

# Customer-Centric Data Management

Data-driven insights into customer behavior can give you an edge over competitors



Brian Krzanich, Intel's former CEO, declared "data is the new oil" in 2016 and, in the past two years, businesses around the world have grown increasingly aware of the potential power of data. Consumers' constantly changing needs and expectations make it more important than ever for companies to provide a seamless customer experience, which is often best achieved by managing data in a centralized system.

Data silos holding customer data in disparate locations make it difficult for firms to effectively share all types of data across the enterprise, limiting their ability to compete on customer experience. According to research from Gartner, "by 2021, more than 40% of all data and analytics projects will relate to an aspect of customer experience."<sup>1</sup>

Every business will have a different definition of what a successful data management strategy looks like. For some, a reduction in the customer churn rate is the end goal and others may see increased sales through cross-selling activities as the aim. Innovations in cutting-edge technologies like IoT and machine learning are rapidly increasing the amount of data held

by companies and driving the need to take full control of legacy systems that are unable to effectively analyze rich data from new sources.

As businesses move to a more customer-centric model, how data is managed across the organization becomes vitally important. Every part of the enterprise must be on board with this overarching goal, especially in terms of employees in positions of power leading staff through the entire journey.

Bringing together every single piece of customer data in a single place will be far from an instant process, with any potential solution needing to be capable of creating a single "golden record," which contains the most accurate set of details possible for each person.

Easy access to detailed data gives staff the capacity to respond in real time to changes in customer behavior. Improving the connection with the consumer and providing them with relevant and personalized offers will radically change the customer journey. Competitors who lack this expertise will soon find themselves poorly equipped to compete and offer the right product at the right time for increasingly demanding customers.

**"Imagine you're the insurance provider who sells through brokers but who does not have access to their customer data — you could be selling insurance to what you perceive as a prospect when actually they're a customer who already has insurance. Or the retailer sending promotions for baby products to a customer who has a 10 and 13-year-old,"** says Christian Oertzen, EMEA President at Stibo Systems.

Gaining a single view of the data is a major milestone to acknowledge, but there are critical next steps that companies should make to ensure this system remains intact and customer-centric data management is encouraged. Comprehensive data governance guidelines are vital to make certain that data can be quickly accessed in a way that limits the risk to the wider enterprise, meaning that all employees need to be fully aware of their role safely managing data.

**“Review the history of your customers to begin creating products and services that are defined based on their historical needs and wants, and not what you think, largely as a result of guesswork. Having the data is one thing, what you then do with it will define the success of the work that’s gone before it,”** Oertzen explains.

### **Customer-centric success story: Tesco**

Tesco, the UK’s largest supermarket with over 6,500 stores around the world, has been a pioneer in how companies can extract actionable insights from data to better meet consumers’ expectations and understand their needs. From the launch of the massively successful Clubcard loyalty scheme more than 20 years ago that gave the retailer an immense amount of highly relevant customer data, to the current IoT projects that Tesco hopes will improve the overall shopping journey, the business has always placed prime importance on offering the best-in-class experience for consumers.

The supermarket giant quickly realized that it was more cost effective to retain customers than attempt to lure them away from competitors and to do this effectively would require data on what is driving their loyal customer base. Customer-centric data management led Tesco to prioritize the sharing of data in the company, allowing customers’ behavior to be closely monitored and be responded to immediately.

Today, Tesco is working hard to fight against disruptive start-ups in the retail space by investing in Tesco Labs, a division of the company tasked with pushing innovation through cutting-edge IT and AI technologies. Using customer data collected from Clubcard, Tesco Labs has opened a channel on “If This, Then That” (IFTTT), a web-based service that makes it easy for a range of apps and devices to communicate with each other. For example, a user can tell their smart home device to order a bottle of champagne if the temperature reaches 30 degrees Celsius. This customer-focused approach is paying dividends, with sales at Tesco improving every year since 2014.

**For more information, visit**  
[stibosystems.com](http://stibosystems.com).

<sup>1</sup>Source: Gartner, “Shape the Future of Customer Experience With Customer Analytics”, Melissa Davis, March 26, 2019

### **About Stibo Systems**

Stibo Systems, the master data management company, is the trusted source of MDM solutions based on a unique business-first, people-centric approach. Our solutions are the driving force behind forward-thinking companies around the world that have unlocked the strategic value of their master data; empowering them to improve the customer experience, drive innovation and growth, and create an essential foundation for digital transformation. Stibo Systems is a privately held subsidiary of the Stibo A/S group, founded in 1794, and is headquartered in Aarhus, Denmark. For more information, visit [stibosystems.com](http://stibosystems.com).