

# Building a Customer Data Foundation:

Develop and implement architectures, policies and practices to manage data as an enterprise asset, across the customer lifecycle.

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# Building a Customer Data Foundation: Develop and implement architectures, policies and practices to manage data as an enterprise asset, across the customer lifecycle.

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# Introduction:

## Transformation in a Shifting Landscape

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Your connected customers have smartphones and tablets. They browse online, shop in a store and then phone your call center with a question.

They use social media to praise your brand and critique your products. They collaborate, communicate and consume in real time, 24/7. Immersed in a world of non-stop information, these empowered consumers block out irrelevant marketing—while gravitating to messages personalized to their interests. Call them Generation C—customers connected and empowered like never before.

All this multichannel connectedness makes it harder to know your customers. More channels and devices mean greater complexity of behavior. That means greater complexity of data that can leave marketers guessing about customer wants. The large amount and complexity of data is exactly why organizations need to create highly specific customer segmentations and to tailor messaging and services precisely to meet their needs.

Using big data is a key basis of competition and new growth for companies.

# Introduction: Transformation in a Shifting Landscape

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## The single customer interaction platform: Real or imaginary?

**The concept of a single integrated data platform that manages all customer interactions is a very compelling idea – it would certainly solve a number of issues in terms of customer visibility and engagement.** However, for as much as companies say they are investing in this vision or want to in the future, the question still remains: does a single customer interaction platform exist?

For all the new CRM and Marketing Automation tools flooding the market today, the issue of seamlessly enabling and integrating complex data ecosystems still remains the largest challenge to Marketers. Nearly all customer touch points generate data that Marketers want to dynamically capture.

While vendors are making an effort to make the integrated platform a reality, many still operate in functional silos and do not communicate fluidly between platforms. Some of the larger firms are making progress towards a complete, “integrated solution”, but given the speed at which the market changes, their attempts may never achieve the promise of a single solution. There will probably always be a need for a stand-alone capability if for no other reason than the rapidly evolving nature of technology and the customer-centric market it is trying to understand.

Data Sources	Types of Information
Sales	Pipeline, conversion, sales, profitability
Display	Impressions, clicks, cost, reach, frequency
SEM/SEO	Impressions, clicks, cost, placement
Email	Delivered, opens, clicks, opt outs, CTR
SMS	Delivered, fails, opt ins, opt outs
POS Systems	Purchase activity
Social Media	Buzz, sentiment, share of voice, word association
Direct Mail	Response, leads
CRM Systems	Customers, new customers, purchases, engagement
Website/Landing Pages	Visits, visitors, views, bounces, leads, conversions
Events	Response, leads

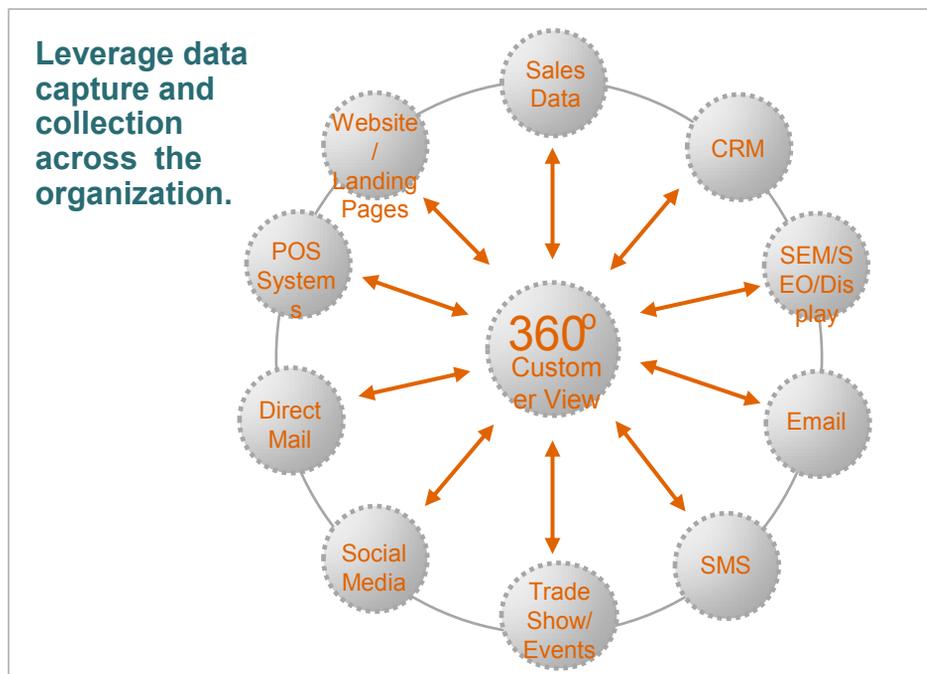
# Introduction: Transformation in a Shifting Landscape

**To make sure your company keeps its priorities in line with the innovative market leaders, focus on the customer – the rest will follow.**

Winning companies focus on customers, their peers on products. One view focuses on how to differentiate their products among their customers using insights derived from the data. The latter focuses too narrowly on just their product and their competition ignoring game changing consumer insights. For example, speed to market over your competitor may be met if you miss ask for product enhancements and fail to innovate.

