

## Benefits of Better B2B Customer Data for CPG Companies

Consumers have altered their buying habits a lot over the past year. According to research from McKinsey & Company, 76% of **consumers experimented with a new shopping behavior** during the pandemic, and of those shoppers, 37% tried new brands. For many consumer packaged goods (CPG) companies, responding to demand shifts like these can be challenging. Without a strategic approach to organizing, enhancing and automating customer data across the enterprise, it can be difficult for companies to turn customer data into actionable sales insights.

This is because many CPG brands manage multiple versions of enterprise resource planning (ERP) and customer relationship management (CRM) systems, making it impossible to gain and govern a single version of their business-to-business (B2B) customer data. In fact, because many multinational companies manage such expansive brand portfolios, it's rare to have all their divisions, brands and geographies use the same system. Companies can solve this challenge by connecting their ERPs, CRMs and other systems with a single, unified view of all their customer data, enabling them to gain more precise sales insight and the agility to take advantage of new opportunities.

### Gain insight into the entire customer ecosystem

To nurture retail customer relationships, it's incredibly important for CPG companies to understand their B2B customers and network of distribution points. The information available about customer accounts such as key operations contacts, retail distribution center (DC) to store relationships, contract terms and key personnel responsibilities is business critical. Beyond the functional and organization data, it's also important to understand cross-channel distribution, regional marketing programs and supply chain information.

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– McKinsey & Company

CPG companies selling through indirect and institutional channels don't normally have information about indirect sales performance and may lack visibility into many of the organizations, stores and sites that are distributing their products. Without data from indirect sales channels, CPG companies may focus primarily on traditional retail, ignoring data-poor channels with more distribution or marketing opportunity. Additionally, they may not know what sales strategies are working with indirect customers and what levers to pull to capture more sales.

Some of the other factors and trends driving growth and change in the CPG space are the need for companies to:

- Understand the true value of customers, regardless of channel
- Provide retailers with a consistent brand experience, regardless of division
- Grow sales by leveraging more accurate data
- Drive customer analytics with better and more flexible customer data
- Improve governance in new customer onboarding and ongoing data management

### The value of a unified data foundation

The good news is better data management and transparency is possible with a unified data foundation. Using a customer master data management (MDM) solution, CPG companies can:

#### 1 Connect multiple data sources to create one customer ecosystem

For many CPG companies, using advanced customer analytics to drive opportunities and ROI remains an aspirational goal. This is because companies often store customer data in different enterprise systems and applications and use the data for different purposes, which often results in potential duplication or differences in the data. For companies to get the most value from their analytics tools, they need a way to consolidate all their customer data into a single, trustworthy view.

By using a customer MDM solution, CPG companies can connect multiple data sources to create a complete 360° view of their B2B customers, regardless of the business type or size. The solution matches and deduplicates customer data, as well as verifies ownership and other key financial information through Dun & Bradstreet, a third-party service. Having a single, verified source of customer

data can help ensure consistent and accurate business analysis from a financial, shipment, sales performance or trade spend perspective.

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### **Relate and align customer information across the organization**

Having one central source for B2B customer data is a great way to start increasing the data value and validity. However, even after consolidating the customer data, some data sets may be incomplete, unknown or unusable, creating a need for further data enrichment. Without proper geography, business unit and customer organization hierarchy information, the business intelligence, finance or sales teams may not consider the existing customer data usable.

Fortunately, it's possible to build a data model, with processes, rules and team roles, to align how customer data is used across the organization. An MDM system can help prioritize certain enrichment activities based on different business goals and customer priorities. For example, by ensuring that all business units use the same hierarchy of Operating Company, Key Accounts, Banner, and Distribution Center, the organization can save time analyzing data and support collaboration across divisions.

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### **Centrally create and enrich customer master data**

Most companies rely on three or four systems – such as their ERPs, CRMs or other financial software – to create a new customer record and make it active. This disjointed process can hamper organizational efficiency and lead to shipping delays. By centralizing the creation of customer data via a customer MDM solution, companies can gather all available information once. This enables them to meet data criteria, as well as gain legal and ownership verification via Dun & Bradstreet, credit approval and final approval to then feed it downstream to other systems via established connectors. This consistent approach speeds up the customer creation process, ensuring that customers aren't created or finalized without approvals.

Data completeness can vary across customers, which can create gaps in insight and misinterpretations about the business. With a customer MDM solution, enterprise-wide enrichment standards can be established to close those gaps by creating projects for specific data management roles. Additionally, as the business changes, the solution's flexible workflows can be adjusted to accommodate more data stewards and to prioritize the most pressing customer attribute needs across the organization.

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### **Gain visibility into indirect relationships**

When selling through wholesalers or third-party marketplaces, CPG companies do not have access to the same type of information – such as sales rate,

average price, market share, distribution, out-of-stock rate, and precise consumer insights – that they receive when selling direct to consumers.

