

# Data Management: Foundation for a 360-degree Customer View

WHITE PAPER:  
DATA MANAGEMENT



## Data Management: Foundation for a 360-degree Customer View

2

### ABSTRACT

ACHIEVING A 360-DEGREE CUSTOMER VIEW HINGES ON QUALITY DATA AND KEEN INSIGHTS. THIS KNOWLEDGE ENABLES ORGANIZATIONS TO PRECISELY TARGET PRODUCTS AND SERVICES TO CURRENT CUSTOMERS, ACQUIRE MORE PROFITABLE CUSTOMERS, REDUCE MARKETING COSTS, IMPROVE CUSTOMER SATISFACTION AND MAXIMIZE LIFETIME VALUE.

## WHAT IS A 360-DEGREE VIEW OF THE CUSTOMER?

### A concept that came out of Customer Relationship Management

The goal is to create a single, integrated view of all customer activity, tracking all customer interactions across channels and touchpoints and make that data available to all stakeholders.

By compiling, tabulating and analyzing data from different sources, organizations can develop a comprehensive view of the customer and apply predictive analytics to gain insight. Ultimately, you can confidently predict future customer behavior and desires, act on this insight at every touch point, and deliver relevant offers in the communication channels customers prefer.

*An organization that is not in control of its data is not in control of its business.*

### Who spearheads data improvement?

Many senior executives believe data quality is an IT problem. However, poor data quality directly impacts business decision-making across the organization.

Business leaders must acknowledge ownership of the organization's data quality issues, spearhead data improvement efforts, prevent these initiatives from slipping between the cracks and partner with IT to protect and enhance the organization's data.

### The consequences of poor data quality:

The examples below are a small sample of the staggering ramifications of flawed data, (TDWI):

- A telecommunications firm lost \$8 million a month because data entry errors incorrectly coded accounts, preventing bills from being sent out.
- An insurance company lost hundreds of thousands of dollars annually in mailing costs (postage, returns,

collateral, and staff to process returns) due to duplicate customer records.

- A large bank discovered that 62 percent of its home equity loans were being calculated incorrectly, with the principal getting larger each month.

### Roadblocks to achieving a 360-degree view

To achieve a connected customer experience based on a 360-degree customer view, business owners must first understand the foundational role data plays in becoming more customer-centric, and the hurdles commonly encountered.

**Multiple sources:** Data is likely to be stored in disparate systems, some of which may be inaccessible or unable to talk to one another. The records must be linked together and consolidated prior to being used for business processes. Integration with data quality software is often the only way of matching these records, especially when dealing with the nuances of identifying customers or vendors. Each system could contain its own variation in format or spelling of the same customer name and/or address.

**Duplication:** Frequently, duplicate records reside within one or more business applications or databases. Often these "matching" records include inconsistent, incomplete or inaccurate information such as multiple names on a single account, which undermine marketing and customer service objectives. Businesses must consolidate these records to eliminate duplicate efforts and obtain a single view across products, locations and assets.

**Data sharing impediments:** How data are stored, exchanged, formatted, or presented can often be inconsistent. When specific pieces of information need to be shared across two or more business applications, the absence of a common framework creates an obstacle. Each time data is replicated to serve the purposes of various business divisions, there is a risk the data gets corrupted,

## Data Management: Foundation for a 360-degree Customer View

### A SINGLE CUSTOMER VIEW INCREASES SATISFACTION AND MAXIMIZES LIFETIME VALUE

introducing errors and inconsistencies. Errors that get incorporated into the source data can multiply like a virus.

#### Precisely target products and services to current customers

The more complete and accurate your view of the customer, the more effectively you can target products and services to maximize customer profitability. Plus, predict profit-impacting behaviors and propensities, including:

- Cross-sell and up-sell opportunities
- Campaign planning and segmentation
- Customer satisfaction and loyalty
- Customer lifetime value

#### Acquire more profitable customers

By combining data mining and analytics, you can achieve a clear picture of your customers for greater customer

understanding, better targeting, and prediction of future customer behavior:

- Understand which customers are most likely to buy
- Discover who your most profitable customers are...and how to attract more of them.
- Evaluate the onboarding process to ensure new customers become raving fans

Now, you can model existing customers and use that information to focus marketing spend on prospects who resemble your best customers. Plus, get the most out of expenditures on prospecting for new customers.

