

WHITE PAPER

Why Customer Experience Is the New Competitive Edge

And how customer master data management can help

StiboSystems

Introduction

The next era in the digital economy — what Forrester and others refer to as the **“age of the customer”** — will involve a Business-first mindset to technology, where IT systems and applications catch up with customer expectations. A recent report states that **customer experience will overtake price and product** as the most important differentiator for brands by 2020. In addition, Salesforce.com revealed that **76% of customers** it surveyed reported that it’s easier than ever to take their business elsewhere to find an experience that matches their expectations.

In other words, businesses looking to succeed in the modern landscape will need to do more than build, market and sell great products. They will need to deliver exceptional one-to-one experiences that speak directly to people in meaningful ways, using accurate, detailed and dynamic customer data.

Today, brands are taking advantage of a unique solution, customer master data management (CMDM), to drive strategic initiatives, including optimum customer experiences, data-driven marketing, ecommerce and customer loyalty.

Why CMDM? It’s the most effective method to weave together a unified customer profile for marketing, sales and customer service, and it is a critical component in achieving a 360° customer data strategy. You gain an accurate understanding of people and organizations, including data relationships, which provides a foundation to **segment, personalize and engage** customers. You also enhance **cross-sell and upsell** opportunities by connecting with your target audiences at an individual level and improving **lifetime value to the customer** — while increasing ROI to the organization.

Difficulties in the digital era

While organizations desire greater customer understanding, many barriers exist. Siloed systems lead to poor data quality, and evolving compliance regulations make data governance difficult — all of which hinders strategic planning. In addition, market forces impacting the digital era include the following:

Growing customer expectations

People today want personalized brand interaction that works on their phone, tablet, laptop and internet-enabled home appliance, yet brands don’t seem to be delivering on customer desires. For example, Harvard Business Review reported that only **23% of consumers** said they have a relationship with a brand, citing poor customer support and no timely messaging as reasons they stop interacting with brands.

Growing data

According to IBM, every day, **2.5 quintillion bytes of data** are created. This massive amount of data — generated by everything from cookies to point-of-purchase to social — adds cost and complexity to data management. What do we mean? IBM estimated that the price to businesses in the U.S. for poor quality data was **\$3.1 trillion in 2016**.

More data than ever is disparate and maintained in isolated systems, as well as generated on multiple devices and in unusable formats. Forbes reported that approximately **80% of today’s data** is unstructured. With explosive data creation, combined with fragmentation, it has never been more challenging to create a customer-centric business.

These market forces have impacted B2B and B2C businesses in two ways. First, companies need a clear customer view to meet customer expectations and connect with people on the channel of their choice. At the same time, increased data creation and fragmentation across channels have made it difficult for them to create an accurate customer record. In fact, Experian research states that **92% of companies** don’t have a single view of their customer base today.

CRM, ERP and similar applications aren’t designed to create complete customer data because they are application-specific (marketing, sales, operations). Businesses need a central, persistent and shared capability that is jointly governed and operates with everyone contributing and using shared data.

Growing fragmentation

What is the customer data difference?

Today, companies are striving for **operational excellence** and **better business outcomes**, but both require complete customer data. Data about the customer is often siloed and inconsistent across the enterprise, making it difficult to understand who the customer is and how to deliver customer-centric experiences.



The 360° view, fueled by customer data...
...can increase buyer satisfaction by 20%.

The creation of current, accurate, complete and reliable customer data enables development of 360° data initiatives, which involve connecting the reams of transactional, behavioral and social data to customer master data. The 360° view, fueled by customer data, is used to deliver positive business outcomes, such as a consistent, amazing customer experience – which McKinsey and Company reports can increase buyer satisfaction by [as much as 20%](#).

By establishing a complete data view, you recognize customers as they move through the digital journey, and eliminate duplicate contacts and supply seamless interactions in the process. This is why CMSWire.com found that companies with successful omnichannel engagement retained an average of [89% of their customers](#).

The advantages to leveraging customer master data include the following:

- **Increased revenue:** improve sales, reduce returns and optimize omnichannel experiences
- **Improved efficiency:** eliminate duplicate data and remove error-prone processes
- **Faster time-to-value:** onboard new products and streamline the product lifecycle
- **Enhanced collaboration:** remove departmental barriers and easily connect with partners
- **Reduced risk:** ensure compliance with laws, regulations and industry standards

How to build better customer data

The key to building better customer master data involves taking a strategic, enterprise approach using a customer master data management (CMDM) solution, which provides a central hub to consolidate, cleanse, enhance and govern critical data. You gain a single point of truth for business-critical information.

CMDM is used to organize, synchronize, enrich and share data according to the business rules of the sales, marketing and operational strategies. The result is an improved and more reliable data foundation.

What you can do:

- Eliminate silos and consolidate data
- Improve data quality, consistency and reliability
- Discover, create and manage data relationships
- Enhance data governance and stewardship
- Optimize IT processes and data delivery
- Improve visibility, analytics and insight

Mastering your customer data involves the creation of the “golden customer record”, which is constructed using a combination of automatic matching and linking algorithms. Disparate records are linked and resolved of duplicate information to form high-confidence customer data. These data profiles can be shared in real time.

