 360-degree view of your customers, understand the six key elements you need to have, and find out the eight steps you can take to build an intelligent customer 360 view.

Recognizing the Value of an Intelligent Customer 360 View

Your customers know that their information is valuable to the companies they do business with. In exchange for sharing it, they expect you to give them a great customer experience.



TIP

To do this, you need to start with the basics:

- 1. Create a trusted customer profile from a single, unified customer view.**
- 2. Augment that trusted customer profile with an understanding of your customer's valuable relationships with the people, products, and places that matter most to your business.**
- 3. Link that trusted customer profile to your customer's transactions, interactions, and insights captured from new data sources.**
- 4. Establish processes to ensure that the underlying data stays great.**

It sounds simple, but many marketers don't capitalize on their valuable data because the effort to continuously build an intelligent customer 360 view seems daunting. Once you understand the benefits, though, you'll find that the rewards are well worth the effort.



TIP

So what are some of the benefits of building and using an intelligent customer 360 view? Here are the top ten:

- »» Higher conversion and close rates and reduced customer acquisition costs
- »» Improved customer retention, customer satisfaction, loyalty, and Net Promoter Score (NPS) scores
- »» Increased number of products sold per individual, household, or improved account penetration
- »» Improved brand perception and market share growth
- »» Faster time-to-market
- »» Improved margins (eliminating transaction errors and reducing overall promotional costs)
- »» Improved territory coverage (greater accuracy in market sizing)
- »» Improved collections/billings
- »» More productive and satisfied employees
- »» Reduced IT operating expenses

That's an impressive list.



WARNING

If you don't have an intelligent customer 360 view, it's likely that your customer experience is sorely lacking. You could be sending customers offers for products they already own or don't care about, wasting customers' time during repetitive and misaligned sales calls, and struggling to provide customer support that quickly and efficiently resolves issues during the first call. In short, you could be disappointing your customers regularly without knowing it. Is your company guilty of this?

To find out, ask yourself the following questions about your last marketing campaign to see how you're doing. Are you

- » Segmenting your customers based on a trusted customer profile, augmented with context, and using sentiment and other data you need to personalize an offer?
- » Factoring in your customer's last activity, location, and channel preferences when making the next best offer?
- » Using accurate, rich, and relevant product information based on the specific customer segment for your offer?
- » Creating consistent and complementary campaigns across channels to nurture and grow customer relationships?
- » Providing the right offer to a customer during a channel visit, preventing that customer from switching to a competitor, or moving their transaction to another, more costly channel?
- » Confident in the data that informs your decisions and measures your return on marketing investment (ROMI)?

If your answer to any of these questions is no, you know you can do better. Your data is hindering you from drawing the right insights, predicting buying behavior, and delivering the great customer experiences your customers expect. In short, it's affecting your bottom line. Commit to strategically managing your customer data so it helps you work smarter.



TECHNICAL
STUFF

451 Research concluded that the combination of data, digital, and intelligence separates leaders from laggards. For instance, nearly two out of every three leaders use intelligent process automation to reduce customer friction points and create a single view of customers across disparate data sources, while less than half of laggards have done so. This enhances their ability to innovate, invest

in intelligent personalization, and prioritize shifting applications to the cloud.

Your customers have access to all the data they could ever want about your company: your products, your prices, and more importantly, your competitors. For this reason, you need to start thinking about how you design an experience your customers value — an experience that's powered by great customer data.



REMEMBER

If your customers are dissatisfied with your company and the experiences you're providing, eight out of ten of them will reject your company and move on. Winning them back will require an even greater effort than winning them the first time.

A trusted customer profile that's combined with all the other types of data you need to support your business goals should result in a view of your customers that is unified, verified, enriched, contextual, and strategic. After you have all your data working together like this, you have an intelligent customer 360 view that helps you deliver a great customer experience.

To create an intelligent customer 360 view, you can use the following different types of data:

- » **Data your prospects and customers give you when they fill out forms to launch a free trial, buy products, or download marketing content:** This includes names, email addresses, interests, and other fields.
- » **Data you can use to enrich the data you have:** This includes addresses, behavior (email opens, call center notes, and page views), and external third-party data that completes the customer picture.
- » **Data you derive:** This includes characteristics and attributes of your customers you derive by applying artificial intelligence (AI) and natural language processing (NLP) to call notes, web chats, email, and other digital interactions. This helps you derive information such as their current sentiment or life events, as well as calculated metrics, including churn scores, lifetime value, and more.

To drive better customer experiences, you can combine the following types of data:

- » Traditional marketing and forms data
- » Sales and customer service system data and notes
- » Order management or enterprise resource planning (ERP) data such as billing and shipping addresses and order details
- » Survey data including NPS
- » Third-party data such as demographics, psychographics, credit ratings, and so on
- » Product information
- » Clickstream data from your website, web chats, call logs from the customer service team, and social, mobile, and location data
- » Internet of Things (IoT) data from sensors or wearables

With all these data types being produced in real time, you can see that you really need a strategy to manage it effectively so you can reach your marketing and customer experience goals.

Managing Your Data for Success

Your thinking about data management needs to be elevated to a strategic level so you can take advantage of all the existing high-value data in your organization. You do this by using technology, including AI and machine learning (ML), to automate the data management process and start the ball rolling on a trusted and intelligent customer experience initiative. This process bridges the data across your application silos so it can be managed in a central location. This gives you the answers you need to understand and serve your customers better.



TIP

With this in mind, these five important things will help successfully manage your data over the long term:

- » **Manage your data centrally.** Combine your high-value, business-critical customer data across sources into a centralized hub. Start small with just a few key data sources and then expand to include other valuable sources. Think

about including your cloud applications, legacy systems, applications, and big data sources. Consider capabilities that support unstructured data. Be sure you have a strategy to confidently steer the data management process across teams.

- » **Have a definitive view of the data to ensure that your customer profile is accurate.** For example, you want to know that the customer you identify as Jane Jones is also @janiej on Twitter and JJones in your customer service report.
- » **Have a complete view of all interactions with customers.** This is important so you can link and understand the relationship between customer interactions and transactions across the business. For example, you gain the opportunity to see how your content and campaigns map to sales.
- » **Be aware of the influencer relationships or different roles your customers have.** If you are a business-to-business (B2B) marketer, it's imperative that your data identifies the buying team in an organization. In a business-to-consumer (B2C) world, you'd want to be able to identify the other customers in a household or the members of a customer's social network. You'll want to know when the customer is a consumer in a B2C transaction and an influencer in a B2B one — that is, an individual who has insurance policies as both a homeowner and an employee at a company.
- » **Uncover all the different relationships that a customer might have with your company.** In Figure 4-1, you see how many different relationships your customer could have with your company. It's quite a complex picture.

Customers can each generate data about

- » **Their participation in campaigns:** What offers did they accept and on which devices?
- » **What products they (or their household) own:** What should be their next offer?
- » **Their locations/places:** Do they bank near their homes? Or at a different location?
- » **Employees and channels:** Do they see specific personal shoppers or agents? Which channel(s) do they prefer for customer service issues?