Critical to customer focus is data. The entire enterprise needs to understand the critical role data plays in every aspect of the company – not just Marketing and Sales. Traditionally these two areas have been the primary owners and interpreters of this data. However, in order to drive revenue, innovation and new solutions, many partners across the enterprise need to be involved.

If there is one single differentiator between winning companies and their peers, it is this: follow the customer. If you understand them well, and how to meet their needs, your channel strategy will fall into place.



# Building A Successful Roadmap

## Chapter 1

### We are all overwhelmed by the tidal wave of customer data.

Transaction data, demographic data, social media data, unstructured data of all kinds – how can marketing find actionable insights in all of this fast moving data? Set goals and milestones with clearly outlined KPIs. Don't try to reach customer data Nirvana in your first pass.

Companies should monitor two sets of metrics – customer-focused (which assess value to the customer) and company-focused (which help assess value of the customer to the company). The first category, customer-focused, includes measures such as awareness, associations, attitude, trial/usage, loyalty, and social activity as well as satisfaction. In essence, these metrics provide diagnostic information about the status of the company.

The second category of metrics includes the company-focused view of the customer value. These include some diagnostics about where value is migrating from (e.g. source of acquisition, defection, and expansion), and the costs of acquiring and retaining customers. These numbers also provide a clear indication of the possible leverage points for increasing customer lifetime value. Perhaps most relevant, they provide criteria against which to evaluate marketing-program spending and revenue generation (MIRR) for example.

CRM Goal	Solution	Capabilities & Tools
1. Elevate the customer experience across every interaction.	Deliver dynamic customer information that is impactful.	<ul style="list-style-type: none"><li>• Data capture &amp; collection</li><li>• Consumer data management</li><li>• CRM/Customer Hub</li></ul>
2. Drive sales and profitability by growing loyalty and long-term retention.	Provide enhanced capabilities to improve revenue opportunities.	<ul style="list-style-type: none"><li>• Campaign management</li><li>• Content management</li><li>• Offer management &amp; personalization</li><li>• Measurement &amp; reporting</li></ul>
3. Drive smarter and deeper levels of customer knowledge throughout the organization.	Drive smarter and deeper levels of customer knowledge throughout the organization.	<ul style="list-style-type: none"><li>• Advanced BI and analytics</li><li>• Optimization approaches</li><li>• Additional data sources (i.e. Rapleaf, FullContact )</li><li>• Governance strategy</li></ul>

# Building a Robust Customer Data Foundation.

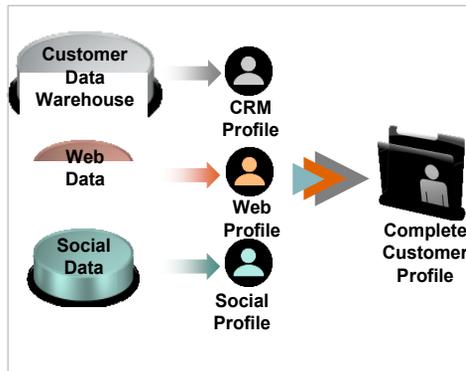
## Chapter 2

**Collecting data to build robust customer profiles is an essential step in interactive cross-channel marketing that drives increased revenue and loyalty.** As

customers become more connected across more channels, marketers need to be able to collect these actions in order to carry on meaningful customer dialogues.

All of these customer interactions generate a lot of data – often called “Big Data”. As technology has made it easier to collect data, marketers are feeling the pain of trying to manage the collection and analyses of that exponentially growing data across multiple channels, and determine how to leverage it to grow their business.

Unless the data view is fully integrated, customer data can contribute to bad decisions and missed opportunities because you couldn't incorporate data from a critical channel and are left to work with a skewed view.