#### Reduce marketing costs

When you achieve a single view of the customer, you can better target your communications, as well as eliminate returned mail and redundant mailings. You can reduce postage costs and the print and mail expense of mailing to the wrong address. Plus, you will avoid the alienation

#### Retail: Schwan's Home Service

A disconnect between customer touch points resulted in the creation of two separate records for the same customer, which led to missed sales, overlapping delivery cycles, duplicate mailings, and ultimately, customer dissatisfaction. The company needed a comprehensive data quality solution to help improve customer service and increase efficiency.

A technology solution from Pitney Bowes seamlessly integrated with Schwan's Home Service's web store, call center application and the handheld devices used in the field. Now, when the web store registers a new customer, the data quality solution standardizes the address and attempts to match it to an existing customer record.

This real-time standardization helped eliminate duplication and enabled operations to increase delivery efficiency. Access to customer order history provided an extra personal touch to foster loyalty. Better customer data quality resulted in a more complete, 360-degree view of the customer.

"By merging duplicate customer accounts with Spectrum Enterprise Data Quality Solution, we have vastly improved customer service and realized significant time and cost savings."

— Connie Gugel, Senior Systems Analyst

# ACHIEVE A 360-DEGREE CUSTOMER VIEW THROUGH EFFECTIVE DATA MANAGEMENT

and damage to brand equity that can occur when mailings inconsistently misspell the individual's name or address.

With granular control over address settings, you can optimize the quality of customer, vendor and partner records. By eliminating instances where multiple records contain different values for the customer identifier, you can match records and calculate the true value of each customer. Insights gained can help you understand customer communication preferences, increase marketing effectiveness and take advantage of lower cost support options such as email.

## Improve customer satisfaction

With customers expecting faster, more personal interactions across an increasing number of channels, organizations need cost-effective ways to empower customer-facing employees. With a complete, accurate and real-time view of the customer, data inaccuracies that consume time and money become a thing of the past.

Now deliveries reach customers more quickly, callers enjoy shorter wait times and faster resolution of problems. Companies anticipate customer desires identifying the next best offer, and customer satisfaction (and revenue) soars.

## Maximize investments in distribution networks

A 360-degree customer view can help you assess market potential through modeling. Geocoding and spatial analysis make it easy to assess revenue opportunities and make predictions about marketplace dynamics, so you can:

- Optimize distribution networks
- Understand the effects of new competitors and channel conflicts
- Quantify the returns on real estate investments

Predictive analytics can play a big role in helping you determine where to open, relocate or consolidate locations. You'll possess key insights that will enable you to know how many salespeople to deploy to gain market share in areas of highest probability of success and maximize revenue.

## Increase the accuracy of budgets and forecasts

Improved business data results in more accurate decisions, more confidence in those decisions, lower operational costs, and improved financial performance.

Now, you can base your budget on more realistic numbers, reducing out-of-control expenses and budget overruns. Strategy formulation becomes more precise, with more credible forecasts contributing to improved performance.

## Improve regulatory compliance

Once you achieve good data management and data governance, complying with industry regulations like Basel II, SOX, HIPAA, Gramm Leach Bliley, Office of Foreign Asset Control and others becomes much less of a burden.

You'll know your total potential exposure for clients on the Office of Foreign Asset Control (OFAC) or Politically Exposed Person (PEP) list. Monitor potentially fraudulent customer activity more closely. Plus, respect your customer's privacy preferences as you stay in compliance with regulations.

## Achieve a 360-degree customer view through effective data management

*This 5-step process begins with discovery*

1. **Gain an accurate and detailed understanding of your data** through profiling, which involves evaluating the current state of the data. You can explore relationships between data elements or across data sets, identifying data flaws and referring them to subject matter experts. Then monitor data quality by creating rules to check and validate the data used in your business systems and

## Data Management: Foundation for a 360-degree Customer View

### INCREASE ACCURACY THROUGH DATA MATCHING

applications. Tools can generate alerts when data quality is not achieved so you can resolve discrepancies.

**2. Organize and cleanse your data.** The process begins with creating tables and establishing relationships between those tables. By mapping variant representations to well-defined patterns, the normalization process effectively cleanses flawed data and improves record linkage for purposes of de-duplication and master data consolidation.

Data cleansing amends or removes data that is incorrect, incomplete, improperly formatted, or duplicated. A key aspect of creating a complete view of the customer involves recording names and addresses with precise accuracy. Now you can recognize and track customer names and know which Bob Smith you're speaking to when he calls, as well as ensure the delivery of goods to correct addresses.

**3. Increase accuracy through data matching.** Many organizations have multiple records across various lines of business that reference the same customer or relationships with multiple people within the same household.