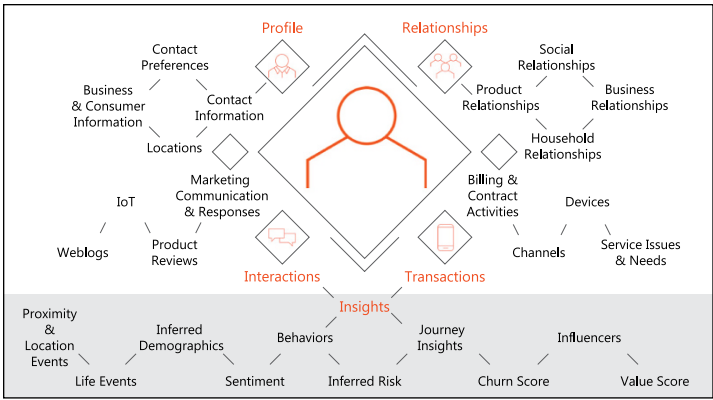


FIGURE 4-1: The customer relationships and insights that fuel better marketing decisions.

If you don't understand the relationships your customers have, you'll struggle to produce a great customer experience.



TIP

Informatica has found that the average B2B buying team in an organization is approximately eight people. Its goal is to identify each member so the company can market and sell most effectively.

The Seven Elements of an Intelligent Customer 360 View

How do you get to this intelligent customer 360 view? To create this view, you need to connect the following components:

- » **A trusted customer profile:** Consolidate fragmented and inconsistent customer information across application silos into a customer data platform (CDP). To learn more about what a CDP is, head to Chapter 6.
- » **All customer relationships:** Identify the key relationships your customers have that matter to your business, such as household, business, and network relationships. This extends to other relationships, including which products they use, whom they've influenced, and which employees, partners, or agents they work with.

- » **Internal and external data sources:** Bolster your data with other valuable content from other parts of the company (such as billing and order systems) or from outside the company.
- » **Third-party data:** Enrich your data with business and consumer data from external sources that deliver deeper insights to fuel richer interactions. Figure out what matters most to your business. This may include knowing whether the customers are homeowners or renters, the type of automobiles they drive, their occupations, their education, and so on.
- » **Privacy data:** Use the permissions and consents data provided by your customers to build trust. Demonstrate respect for their consents by knowing that their personal email is okay to use for marketing communications, and their business one is okay for account updates.
- » **Trusted customer profiles linked with all relevant interactions and insights:** Add key insights from mobile, social, sensor, machine, web chats, and other next-generation data sources.
- » **An empowered team:** Build a data-driven marketing team to take direct ownership of how you access, manage, and analyze business-critical customer data in a trusted, multi-dimensional view.

Fitting the pieces together to create an intelligent customer 360 view requires you to connect all your disparate high-value data with transaction and interaction data. Data that isn't siloed or excluded from various departments helps everyone in the organization. Everyone can use the data to make predictions and gain the insights they need to do better.



TECHNICAL
STUFF

Advancements with AI and ML make it possible to deliver different perspectives of the data for different needs based on confidence levels with the accuracy of the data. You may feel comfortable using less-than-perfect data in the underlying profile in your marketing campaigns, but Sales or Operations would want access to a customer view with higher confidence in the data that makes up the profile. These various views — or *perspectives* — of a customer correspond to departmental needs, each of which has access to a different set of customer attributes that are most relevant to them.

The Eight Steps of an Intelligent Customer 360 View

Data-driven marketers know they can make more actionable insights and predictions if they have reliable customer data at their fingertips. However, the data you need to get your hands on is scattered across various applications and functions. When you bring it together for reporting, analytics, or campaigns, the data is often duplicated, rife with inaccuracies, full of inconsistencies, and often incomplete. This leaves you guessing or spending a lot of time making the data usable.

To correct this major problem and deliver a great customer experience, you can follow these seven steps of successful customer 360 initiatives:

1. Find and connect your data.

You may have customer data tucked away in as few as 5 different systems or as many as 70. The more complex your business is, the more complex your data environment will be. Your first step is to identify and connect to your customers so you can take advantage of everything known about them. The best way to do this is to list all your applications and systems as well as any external sources that might be valuable. A data catalog can automate this for you, and your data or information management team can help you with this step.



WARNING

What to avoid? While you want to be thorough during the planning stage and identify all potential data sources, I don't recommend connecting to all data sources right away. It will take you too long to gain any value.



TIP

Your goals should help you prioritize your efforts and create a phased approach that delivers quick wins. Connect to a few data sources. Evaluate how that data contributes to your intelligent customer 360 view. Can you take action on the new data? Learn as you go. Some sources may be better or more complete than others.

2. Clean your data.

Did you know that 25 percent of a marketing database will be out of date within a year? For this reason, you may be unaware of the quality and status of your data.

Clean data is a must. By clean data, I mean data that's continually monitored to catch and correct duplicates, wrong email addresses, missing information, misspellings, inactive customers, incomplete phone numbers, and bad addresses. You need to work with your system administrators to devise a plan to automate the process of evaluating and cleaning your data on an ongoing basis.



WARNING

What to avoid? Don't try to accomplish this step by doing it manually. It's neither effective nor efficient, and your data will remain inaccurate, fragmented, and incomplete. You need to repeat the process each time you want to use the data. If that hasn't convinced you, it's also costly.



TIP

Using clean data can result in enormous savings. One Informatica customer saved \$50 million just by reducing duplicate and returned mailings. Another Informatica customer gained \$50 million through an increase in year-over-year revenue from more effective cross-sell and upsell offers.

3. **Master your data.**

This step is crucial. It creates the master customer record, otherwise known as a golden record, that helps you build a trusted customer profile. If you don't master your customer data, you'll lack a single customer view, and you'll have duplicate customer profiles plaguing your efforts. And that results in bad outcomes and higher costs. Without a master customer record, you can't build an intelligent customer 360 view. A cloud-native master data management (MDM) technology automates the process of finding, resolving, matching, merging, and enriching customer records so you don't have to do it manually. Data mastering is an essential component of any data strategy. Without it, it's easy to fall short of your goals.



WARNING

What to avoid? Skipping this step. This is how you build the foundation for your intelligent customer 360 view. Without it, you won't be successful.



TIP

There may already be a master data management initiative going on at your company in a different department. Ask your data or information management team to see if you can piggyback on it. If you don't already have an initiative underway, this may be the business driver the data team has been waiting for to justify an investment.

4. Relate your data.

We are living in a world where everything is connected. How can you operate in that world if you can't see those connections? An intelligent customer 360 view helps you identify and connect the people, places, things, and behaviors that matter most to your business. For example, you will see if there are multiple customers in one household, where they shop, and what they buy. You will see the members of a buying team, where they're located, what web pages they visit, and what products they've purchased. You will see life events and behaviors to better understand your customer journeys.



WARNING

What to avoid? Not all solutions in the market give you visibility into the relationships between people, places, things, and behaviors. Some just manage customers. Some just manage products. Others just look at behaviors. Do your due diligence. Ask for evidence that they manage more than one subject area.



TIP

Many companies start with just one subject area, such as customer or product. They grow the value by adding product, location, employee, and supplier information at a later time. They expand their knowledge with data that offers richer insights, such as call notes or web chats. In doing so, they're able to gain new insights into how these are all linked — for example, seeing which suppliers provide the materials for the products that are most popular with your high-value customers.