**Data collection shouldn't mean you collect all the data available.**

Data is useless if not actionable. Optimal data collection gives you the flexibility to capture only the data that matters and avoid the costly overhead of gigantic data sets. Social media is a good example. You don't care if your customer posted they went on a new hike on Facebook. You do care if she posted about your industry, products or service. Conversely, it's not enough to know that a visitor accessed your site and downloaded a white paper. You want to know where on the site she traveled, and optimize future communications to that customer. It's all about collecting the right data.

# Building the Business Case For a Customer Focused Enterprise

## Chapter 3

Building this digital ecosystem is easier said than done. Intimate, one-to-one customer relationships, that incorporate their data from disparate sources takes the the efforts of the whole organization and can be quite complex. The shift from marketing products to cultivating customers demands a shift in metrics as well.



The marketing department must be reinvented as a “customer department” and oversees customer-focused functions including R&D, customer service, market research, and CRM.

These changes will no doubt change the focus from product profitability to customer profitability, as measured by metrics such as customer lifetime value and customer equity. This organization transformation will uproot entrenched interests and so must be driven from the top.

### Effective implementation of a data foundation, will transform many aspects of the business:

#### Enhance business performance

You can't manage sales and marketing effectively unless you know what's really going on.

#### Strengthen innovation and competitive advantage.

Develop insights to help you better understand your customers and markets –and serve them more effectively.

#### Increase efficiency and lower costs.

Identify business process changes that allow you to streamline sales operations.

#### Discover hidden insights.

Uncover hidden patterns in the data that may otherwise go undetected.

#### Lower costs.

Pinpoint marketing and sales inefficiencies and opportunities for improvement.

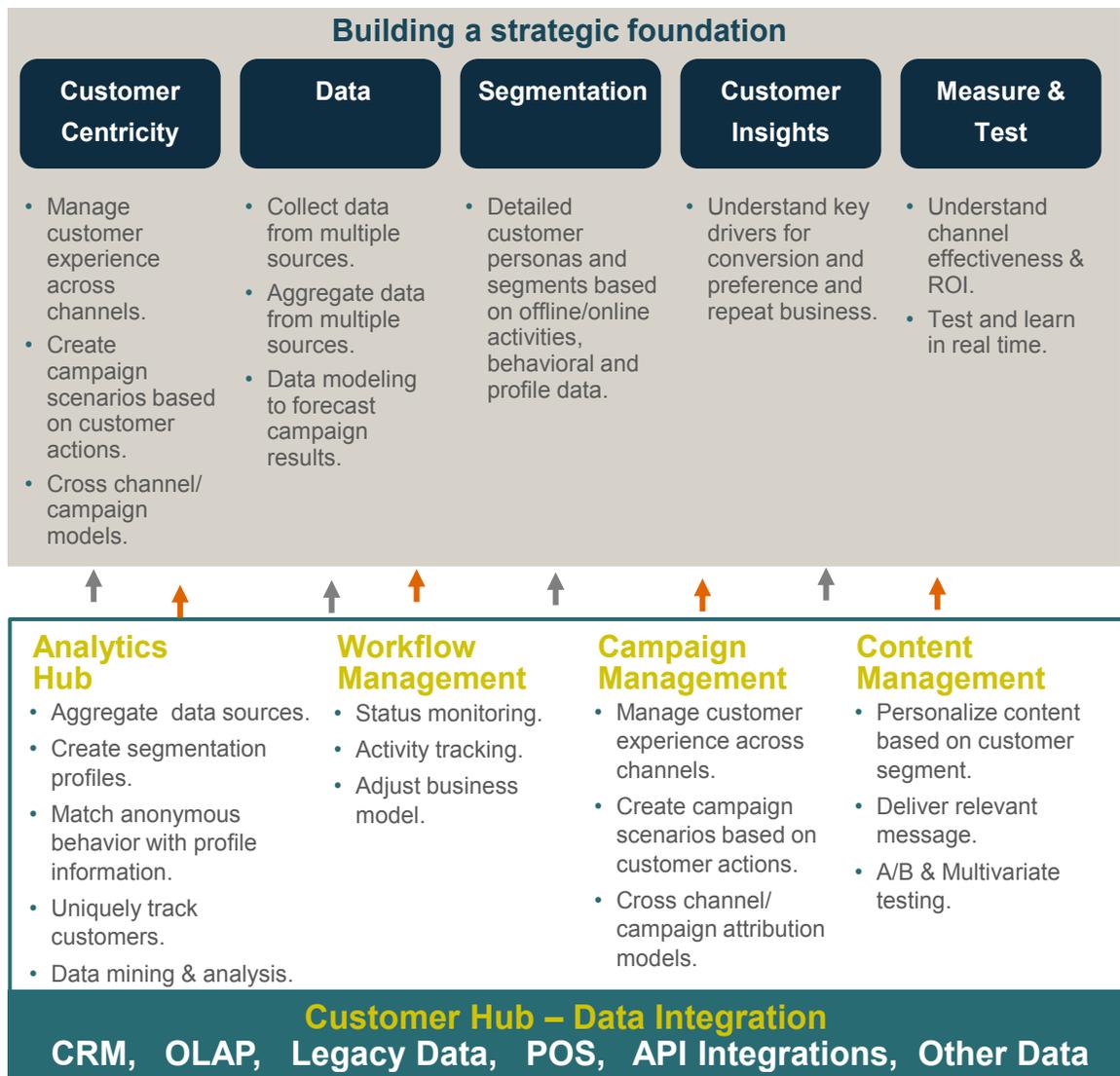
#### Improve compliance.