- De-duping is the process of reconciling "matching" records that include inconsistent information.
- Householding links customer records based on matches such as name, address, phone number or Social Security Number.
- Merging and synchronizing consolidates data from multiple records into a single, best-of-breed survivor record.

Now, you can synchronize data from disparate business units and systems and improve business processes up-front.

**4. Enrich the data** to expand your knowledge of the customer. Go beyond the address to create a true view of your customers with rich location intelligence. Geocoding helps you determine the exact geographical coordinates for any address. Now you can confirm target locations within specific boundaries and the closest site for customer service activities.

Append customer records with demographics and other third party data. Add depth to your customer understanding to make more informed decisions, enhance customer communications, improve delivery efficiency and reduce operating costs.

#### Financial Services: MasterCard

MasterCard's data warehouse stores more than 30 million records for ATM, PayPal and merchant locations world-wide. They wanted client-friendly web and phone access to this data resource in both list and map format, complete with distances, directions and other vital information.

This required geocoding, which depends on a high level of data quality, and completeness, which requires built-in data-quality elements. The user experience needed to be simple, fast and easy.

Pitney Bowes provided the service, quality and dependability needed to deliver consistent, reliable and accurate information by standardizing, validating and consolidating disparate data into actionable information.

"We really rely on Pitney Bowes to be a partner with us in order to one, ensure the quality of our data; and two, help us geocode as many locations as possible."

— Steve Schwent - Consultant, Software Engineering  
MasterCard Data Warehouse Solutions

## FACTORS TO CONSIDER WHEN SELECTING A TECHNOLOGY PARTNER

**5. Analyze the data to predict customer behavior** and create more relevant offers. Location intelligence, for example, gives an insurer precise details on whether a property is in a flood zone, has experienced tornado damage, or is near a school or airport – all of which enables more informed decision-making. Or use location intelligence to discover where your customers are clustered to optimize distribution networks or determine how many salespeople to deploy.

### Insurance: Willis Re

As a global company whose clients have risks in more than 150 countries, Willis Re wanted to implement the latest in location-based technologies to deliver enhanced service to its clients, for whom profit margins depend on accurate information.

Thanks to Pitney Bowes, Willis is now performing in-depth risk analysis on a corporate client's or insurer's book of business (exposure) across every territory with more reliable results and greater precision.

The solution has been incorporated into analyst workflows, enabling Willis to undertake complex geographical risk analyses quicker and easier than ever before.

"The technology platform from Pitney Bowes has enhanced the service we offer to our clients by enabling them to make more informed decisions about their insurance and reinsurance costs."

-- Nigel Davis, Executive Director

Selecting a solution provider can be a high-profile decision, with much at stake and your company's future profitability hanging in the balance. To ensure success, you'll want to find a firm with:

- **Global reach** worldwide offices and experience with clients that work domestically and abroad
- **Deep experience** a highly credentialed staff, many of whom came out of companies they now provide services for
- **Product excellence** evidenced by high marks from Gartner, Forrester, TowerGroup and Ovum.
- **Technical expertise** experience with multiple platforms and technologies
- **Financial strength and stability** a company that's always there for clients in good times and bad
- **Reputation for data security** protocols in place to ensure your data is safeguarded and confidential

Look, too, for a firm that's forged partnerships with key data providers and delivers exceptional customer service and technical support.

That's Pitney Bowes Software, the global technology leader with a 90 year legacy of innovation. To learn more, call 1.800.327.8627 or visit [www.pbinsight.com](http://www.pbinsight.com).



Every connection is a new opportunity™

**UNITED STATES**

One Global View  
Troy, NY 12180  
1.800.327.8627

[pbsoftware.sales@pb.com](mailto:pbsoftware.sales@pb.com)

**CANADA**

26 Wellington Street East  
Suite 500  
Toronto, ON M5E 1S2  
1.800.268.3282

[pbsoftware.canada.sales@pb.com](mailto:pbsoftware.canada.sales@pb.com)

**EUROPE/UNITED KINGDOM**

Minton Place,  
Victoria Street  
Windsor, Berkshire SL4 1EG  
United Kingdom

+44.800.840.0001

[pbsoftware.emea@pb.com](mailto:pbsoftware.emea@pb.com)

**ASIA PACIFIC/AUSTRALIA**

Level 7, 1 Elizabeth Plaza  
North Sydney NSW 2060

+61.2.9437.6255

[pbsoftware.australia@pb.com](mailto:pbsoftware.australia@pb.com)

[pbsoftware.singapore@pb.com](mailto:pbsoftware.singapore@pb.com)