5. Enrich your data.

At this step, think about what data sources would enhance your marketing programs and add more value to your existing data. Would adding social media data from sources like Twitter or Facebook improve the richness of the data? What about business data from Dun & Bradstreet? Look at other internal, external, and third-party sources to see what you might add.



WARNING

What to avoid? Don't try to add additional sources of data until you have completed all the previous steps in this list.



TIP

Many companies enrich customer data in multiple applications or in multiple departments, which increases their costs. I recommend enriching the data once in a central location and then sharing that data across your business. Don't overlook advanced AI tools, including NLP, as a way to add context by enriching and rounding out your trusted customer profile. These technologies deliver new insights or sentiment

inferred from social media, web chats, and other unstructured data that resides within your business.

6. Deliver your data.

Now it's time to reap the benefits of having great data by sharing it with the right business and analytical applications across your organization, such as Salesforce, Marketo, Tableau, Adobe, a CDP, a data warehouse, or a data lake.



WARNING

What to avoid? Don't assume other teams will need exactly what you need. Each department has its own data needs, structures, and uses. Get your information management team involved so they're aware of how each department's staff will use the data before you assume everyone wants what you want. This is where defining unique perspectives can be very useful.



TIP

Don't forget to deliver that data to your customer portal or ecommerce site. Your customers want a consolidated view of the products or services they own. The renewals team can help customers renew all their products or services at one time. The billing team can send consolidated invoices to customers. These three actions greatly improve the customer experience.

7. Protect your data.

Brands of all sizes have lost customer loyalty and market reputation value because they've failed to protect their customers' personal and sensitive information. Increasingly, great customer experiences demonstrate a respect for your customers' data privacy rights, while still safely enabling new customer insights that strengthen relationships.



WARNING

What to avoid? You can't protect all your data, nor should you. Assess the greatest risk potential across your organization and start there. By understanding data flow, discovering personal data across your organization, and classifying it, you can then determine appropriate use and protect what's most valuable. Often, this data is used in customer value creation for new products and services and is also more at risk of failing privacy compliance mandates if misused and exposed inappropriately.



TIP

As personal and sensitive data grows higher in volume, more complex in use, and widely distributed, so do the challenges of privacy compliance. Evaluate where sensitive data is accessed and used to determine level of risk. Gaining data intelligence with a holistic view of the location, protection

status, proliferation risk, and access based on identities for sensitive data are critical factors in your success toward handling data more responsibly. You'll need to create a way for operationalizing privacy controls with ongoing assessment, remediation, monitoring, and audit to comply with government and industry privacy regulations by taking advantage of automation in order to scale.

8. Govern your data.

Being a good steward of your data is an ongoing process. With guidelines in place, you can ensure that your data is in compliance with all relevant policy rules, privacy requirements, and regulations. In addition, you'll be able to deliver more value for your organization by having data that can be trusted and relied on.



WARNING

What to avoid? Don't employ your data without a data governance framework. That's a common term for the process that ensures that your data is ready to deliver a great customer experience and enables accurate regulatory reporting. A data governance framework makes it possible to agree on what high-quality data looks like. For example, is it important for you to have consistent country codes or not? If so, you need to agree on what the country code for the "United States of America" should be: USA, US, U.S., or United States. Is it important that all first names and last names have initial upper case only to avoid salutations such as "Hi STEPHANIE"? It also can answer common questions like, "where is my data?" or "who owns this data asset?" By applying this throughout your entire organization, that's enterprise data governance.



TIP

To be successful, you need to shift your thinking away from "data is IT's responsibility" to "better data is everyone's job." I'm a big believer in the concept of "just enough" data governance — for example, applying the *appropriate* amount of data governance best practice to get your initiative off the ground, while also measuring and evangelizing the value it's delivering to the business. This helps you scale your enterprise data governance program while you showcase your success and deliver results.

Understanding business critical relationships between people, people and things, people and places, and things and places is important. Check out Figure 4-2. You see how effective enterprise data governance underpins an intelligent customer 360.

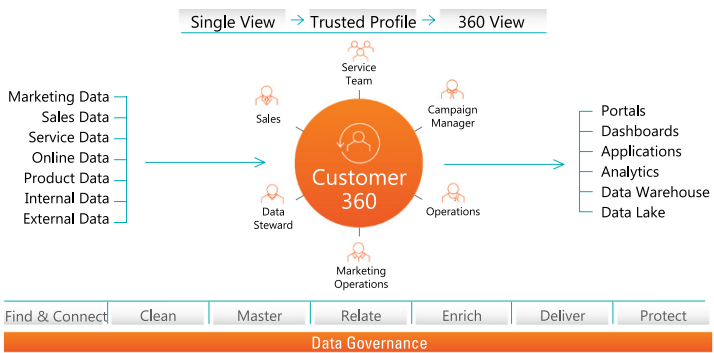


FIGURE 4-2: Governance ensures great data.



REMEMBER

A strong reason to build a data governance program is because it lays the groundwork so you're better prepared to address new generations of data privacy regulations. If your data governance is strong, complying with new regulations is easier. Data governance is a key component of any successful data management effort. Emphasizing it will let you mitigate risks and cut costs while remaining compliant. Moreover, it enables your organization to deliver value from your governed data. If you're in an industry that's highly regulated such as banking, you have to keep governance issues front and center.

Ask yourself the following governance-related questions about your data:

- »» Where does my data come from and where do I store it?
- »» Am I aware of the quality and accuracy of my data or am I just guessing?
- »» Have I created a business glossary of key data definitions such as "customer" to ensure that everyone is using the terms in the same way?
- »» Have I determined who my stakeholders are and who owns the data?

After you put the time, resources, and effort into your customer 360 initiative, you want to ensure that your great data remains great. For that to happen, don't forget that you must align people, processes, policies, and technology. If you miss one of these, you won't have the quality data you want.

IN THIS CHAPTER

- » Structuring the business case for your success
- » Constructing your proposal to get buy-in
- » Getting the most out of your return on marketing investment (ROMI)

Chapter 5

Getting on the Road to Success

No matter what business you're in, if your intent is to deliver a great customer experience, you need the commitment of your executive leadership. It's paramount that your leadership understands the critical role data plays delivering a great customer experience across the end-to-end customer journey.

In this chapter, you look at the importance of getting buy-in from your executive team for your customer 360 initiatives. You see how to build a business case and prepare the right executive documents.

Building a Business Case for Your Success

Executives today deal with problems their predecessors never faced. It's likely they have to manage an online presence in addition to their brick-and-mortar stores or buildings, and they need to understand the data generated from every new channel or device. Making the case for a customer 360 initiative for

marketing requires that you use a bit of storytelling magic, your analytical skills, and technology knowledge.