Your organization can automatically build customer records using sophisticated functionality that executes a workflow-driven review depending on predefined variables. It can also leverage survivorship rules, which apply a set of criteria that determine which source data comprise the record at an attribute level. This enables enterprises to establish data governance policies across the organization. In addition, data stewardship workflows provide an administrative review of data that examines possible matches to determine authenticity — particularly important for regulation and compliance.

For marketing departments and business leaders alike, the essential technical qualities to remember are simple: the right CMDM solution can easily integrate within your existing MarTech stack and is built using leading technology that delivers exceptional quality.

How customer master data management helps you

Mastering customer data allows you to onboard and share customer master data for in-depth insight into customer preferences and behaviors. By acting as an enabler to customer 360°, it helps organizations deliver on their strategic initiatives (sales, marketing, customer success) and enhance operational systems (CRM, ERP, ecommerce) and critical business processes (nurture campaigns, upsell and cross-sell initiatives, customer loyalty programs).

The various business systems and applications improved — and benefits attained — make a significant impact on delivering value to the organization. They include the following:

Exceptional experiences

You can offer the right person the right product, service, discount or warranty offer at the right time and in the right channel. You can turn anonymous web traffic into customer contacts by stitching profile details together with account information. You also avoid treating loyal customers like first-time prospects or asking web visitors to fill out an online form when they already supplied their information. Marketers can view customer behavior and sentiment to deliver targeted, multichannel campaigns.

Superior engagement

You can improve response rates and revenue through quality data, such as accurate email addresses, phone numbers and other customer data. Gain insight into the people connecting with your website and social platforms, as well as marketing, sales and loyalty programs. It enables you to analyze campaigns, prioritize content, select channel delivery and respond to inquiries based on individual behaviors and preferences. You can better understand how customers interact with your company, including the channels (social, web, in-store) they prefer and the offers (advertising, email or print) they select.

Increased sales

CMDM fuels cross-sell and upsell opportunities by supplying precise data used in CRM, marketing automation and other systems. You know more about your customers (whether an individual or company) for accurate segmenting and digital outreach, higher quality leads and improved one-to-one customer calls. Instead of going to separate sources, the record is instantly viewable. The same data feeds artificial intelligence (AI) and machine learning initiatives to predict and provide hyper-personalized content based on purchase history, job title and other criteria.

Outstanding service

All of your relevant departments see the customer information at a glance, and your online chat and telephone support staff can discuss a customer's inquiry with confidence by viewing data instantly. In addition, customer support data is automatically shared and viewable with departments in sales, marketing and other functions. For instance, if customers are transferred to another department, they won't have to answer the same questions again.

Improved compliance

Organizations have more regulatory requirements than ever before, including the General Data Protection Regulation (GDPR). CMDM consolidates information across multiple systems to monitor, report and enforce compliance. You can determine and report identities (who the person is) and consent (what have they agreed to), as well as what and how personal customer data is collected and used. You also understand where data enters, who uses it and how long it remains valid. The result is your business avoids legal, financial and brand reputation risk.

Customer data is a vital asset that businesses can leverage to execute digital transformation, increase profits and reduce redundancies. By mastering customer data with CMDM, organizations can improve marketing, sales, customer support, compliance and more. Your organization can supplant manual or duplicate processes, remove incomplete or inaccurate data and foster transparency and collaboration.

CMDM and customer data allow your business to do the following:

- Improve customer satisfaction
- Increase customer retention
- Enhance and expand upsell/cross-sell opportunities
- Accelerate customer onboarding
- Reduce bounce rates/returned mail
- Decrease churn rate
- Boost customer lifetime value
- Optimize customer service calls

Master your data. Elevate your experiences.

In the age of the customer, customer master data and CMDM are the competitive edge that forward-thinking, growth-oriented businesses need. Both are at the core of digital transformation and Business-first initiatives — meaning the success of enterprise applications can be tied directly to organizational goals that include better products and services, increased revenue and lower costs.

Mastering your customer data allows you to capture and integrate customer attributes for deep learning and insight. You increase audience engagement, boost campaigns, shorten sales cycles, improve customer support and adhere to regulations. You also provide exceptional lifetime value based on preferences delivered in real time.

Future business innovation and success will depend on leading with a customer-centric, omnichannel approach for richer customer experiences. The customer must be at the center of everything your business hopes to achieve — and CMDM is the catalyst to mastering your data and elevating customer experiences.

To learn more about how customer master data provides your competitive advantage, [visit online](#) or email info@stibosystems.com.



About Stibo Systems

Stibo Systems believes the future of business requires a Digital Business Core™ of operational data that is continuously shaped and delivered to produce superior business outcomes. Stibo Systems is the driving force behind hundreds of forward-thinking companies around the world who have unlocked the full value of their information; empowering business users to act with confidence in their data, adapt quickly to changing market conditions and go beyond to anticipate what's next. Stibo Systems is a privately held subsidiary of the Stibo A/S group, originally founded in 1794. Its corporate headquarters is located in Aarhus, Denmark.