OPTIMIZE YOUR CUSTOMER EXPERIENCE STRATEGY, GET DATA RIGHT

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Personalization, consistency, segmentation… there are many ways to optimize your customer experience strategy and maximize results. The ability to capture and use data effectively is what all these activities have in common. In this paper, we describe how master data management (MDM) helps businesses put customer data to work.

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MDM users retain 23% more of their clientele each year, compared to those without it.

The ability to use data in customer conversations differentiates the companies that are winning the hearts and minds of buyers from those that aren't.

Findings from Aberdeen's study *CEM Executive's Agenda 2016: Aligning the Business Around the Customer* (May 2016) revealed that 58% of businesses today use at least eight channels to capture customer data. This means that companies have a wealth of structured and unstructured data (see sidebar on next page) regarding customer behavior and sentiment to work with. However, more data alone is not enough to succeed in meeting and exceeding the demands of the empowered customer.

How companies use data determines success or failure in customer experience management (CEM) programs. Those that excel in this area do so by building a single source of truth to support omni-channel interactions. This enables them to personalize conversations with buyers and ensures message consistency across all channels.

Delivering consistent omni-channel conversations depends on companies providing all relevant employees with a unified view of the customer journey. Master data management (MDM) helps

organizations accomplish this goal by eliminating data silos. In doing so, it helps companies enjoy the year-over-year performance gains depicted in Figure 1 below.

Figure 1: MDM Helps Companies Create Happy Customers & Grow Revenue
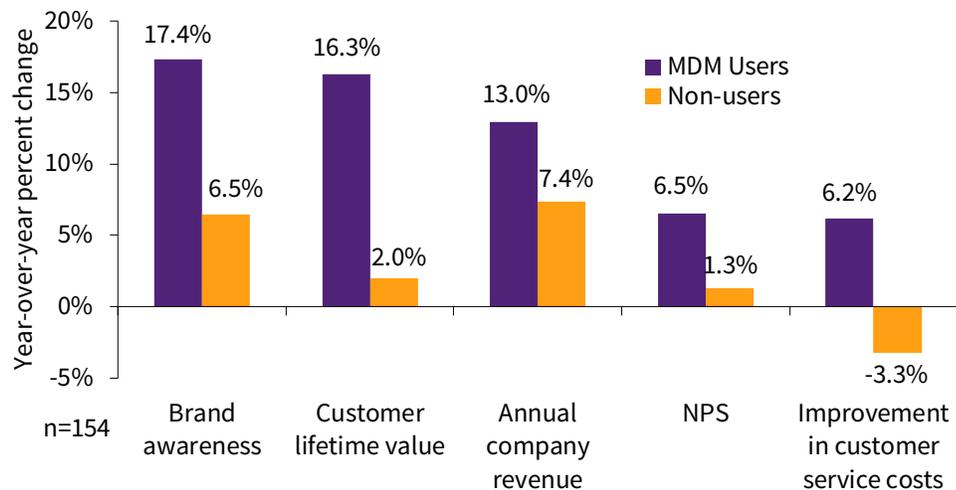
Source: Aberdeen Group, September 2016

Data from our study, *Getting Ahead in Customer Analytics: Which Technologies Do You Need to Succeed?* (June 2016) shows that only 15% of organizations are fully satisfied with their ability to use data to make informed decisions when managing customer conversations. The remaining 85% struggle in this area, because their data is captured and stored in disparate, disconnected systems. Let's take a closer look at how this impacts businesses.

Consider a customer who visits a website to learn about a certain product. This customer might then purchase the product in store and ultimately call into the contact center to request support. Data from these interactions could be captured through myriad systems including web analytics, point-of-sale (POS), automated call distribution (ACD), and interactive voice response (IVR). This data might then be stored across even more systems, such as CRM and ERP. In the absence of a single source of truth that's enabled by integrating all these disparate

systems, the company risks delivering a poor customer experience. For example, the contact center agent handling the support call will lack the details needed to deliver a truly personalized conversation. What's more, due to this lack of visibility into previous conversations, the agent also runs the risk of delivering inconsistent messages.

Most buyer / seller interactions span more channels, and are far more complex, than this simple example. However, this scenario plays out (in many different forms) across every business. Figure 1 shows that the use of MDM helps firms alleviate this challenge and differentiate from peers through superior customer experience management. Customer lifetime value, for instance, measures an organization's ability to create happy customers who stay with the business and grow their spend over time. Improvements in this metric indicate success in boosting customer satisfaction and capturing a greater share of the buyer's wallet. As you can see, MDM users attain far greater annual improvement in this metric, compared to non-users (16.3% vs. 2.0%).

Current and potential buyers are the lifeline of any business looking to deliver value to its shareholders. Companies that excel in building and managing a data-driven customer experience program are also better positioned to enhance their financial health. This ultimately helps satisfy their shareholders. Companies incorporating MDM in their CEM technology toolbox achieve superior results in enhancing their financial health, compared to those that lack such technology. Data shows that these organizations attain 76% greater year-over-year growth in annual company revenue, compared to those not using MDM.

Don't Ignore Analytics

The lack of a unified view of the customer journey is detrimental to modern businesses. While MDM helps companies address this

challenge, findings from our study, *Getting Ahead in Customer Analytics*, shows that top-performing companies tend to combine MDM with analytical tools such as business intelligence (BI) and predictive analytics solutions.

Empowered with analytics, employees can analyze historical and real-time data captured across all channels to uncover hidden trends and correlations. For example, using business intelligence, a financial services firm could determine how factors such as interest rate, account balance, age, or location might indicate the likelihood of a client applying for a mortgage. The findings from this analysis would help the firm tailor marketing campaigns to accounts that are most likely to buy. While its uses vary from business to business (and even department to department), the benefits of analytics extend across all businesses.

Companies that master customer communications across all channels also use analytics to gauge how the use of each channel influences their key performance indicators (KPIs). Doing so helps them assess how channels such as live chat, web, and social media impact customer satisfaction, cross-sell / up-sell revenue, and so on.

Key Takeaways

We're living in the golden era of customer experience. At no point in history have businesses had access to the amount of data they can access today. For companies that successfully build and manage data-driven customer experience programs, this represents a significant opportunity to drive performance improvements. As we have seen, 85% of businesses indicate that they need to do a better job in managing customer data before they can enjoy the desired performance outcomes.

Disparate data systems, resulting in siloed views of customer data, are the most common challenge causing businesses to fall

Companies without MDM are twice as likely to struggle with visibility into relevant customer insights.

Companies that successfully build and manage a data-driven customer experience program hold a significant advantage over those that don't have this capability.

behind in their CEM programs. This is the source of their inability to integrate the vast amounts of structured and unstructured data they capture, or provide all relevant stakeholders with easy and timely access to the resulting insights. The good news is that, as documented in this report, MDM helps companies alleviate the first challenge. As a result, it supports the ability to drive vital performance improvements.

When companies enrich their use of MDM with analytical tools such as business intelligence, the benefits are amplified. If you haven't yet taken the steps to get your customer data right, then we highly recommend you consider these technologies. Doing so will help your business better align with peers that have established data-driven customer experience programs and will maximize your likelihood of reproducing their results.

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