To build a business case, start by looking at some of the factors that influence whether you'll get the approval you seek. These factors include the following:

- » **Tying the customer experience to your customer 360 initiative:** This is your most important factor. You need to present your case for strategically managing your data as a key foundational investment that will help you deliver a great customer experience across the organization and improve marketing effectiveness. A strong data foundation becomes even more essential as artificial intelligence (AI) and machine learning (ML) are introduced both into marketing processes and data management.
- » **Starting small and scaling:** Don't try to boil the ocean. No one has the patience to wait two years to get value from an initiative. Start with a short window. What's possible in six months? What would the next phase look like? One of the lessons learned from others who've made a successful business case is to have a big vision but break things into manageable phases with quick wins at each phase.
- » **Mindset of the executive sponsors:** Get executive sponsorship early. Without an executive sponsor, your data management initiative will languish. Sponsor mindset is the key to getting your project on the track to success. If your executive sponsors are confused or don't perceive a clear value, they may say no. Check out the later section, "Understanding what executives want to know" for more information on the executive mindset.



TIP

Were you hoping to recruit a hands-off executive sponsor so you can be in charge? Don't hold sponsors at arms' length. According to the Boston Consulting Group, an engaged sponsor is the top driver of a successful initiative.

Understanding what executives want to know

While some companies see customer experience as a means to competitive differentiation, not every manager is eager to mount an effort for which they feel unprepared or worse yet,

antagonistic. Executives may believe customer 360 initiatives are expensive and deliver no quantifiable return on investment (ROI). Some executives may have tried something in the past that didn't pan out as expected. Understanding and addressing your sponsors' apprehensions can help you win their approval.

For example, do sponsors want you to present a case for a strategic effort or a tactical one? You can see how mismatched expectations here could derail the entire data initiative.



REMEMBER

Secure agreement from your stakeholders about the scope of the data initiative. It should focus on what your sponsors really care about. Your stakeholders may include the chief marketing officer (CMO), chief customer officer (CCO), head of Sales, chief financial officer (CFO), chief information officer (CIO), or chief data officer (CDO).

When preparing to talk with your stakeholders, you should know some possible *business* goals your executives might have for a customer 360 initiative, such as the following:

- »» Enhanced customer experience for a competitive edge
- »» Improved customer and employee retention, acquisition, and satisfaction metrics
- »» Greater customer lifetime value
- »» Better customer insights and analytics to power relationships and actions
- »» Higher quality marketing-sourced pipeline and attribution
- »» Improved segmentation, personalization, and omnichannel coordination
- »» Improved compliance with privacy and protection regulations
- »» Improved cross-sell and upsell offers

Here are some possible *IT* goals executives may have:

- »» Business involvement in data governance and creation of data standards and definitions
- »» Simpler and more flexible data management architecture for integration, quality, and master data management

- » Reduction of manual work
- » Creating a trusted data foundation for data curation, AI, and ML
- » Better data security
- » Self-service capabilities that easily would reduce their workload
- » Agility and cloud-based services to scale up when needed to meet increasing demands
- » Flexibility to adapt future business needs, data types, and technology

Aligning to the corporate vision

In addition to learning about the goals and objectives that your stakeholders have, you want to investigate current companywide conditions so you can align your project goals with the overall vision. To do this, you need to determine the following:

- » **Marketing team's ability to use current data:** You may be a member of the marketing team, or in marketing operations, or in IT supporting marketing. Regardless of your role, you want to get a view of what's getting in the way of the marketing department's use of data now.
- » **Accuracy of current customer data:** Unless you have some system for managing data, it's likely that the data is in poor shape. Determine if any manual efforts have been made and, if so, the results. Benchmark your data. What is the current state of your data? (For more info, see Chapter 4.)
- » **Ability to identify which products your customer owns company-wide:** Learn if groups like Customer Support or Sales can tell which products a customer owns across lines of business, regions, and channels. How do they get that information?
- » **Opportunities for improvement:** Ask interested staff to share their ideas with you. This may be the only time that someone asks them for their opinion about these things. This will go a long way to developing future buy-in.

Analyzing your findings

After you've conducted your conversations with stakeholders, you want to focus on analyzing the findings that will help you write your proposal for a customer 360 initiative. These areas include

- » The potential benefits of the 360 initiative, such as opportunities to upsell, cross-sell, or acquire a customer based on prior history, interactions, and relationships
- » Roadblocks that thwart their efforts to be more agile and nimble when responding to market changes and new competitors
- » The potential costs of not investing in a customer 360 initiative, such as duplicate and returned mail costs, reduced marketing campaign effectiveness, low sales effectiveness, poor customer satisfaction scores, and productivity costs in Sales, Marketing, and Customer Service
- » The potential costs of the customer 360 initiative and other related costs
- » The metrics or key performance indicators for each benefit
- » The range of projected financial values for each benefit
- » The risk indicators based on the required complexity of the project, the organizational data, and readiness

The analysis of this information prepares you to create the business case document covered in the next section.

Getting Buy-In for Your Proposal

You have done the hard work of meeting with stakeholders and staff and have analyzed your findings. It's time to build the business case for your customer 360 initiative. You need to create a document that management can then share.



REMEMBER

Your document must include these key sections:

- » **Executive summary:** Every good business case has an executive summary that offers a succinct overview of your proposal. This is a good place to tie the customer 360 initiative to customer experience initiatives or marketing and

sales effectiveness efforts. Make sure the executives get a sense of the scope and time frame.

- » **Major business use cases:** Tell your management what customer experience or marketing and sales effectiveness goals you'll be able to achieve or problem(s) you're going to solve.
- » **Research:** Bring your customer 360 initiative to life. Include qualitative findings, anecdotes, interview quotes, and examples of data quality issues. Stories about how bad data or disconnected data impact your marketing goals and results will help you build your case.
- » **Business value quantification:** Elaborate on the value of the customer 360 initiative and quantify the benefits it will bring to your bottom line in the form of revenue growth, productivity, or cost savings.
- » **Benchmarking versus peers:** Compare your company to industry averages in critical areas to understand your true strengths and weaknesses in relation to your competitors. Don't overlook adjacent industries that may be a future threat to your business.
- » **Proposed solution and cost:** Obviously, this is a key section and should be in line with what resources the organization is willing to commit to the initiative. Include trade-offs if the proposed initiative isn't fully funded — what will you lose?

Maximizing Your ROMI

The famous early 20th-century retailer John Wanamaker once said, “Half the money I spend on advertising is wasted; the trouble is I don't know which half.” Demonstrating an ROMI is an age-old problem. It has always been difficult to attribute specific spending to a particular return.

While it's easier to get metrics about the impact of a particular channel or from specific marketing applications, it's a siloed view. Marketers are challenged to get visibility into their impact on the end-to-end customer journey, making it hard to tell which investments are paying off.

Great customer data gives you the evidence to make better spending decisions. You don't need intuition or a handful of manually obtained statistics. You can see the end-to-end customer journey. You can make better predictions. You can develop a high-quality pipeline. You can increase conversions. And you can demonstrate your impact on revenue.



TIP

Don't leave something as important as your customer data in the hands of your agency or your IT team. Start strategically managing your data. Automate the process of connecting your data by cleaning, securing, reconciling, and making it consistent across the organization. This way, you can advance beyond the limitations of your current manual data management approaches that are holding you back from delivering a great customer experience.