With products passing through a wholesaler or through traditional retail partners before reaching a final distribution point, it can be difficult for CPG companies to gain access to sales metrics such as individual store sales, as they may not know all the distribution points. Institutional customers such as restaurants, hotels, hospitals and schools can further complicate matters, as non-branded institutional-sized packs are often used, making marketing programs more challenging.

With a customer MDM solution, CPG companies can build a data model that represents the chains and stores their wholesale and institutional customers sell through, providing them with more transparency about these channels. This can be done by investing in local store information from research providers and using a customer MDM to add site information into the customer views and hierarchies. In addition to store details, companies can also add merchant contacts, as well as specifics about ownership and contracts. By having more information and context about their indirect sales accounts and institutional buyers, CPG companies will be armed with more intelligence about their B2B customers to confidently invest in marketing and other business-building efforts.

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### **Establish alternative views and organizational hierarchies**

While point-of-sale performance and shipment metrics are important at the organizational level, companies need to be able to view this information in different formats. The sales organization, for instance, may want to see customers organized by account sales rep, while the finance team may want to see a customer and its associated brands consolidated under the group customer number.

For larger CPG companies, it may be important to see the customer hierarchy under the corporate view, as some customers may be more important to the business unit

than others. The analytics team may want access to a high-level view and a geographical view, so they can apply segmentation or overlay additional data to gain a better understanding of the business trends, opportunities or latest data changes related to new DCs or store locations. It is also incredibly important for CPG companies to analyze the retailer's business by their custom geography, so they are using the same language when reviewing the category, region, and store performance with their retail partners.

With a customer MDM solution, companies can have one primary hierarchy while also creating alternative hierarchies to meet various needs across the enterprise. Companies can leverage syndicated research and externally defined information such as SIC codes and legal entity to build the alternative structures within MDM. The solution centrally manages the primary hierarchy and all alternative hierarchies, so as relationships change, the updated information is available to all users and dynamically pushed out to other dependent systems such as ERPs, BI tools and B2B customer relationship tools.

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### Improve internal data consumption and insight

With the increase in pace and demands on the business, CPG companies are looking for ways to be more agile and consistent across the enterprise while saving time in their business operations and analytics efforts. One way to accomplish this is to ensure that finance, category management, advanced analytics and other personnel have access to the same customer data.

With a customer MDM, users can access a commonly defined and approved view of customer data, making it easier to search by enriched attributes to find specific customers. An agile MDM system can help teams complete territory analytics in a standard method while also enabling them to pivot and make a change in the analysis to meet a new business objective. When evaluating customer MDM solutions, look for one with an embedded analytics platform, with options to have real-time, direct integrations to analytics platforms such as Sisense, Power BI, Tableau and others, so reports are displayed in a way that's relevant to how they view the business.

### Turn customer data into sales insight using a unified view

Companies need complete customer data to confidently integrate with other data sources and to have a more comprehensive picture of their B2B customers to make

decisions. By integrating, harmonizing and creating useful views of the customer data, CPG brands will be better equipped to drive customer insights, as well as collaborate and partner with retail partners, indirect customers and emerging digital channels.

With an enriched and mastered 360° view of the customer ecosystem, consumer brands can establish a new data foundation to further fuel operational insights, reduce risk and drive business growth. Stibo Systems **Customer MDM** for B2B organizations ensures customer master data is trusted and fit for purpose. The solution helps businesses understand and manage their entire customer ecosystem, including their direct and indirect customers. Its key features include:

- Customer data profiling identification of duplications and status of completeness
- Built-in integration with third parties such as Dun & Bradstreet, Loqate and Experian
- Built-in workflow automation that streamlines customer record creation and ongoing maintenance
- Preconfigured roles to ensure the most relevant user experience
- Easy-to-use data import, export and list management
- Relationship and hierarchy management, allowing for multiple hierarchies
- Mature and innovative platform that easily integrates into other master data and out to the rest of the enterprise

### Gain more value from your customer data with a multidomain approach

As online shopping for CPG products grows in popularity, building a digital competency will become imperative for consumer brands. A multidomain MDM approach further extends ROI by enabling CPG companies to centralize, enhance and extract greater value from their data by managing different data types together. Customer data, for instance, when connected with location data can enable companies to deliver more personalized marketing campaigns based on local services and promotions.

With Stibo Systems integrated **Multidomain MDM** platform, companies can manage multiple data domains in a single place, connecting all master data for even greater value. To discover how you can generate more comprehensive and transparent insights into your B2B customers using a single customer view, visit [stibosystems.com/cpg](https://stibosystems.com/cpg).

#### About Stibo Systems

Stibo Systems, the master data management company, is the trusted enabler of data transparency. Our solutions are the driving force behind forward-thinking companies around the world that have unlocked the strategic value of their master data. We empower them to improve the customer experience, drive innovation and growth and create an essential foundation for digital transformation. This gives them the transparency they require and desire – a single, accurate view of their master data – so they can make informed decisions and achieve goals of scale, scope and ambition. Stibo Systems is a privately held subsidiary of the Stibo A/S group, founded in 1794, and is headquartered in Aarhus, Denmark. More at [stibosystems.com](https://stibosystems.com).