Improve the reliability of reporting by collecting and analyzing data using standardized tools and methodologies.

# Turning Data Into Insight to Fuel Marketing

## Chapter 4

**Data collection across channels provides a foundation to support the critical subsequent Enterprise Marketing Management (EMM) processes of Analyze, Decide, Deliver and Manage.** These symbiotic processes enable you to capitalize on the potential of data-driven marketing. This is the point at which a clear and focused implementation should enable the ease of access to actionable data, driving insights and operational improvements.



# Align Marketing Efforts, Tools, Media and Messaging Around Customers

## Chapter 5

**The dangers of data mismanagement.** Although data analysis is not always considered a strategic asset, failing to derive key business insights from data can result in lost revenue, lost confidence, compliance problems, competitive pressures, customer dissatisfaction and more. In the face of these challenges, analytics is no longer a luxury – it's a necessity.

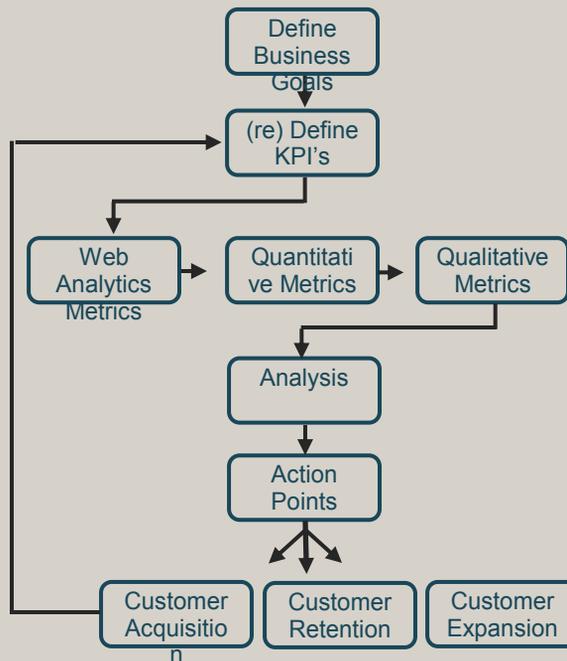
- Use information to drive innovation and competitive advantage.
- Access information tools that can help you measure and improve enterprise-wide performance.
- What data can be leveraged to understand the business and improve performance?
- Leverage information to manage risk, improve compliance, and drive business outcomes.

### Making the business case

Business goals drive key performance indicators (KPI) formulation that drive the data collection. Web analytics ask what is happening and directs other quantitative and qualitative studies to answer why it is happening.

The data is analyzed and action points are generated.

Ultimately, the purpose is to make data driven decisions on what to implement and optimize in the marketing/sales mix.



# Keeping the Customer-Focused Transformation On Track

## Chapter 6

**In summary, day-to-day processes can get in the way when you are trying to get a corporate transformation off the ground.** The solution? Create a compressed launch process that runs in tandem with established systems. Keep in mind the potential opportunities doing this right can deliver; clearly ID your business objectives and goals, focus your implementation around efficacy of analysis and reporting against your goals and have a strong overarching launch plan!

At the start, target a few high-value initiatives – these “quick wins” will serve as early symbols of the future success of the initiative. Early wins will quickly bring on additional advocates and resources.

### The Launch



Many transformation efforts stall because the great ideas and strategies never make it far enough down in the organization to have an impact on the people who relate directly to the customers or make the company’s products. If you can’t rapidly engage all employees and get them to commit to the agenda initiatives early on, the top team may move on to new challenges and strategies before your initial message reaches the full organization.

Buy in is crucial to launch success.



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