IN THIS CHAPTER

- » Understanding the uses of a data management platform
- » Seeing what a customer data platform can do
- » Understanding modern customer data platforms
- » Gaining value from a data lake and avoiding data swamps

Chapter 6

Sorting the Options for Managing Your Data

A recent Global Data Management Research Report published by Experian stated that 77 percent of executives believed that inaccurate data was undermining their ability to respond to market changes. Why? Many of the technologies aimed at delivering a view into the customer are designed for different purposes. These three technologies seem similar:

- » Data management platform (DMP)
- » Customer data platform (CDP)
- » Marketing data lake (MDL)

They do similar things:

- » Manage customer data
- » Provide new insights
- » Help you market more effectively

They aren't the same, though. Table 6-1 highlights the different characteristics of these options.

TABLE 6-1 The Uses, Users, and Characteristics of the Customer 360 View Technologies

	DMP	CDP	MDL
Focus	Campaign execution	Customer experience	Marketing analytics
Used by	Marketing	Marketing, sales, service, commerce, and analysts	Marketing operations and analysts
Primary purpose	Drive sales within digital channels	Interact, communicate, and engage with relevance	Explore, analyze, and visualize all data
Benefit	Audience analysis Fine-tune targets Optimize digital campaigns and media spend Find look-alikes	Create a contextual 360 view of customer data Feed apps, analytics, and processes with trusted data Apply AI/ML to create actionable guidance for customer experiences	Discover new opportunities Collect data across all channels and sources Use real-time data to answer challenging marketing questions

In this chapter, you become familiar with the differences between these technologies and how to get the most out of them.

The Data Management Platform

Data Management Platforms (DMPs) emerged out of ad tech for programmatic advertising. They're very useful for helping you engage with your customers and prospects (or *audiences* in DMP terms) by sending hyper-targeted digital ads via display, search, video, mobile, and social media at millisecond ad-tech speeds. You can send relevant digital offers to your targeted audiences while they're online, at the time they're most interested in a product. A DMP delivers insights so you can determine which online offers

help you find new customers online, optimize media spend, and improve campaign return on investment (ROI).

Supporting data-driven online advertising

DMPs have many capabilities to support the claim of being the backbone of data-driven marketing. They perform the following functions:

- » Consolidating customer data from online activity by using tags
- » Analyzing behavior and interactions that are bucketed into segments or audiences
- » Identifying who should receive which message in which channel

DMPs bring together first- and third-party customer and prospect data for look-alike analysis so you can more precisely identify and target your exact audience. Say your target is a soccer mom with pre-teens who browsed for party supplies on her iPhone. You're able to deliver a very targeted offer to her while she's online, and that offer is optimized for her specific audience.



TIP

You need a DMP if you want to improve your results for retargeting, prospecting, site optimization, and audience intelligence. DMPs are particularly helpful if you

- » Manage multiple online campaigns across different ad networks, exchanges, and publishers
- » Buy media placement, third-party audience data, or bid on ad exchanges regularly
- » Want to control advertising costs



REMEMBER

DMPs are built-for-purpose. They're designed to support *digital* activity, not the entire end-to-end customer experience. Take a look at retargeting as an example. Retargeting is online advertising that's based on *past* internet activity. It isn't personalization, no matter how convincing the argument. Retargeting may boost customer engagement in digital channels, but the customer experience extends well beyond an online digital interaction, as do many marketing activities.

WHAT ABOUT THIRD-PARTY COOKIES?

With the digital commerce boom and 80 percent of advertisers relying on third-party cookies for tracking user behavior for ad targeting, the death of third-party cookies seems to be coming at the worst possible time. But converting great experiences into long-term relationships with your customers never included stalking them across the web. You can't stop at knowing that Jane searched for a four-person tent. Delivering a great customer experience requires knowing that she also purchased it. Build trusted relationships not by trying to sell your customers something they already have but something they may need, like four camping chairs. Managing the descriptions, features, and other details of your product information and linking it to your customers and their search activities helps you position your products in the best possible light. Putting a focus on managing first-party data responsibly boosts customer engagement because customers like doing business with companies they trust.

DMPs are designed for digital advertising

Marketing uses DMPs primarily for digital or display advertising — job one for DMPs. Initially used to personalize websites by categorizing and connecting with anonymous online customers and prospects, they're expanding to include identifiable customer information by incorporating a user ID or customer ID.



WARNING

DMP capabilities still don't include all you need to deliver great customer experiences consistently across your company. Here's a start on why they fall short:

- » **DMPs focus on digital channels and activity.** This creates a customer data silo that provides the online perspective but not a total view of your customers.
- » **Offline data must conform to DMP structures so your DMP can use it to categorize the audience.** It's challenging to add data sets from other enterprise applications, such as order or billing data, to improve your segmentation efforts.

- » **DMPs don't provide a complete customer profile.** The profile is usually incomplete and skimpy. If the purpose of a DMP is to “put labels on people that can be used to sell them things,” because it's more transactional, the DMP doesn't need everything about those people — just what's needed to sell to them.
- » **DMP analytics are built-for-purpose.** They help marketers identify the right media targets, create visualizations, and produce reports focused on campaign reach and funnel.
- » **Most DMPs are owned by an outside company.** This leaves the strategic management of your trusted customer data to a third party, and never in your own hands.

A DMP isn't designed to share data across the enterprise, but don't overlook how a DMP can fit within your overall data strategy. It can act as a source to enrich your trusted customer profile in your CDP or provide the online interaction data you need in your MDL. Your DMP can also get data from a CDP or MDL to improve your digital advertising efforts.

Looking at the CDP

If you're one of the 96 percent of marketers that finds building a customer 360 view a major challenge, you've probably considered a CDP. A CDP is purpose-built to create a more complete view of a customer for marketing that's managed on an ongoing basis, applies intelligence-based analytics for individualized customer insights, reveals relationships, and shares different perspectives of a customer across the business.

If it sounds too good to be true, keep reading. If your CDP is at the heart of providing the great data marketing needs for a great customer experience, you'll most likely need a master data management (MDM) solution, too. MDM can help automate the data management functions CDPs need. You want to proactively manage all the core customer data that can be found across your marketing, sales, and customer service teams; across your lines of business; and across your regions, and in both your online and offline channels. It automates, centralizes, and provides a view to marketing of your internal, external, and third-party customer data.

A vital element of MDM is to bring together this data and proactively manage it so that it becomes usable for analysis and customer interactions. The CDP then allows marketers to establish your next-generation customer 360 view. Your view expands to include demographic or firmographic, psychographic, behavioral, transaction, interaction, and intent data.

You can share the data managed within your CDP with all your marketing applications (marketing automation platform [MAP], DMP, and salesforce.com), your data warehouse, a data lake, or other technologies that need clean, actionable, and protected customer data. This process requires some support from your IT team, but it gives you the features and functionality you need to gain a customer 360 view that's usable in marketing campaigns.

Figure 6-1 shows how the data managed by your CDP can fuel your business processes, applications, and analytics.

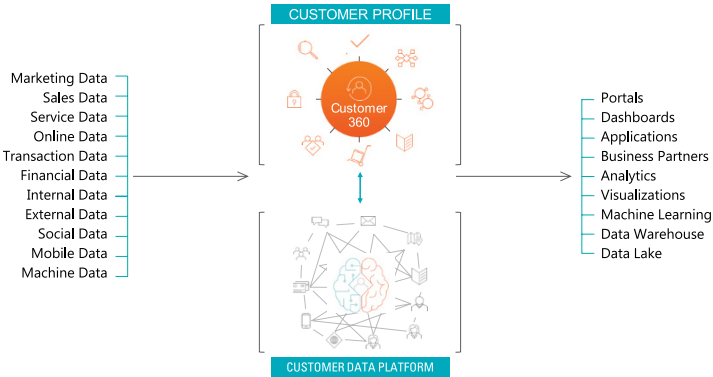


FIGURE 6-1: How a CDP fits within your customer data management ecosystem.

The MDM-CDP connection

A master data management (MDM) solution enhances CDP capabilities. When accompanied by an MDM solution that creates a trusted customer profile, a CDP is fed by data that's actively managed, and the quality is continuously improved because it's regularly verified, validated, enriched, and reviewed. Because of this, your data is more trusted, and your customer insights are richer, your targeting is more refined, and your offers are more personalized. Without MDM, you won't succeed in building a next-generation customer 360 view (described in Chapter 4).

MDM is a methodology that identifies and keeps the integrity of the most important information within an organization — and creates data that’s accurate, complete, de-duplicated, and related to other valuable data and becomes a single source of truth. MDM is designed to produce one master reference for all your business-critical data. This includes customer, product, location, employee, supplier, asset, partner, channel data, and so on. MDM also manages the relationships between them. Since emerging in the marketplace in the mid-2000s, MDM has proven to be essential for enabling marketing leaders to establish a trusted, enterprise-wide customer 360 view.

MDM provides

- » **A customer 360 view:** Reconcile your disparate, duplicate, and conflicting information into an authoritative view of your customer. For instance, you can see that Dan Jones and Daniel Jones are the same person.
- » **A 360-degree view of your relationships:** Identify the relationships that exist within your data by using business rules to determine, for example, that Robert Barnes is the husband of Mary Barnes, née Mary Burke. You know this because they’re in the same household.
- » **A view of interactions across teams:** When you add the interactions and transactions of your customers, products, channel partners, or other data elements across teams, you now gain a complete view of that customer. If Doug Smith has recently purchased a product, maybe right now isn’t the best time to give him a discounted offer for that product.

Master data is a subset of your total customer data and includes the most important customer attributes you want to maintain actively across the company. This may include your customer’s first name, last name, date of birth, email address, phone numbers, account numbers, and so on. Other attributes to consider adding to the master record include customer preferences such as consents, channel, communication, privacy, and products. With master data, for example, you can manage your customers’ opt-in/opt-out preferences in one central location.

Those preferences can be shared across your marketing, sales, and customer service applications. (I explain the types of data you want to include in a trusted customer profile in Chapter 4.)

The marketing agility of a CDP

As CDPs have become more prevalent, more evidence exists as to what CDPs can and can't do. That's to be expected. In a nutshell, a CDP gives you marketing agility. But be careful; all CDPs aren't the same. The market today considers four capabilities of CDPs that have a focus on one of the following:

- » Centralizing marketing data (data pipelines)
- » Customer profiles and segments (orchestration)
- » Campaign execution and development (activation)
- » Campaign and customer analytics (measurement)

The data you collect from your customer is a torrent of disparate data streams from a wide variety of marketing channels, sources, and applications. A CDP pools together data in its natural state and applies artificial intelligence (AI) and machine learning (ML) to help you derive the insights you need and expand your next-generation customer 360 view. With more high-value data from more sources to flesh out what you know about the complete end-to-end journey, sentiment and behavior of customers and prospects, your marketing activities can be more accurate, more tailored, more relevant — and more effective.



TIP

A CDP helps you

- » See which of your prospects, customers, and segments are engaging with your customer-facing programs
- » Track customers' journeys across channels
- » Ascertain which segments and products are delivering revenue and which aren't
- » Personalize customer service interactions with added context and reduced friction
- » Build a constructive, collaborative, and mutually accountable relationship with the sales team
- » Create an agile marketing team that responds quickly to the needs of prospects and customers



REMEMBER

The beauty of a CDP is that as you ask more questions in your marketing team, there's a way to query the data, find a clear, simple way to visualize it with self-service analytical tools like Tableau and Qlik, and create an interactive dashboard to create micro-segments and explore customer trends.

Being able to see all your data without going to IT means you can keep coming back to your CDP with new questions, new reports, and new kinds of analysis. That's the essence of marketing agility.



TIP

Increase the value of your CDP by not restricting its contents to customer data alone. You can include any data you determine to be critical to your customer experience goals. This includes product, location, employee, supplier, asset, partner, or other data, including web chats, email, product reviews, and more.

Unlike a DMP, a CDP is best when built on a foundation of MDM, data governance, data quality, and data privacy. It continually manages the 360-degree customer view to fuel your analytics, applications, business decisions, and future strategies so you can continue to deliver great customer experiences.

Introducing Next-Generation Data Management

Given new requirements to support analytical and operational use cases with both marketing and enterprise data, a next generation of data management solutions is emerging with an expanded set of capabilities. Its value is strengthened and bolstered by a strong foundation of powerful data management and governance. Next-generation data management utilizes all forms of data — including unstructured, transactional, and interaction data — to become an enormously powerful tool around which to build a new kind of customer experience.

With a next-generation data management solution, marketers can truly delve into what activity motivates a customer, capture customer behaviors and understand their intent, and create segments of one. As with all good ideas and technologies, it expands on the first-generation CDP and MDM concepts and helps marketers

- » **Leverage a customer 360 view to create multiple unique perspectives.** With thresholds based on your confidence in the data and the accuracy of how records are matched, you can create different views of the customer to be used for different purposes. This means that Marketing, Sales, Service, and even Finance can access the customer attributes that are most relevant to their needs. No longer are marketers handcuffed by adhering to the same matching thresholds as other areas of the company. This enables a richer customer dataset for use in campaigns.
- » **Expand the 360-degree view of relationships to understand influencer networks.** Understanding relationships and networks provides significant insight to marketers. For example, if a marketer has insight into one household member's recent positive experience with a product, they may choose to target another member of the household or social circle that may have been positively influenced and be a good candidate for a similar offer.
- » **Build a complete view of all interactions to recognize and anticipate customer intent.** When you add insights, such as behavior or sentiment, and map them on a timeline, you now gain a complete view of that customer and his intent. If Doug Smith has recently been complaining on social media about the product he just purchased, his profile may be flagged with an indicator of possible churn. Now you can take the proactive steps to help win him back and build loyalty.
- » **Fine tune recommendations for the next best experience.** With the amount of data that's being generated every day by every individual, it takes a lot of horsepower to make sense of it all. A real-time decision engine applies AI/ML and natural language processing (NLP) to identify the next best experience because it can continuously synthesize, learn, and adapt to your customer's behavior. So, when Sue Stern communicates through a web chat, the recommended next best action is based on her most relevant history with your organization, and even that of other customers like Sue.



WARNING

The time is now to start a data-focused initiative for your customer experience goals. AI, ML, and NLP can help you make sense of the volumes of customer data created by digital transactions. Consider this: Roughly half a billion tweets are posted every day, and IDC predicts that by 2025, the average person will have nearly 5,000 digital interactions per day.



REMEMBER

CDPs typically focus on known and unknown customer prospect data and use cases surrounding departmental marketing campaigns. A next-generation data management solution takes an enterprise approach, using algorithms to continuously synthesize, learn, and adapt to changes in data. It can help you understand and share rich customer information across the enterprise on an ongoing basis so you can accomplish the following:

- » Recognize customers every time they interact with you, across different channels, departments, and functions.
- » Develop individualized marketing campaigns, improved customer experience, and context-driven sales offers.
- » Discover non-obvious relationships, measure sentiment, and infer life events.
- » Derive important attributes about customers such as occupation, product/competitor mentions, personality, and location-based events (such as travel and other patterns).
- » Blend all interactions, transactions, and events into a comprehensive customer journey to analyze and personalize customer experiences.
- » Use the individual customer journeys and apply ML to predict the next likely interaction for each customer.
- » Determine customer patterns like churn indicators and retention.
- » Fuel advanced customer analytics and increase campaign effectiveness with micro-segmentation, RFM (recency, frequency, monetary) analysis, market basket analysis, and so on.
- » Parse multiple views of a customer into the perspective that's most relevant to marketing, sales, finance, operations, and other teams — so they can focus on what's most important to them.



REMEMBER

The CDP plays a big role when it comes to big data, helping marketers scale their customer engagement efforts and quickly find value from new types of data, including what's been put into a data lake. For more information, see the section “The Marketing Data Lake (MDL)” later in this chapter.

Many companies link 360-degree customer views with customer transactions and interactions stored within a CDP to derive new insights into customer behavior and respond accordingly. What does this look like? By combining big data (tweets, web chats, and the like) with trusted customer profiles (from MDM) that include validated contact information, customer service agents have more context when proactively reaching out to a customer who compliments or complains on Twitter.

The Marketing Data Lake (MDL)

Facebook and Twitter used to be the only (or main) social platforms that mattered for brands. Now, the number of “platforms that matter” has increased and includes Instagram, Pinterest, LinkedIn, YouTube, TikTok, and others. And the number of social platforms that call for a brand’s time and attention continues to grow — much the same way that the number of devices and channels have grown.

This growth moves the frontier of customer experience to collecting, preparing, and interpreting real-time data so you can glean new insights for capturing mind- and market-share. Your team is probably already struggling to manage and make sense of web logs, social media, sensors connected to the Internet of Things (IoT), location, click stream, call logs, and mobile device data. The data points from these sources are collectively referred to as *big data*. They promise more comprehensive and higher value insights for measuring marketing performance, predicting customer behavior, analyzing customer sentiment, optimizing pricing, personalizing offers, and supporting many other activities.

Managing the data in your MDL

If you want to keep your MDL from becoming a data swamp, you need to manage it with the same governance you apply to your other data. For you to gain the most value, your challenge is getting clean, complete, trustworthy customer data into your MDL and associating it with the 360-degree customer views you’ve created. After you’ve done this, you can uncover each customer’s transactions and interactions and map those against your next-generation customer 360 view.

The challenge becomes even greater when you consider that the customer data you rely on to produce great experiences comes

from multiple sources. Depending on the application, your customer data may have different customer names, email addresses, and devices; and it's probably plagued by poor form fills, major data gaps, duplicates, and conflicts. Don't let this knowledge hold you back on the data that goes into your MDL. To maximize the MDL's value, consider including the following:

- » Customer relationship management (CRM) data
- » Marketing automation data
- » Web analytics data
- » Ecommerce data
- » Transaction and point-of-sale (POS) data
- » Social media data
- » Third-party data
- » Any kind of data



WARNING

This task is tough enough that most marketers simply give up and accept a fragmented customer view as the price of doing marketing in an application-centric environment. That's a shame because solving the problem is well within reach.

Real-time data streaming doesn't just deliver incremental improvements, it triggers a host of big changes. The customer experience doesn't just improve, it evolves. And your marketers, salespeople, and customer services teams can do things they could never do before. To capitalize on real-time customer data, you need a data management infrastructure that allows you to do three things:

- » **Sense:** Capture event data and stream data from a source, such as social media, web logs, IoT sensors.
- » **Reason:** Automatically combine and process this data with existing data for context.
- » **Act:** Respond appropriately in a reliable, timely, standardized way.

To sense, reason, and act in real time, you need an intelligent data streaming platform — a connected ecosystem of tools that can tackle every task. Crucially, this system will be “intelligent” — empowered by AI that can automate time-consuming manual tasks and accelerate processes.

AI needs data management; and data management needs AI. AI is the secret sauce that transforms a proficient data management infrastructure into a strategic business asset. And it's the key to making real-time customer engagement a reality.

The chief benefits of real-time customer data can be summed up in a sentence: Your people deliver a better quality of service, which drives customer satisfaction, which leads to more revenue. But this downplays the transformative impact of real-time customer data. It makes more sense to invest in one platform that can tackle the entire end-to-end, sense-reason-act process. That way you can manage everything through one interface. Enter the MDL.

Get the most out of your MDL by prioritizing reliable and accurate data, delivered in real time for instant engagement and to meet modern customer expectations. A best practice is to partner with your chief information officer (CIO), chief data officer (CDO), or chief technology officer (CTO) to build an infrastructure that brings together data at the speed of engagement. Because your data comes into an MDL from many sources, by teaming with your IT team, you gain an ally that has a common understanding of the data ecosystem across the enterprise. Before you start creating your MDL, invest time in understanding your data. See the nearby sidebar “You can't use what you don't know about” to find out what you can use to build your MDL.

Looking at the benefits of an MDL for Marketing



TIP

An MDL provides your marketing operations team with the following:

- » Essential insights into measuring marketing outcomes by giving visibility into the end-to-end customer journey
- » The capabilities to integrate your most important data across all your marketing applications
- » Increased agility and data analysis that allows you to achieve the outcomes you want
- » Cross-channel visibility into how individuals from specific customer accounts engage with your website, content, and marketing programs to support account-based marketing (ABM)

YOU CAN'T USE WHAT YOU DON'T KNOW ABOUT

A successful customer experience program needs to include two critical pieces: discovering and understanding relevant data. Your customer experience initiatives won't get far if they don't include these two essential processes. As you embark on using your data to create a 360-degree view of your customers, you need to answer some simple questions:

- What data do I have?
- Where does it reside?
- What processes does it touch?
- What is its quality?
- Who's responsible for it?
- Where does it come from?
- What data is it related to?

A data catalog provides answers. It gives you visibility into data wherever it resides — in applications, infrastructure systems, on-premises, or in the cloud — and helps you understand what data to bring into your marketing analytics. It also helps put data in context so you can see where data has come from, who's been using it, how it's been used in the past, and how it's been transformed. Such context helps analysts and data scientists make informed decisions when using data so that ultimately it delivers greater value to your marketing efforts.

The benefits include improving company-wide communication, removing conflict, reducing the time to find data, reducing the number of iterations required for project delivery, and providing a solid foundation for data governance, regulatory compliance, and data stewardship initiatives.

To uncover the value in your data assets, lay the right foundation. And an intelligent data catalog has a robust set of capabilities that sets you up for success. Only then can you discover data assets quickly and understand what's truly useful.

An MDL fuels the analytics that can make your marketing efforts stronger and provides richer insights into your customers and prospects. Several trends have emerged in recent years that fuel the need for an MDL. An MDL makes it easier to harness the potential of

- »» Digital marketing
- »» Content marketing
- »» Data science and next-generation analytics
- »» ABM
- »» Personalization
- »» The convergence of Sales, Marketing, and Customer Service
- »» DMPs and the AdTech boom

So you can replicate and personalize your marketing efforts to greater success, the knowledge you consume from these trends helps your teams

- »» Prioritize your activities and resources for the individuals most likely to buy.
- »» Identify the influencers and the influenced.
- »» Understand the path to purchase.
- »» Isolate the moments of truth your customers experience.

IN THIS CHAPTER

- » Recognizing your data is a strategic asset
- » Focusing on growth, agility, and speed
- » Identifying your strongest team members

Chapter 7

Ten Principles for an Intelligent Customer 360 View

Are you looking for additional guiding principles to help you harness the full power of your data for marketing? In this chapter, you discover Informatica's top ten principles for an intelligent customer 360 view so you can ensure that customer interactions are personal, relevant, and seamless. Informatica has found that data-driven marketers who follow these principles are wildly successful in delivering a great customer experience.

Manage Your Data as a Strategic Asset

Some marketers think of their data as an ever-growing problem with no solution. Do you feel this way? If so, you'll never be able to use the full value of your data to gain a competitive advantage.



REMEMBER

Actively managing your data as the strategic asset that it is helps you attract more and better prospects while building great relationships with your current customers. You want to be able to follow your customers on their end-to-end customer journey.

Put Together Your Strongest Data and Operations Team

It's key that you carefully vet and hire someone with the professional credentials to do the job when building your data and operations team. Seek team members who are naturally curious and who can provide you with the insights from applying advanced and predictive analytics to your data.

Bring Your Data Together in One Place

Right now, unless you've managed your customer data effectively with some kind of end-to-end customer data management technology, it's likely to be stuck in silos and stored in systems and applications all around your organization. Other critical customer data may also be managed externally. Like any organizational project, you have to consolidate it to get the most out of it. This means you need to identify all your data and put it in a central location such as a customer data platform (CDP), a data warehouse, or a customer data lake. Now, you're ready to strategically manage it. For more information on CDPs and data lakes, check out Chapter 6.

Connect the Dots So Your Data Is Trusted

To better understand your customers' buying behaviors and to predict their next moves, you need to base your actions on a trusted customer profile that's built from all data, including previously untapped sources such as social media, call notes, and web chats. It's imperative that you do this or customer experience initiatives will suffer.



TIP

The best way to build a trusted customer profile is to master your data. What do I mean by that? Mastering your data means reconciling all the disparate high-value data known about your customer into one cohesive master, or golden, record that can fuel your business applications and analytics. Use artificial intelligence (AI) and natural language processing (NLP) to extract and infer new insights from your data that's found in web chats or emails, and then add those insights to the master record. You can learn more about mastering data in Chapter 6.

Focus on Your Operational Levers

Operational levers are the activities that help you reach your marketing goals. They help you understand how your marketing activities impact the end-to-end customer journey. When you select the right metrics and track the right data, you should be able to make good predictions about the outcome. Using your data to identify the strategic operational levers will facilitate that.

Test, Measure, Optimize

One of the single greatest benefits of great customer data is that you can use it to test new ways to achieve the results you want. When you actively manage your data, you can get immediate feedback on marketing programs, campaigns, or your current channel mix. Testing and making changes quickly can be the best way to ensure a successful outcome. It allows you to experiment often and to fail fast, or to expand on what's currently working.

Build an Environment Based on Growth and Speed

Change is happening more quickly than ever before and shows no sign of slowing. Take the current wave of digital disruption that's changing everything — including how your customers interact with your company. You need the right customer data management technology to continuously improve your data. Otherwise, your marketing team will struggle to be nimble. This will limit

your ability to improve your customers' experiences. Ultimately, you'll lose sales.

Create a Data Culture

A data culture is a learning culture. While marketers traditionally relied only on their creativity and intuition when planning campaigns, that just won't fly today. A data-driven culture supports that creativity with facts and insights about your customers and actual results.



TIP

The key to developing a data culture is to share trusted customer data across the organization so everyone can demonstrate results by pointing to actual data. Success becomes repeatable by others, and failures become avoidable (or at least limited).

Include Self-Service Capabilities

You have questions that need quick answers, and you want data at your fingertips. You don't have time to log requests into an IT queue to get the data you need to figure out what's working and what's not and how to better serve your customers. Your IT team should make it easy for you to find the answers yourself.



REMEMBER

Ask IT to give you self-service access to the technology and information you need to make an impact on the business. Take the time to work with them so they clearly understand your requirements, and get it right the first time.

Partner with Your CIO and CDO

Marketing is probably the biggest consumer of data and IT services, which makes your chief data officer (CDO) and chief information officer (CIO) VIPs with whom you need to collaborate. Your CDO and CIO are motivated to work with you, too. Successful data-driven marketing depends on a solid relationship between Marketing, data, and IT. In the right environment, this partnership works to solve the critical data management issues Marketing struggles with every day.



Informatica®

Accelerate Your Marketing with Actionable Customer Data

Innovative marketers transform the customer experience. They make new opportunities possible. They dominate their markets. They deliver differentiated customer experience and redefine their industries. They're successful because they are data-driven.

Data-driven marketers rely on Informatica to deliver customer data that's complete, governed and trusted so they can:

- Improve cross-sell and up-sell by 60%
- Boost marketing campaign effectiveness by 30%
- Increase conversion rates by 20%
- Grow spend from loyalty programs by 20%
- Boost customer experience and satisfaction

See what you can do when you bring your data to life and deliver the experiences your customers expect. Visit www.informatica.com/cx to learn how to inspire your marketing.



Reap the benefits of intelligent customer data

Your ability to deliver a great customer experience (CX) sets you apart in a crowded field, and the best CX strategies are strengthened by a proven data strategy. Because customer data is the lifeblood of CX, when you create an intelligent and trusted 360-degree customer view, you can deliver the experiences your customers expect. With actionable, clean, and protected customer data, you can unify and personalize how you engage with customers, generate stronger leads, boost conversion rates, grow share of wallet, and more.

Inside...

- Ten principles to maximize marketing data
- Eight steps to manage and use great data
- Six elements of a customer 360° view
- Five data-driven marketing examples
- Four impacts of great data on CX
- Four practices that stymie success
- Three martech options for data management



Informatica®

Stephanie Diamond is a former AOL marketing director and founder of Digital Media Works, an online marketing company that helps businesses discover their hidden profits. She has authored over 25 marketing books and custom eBooks, including *Facebook Marketing For Dummies*.

Go to **Dummies.com™**
for videos, step-by-step photos,
how-to articles, or to shop!

ISBN: 978-1-394-19884-9

Not For Resale

for
dummies®
A Wiley Brand



9 781394 198849

WILEY END USER LICENSE AGREEMENT

Go to www.wiley.com/go/eula to access Wiley's ebook EULA.