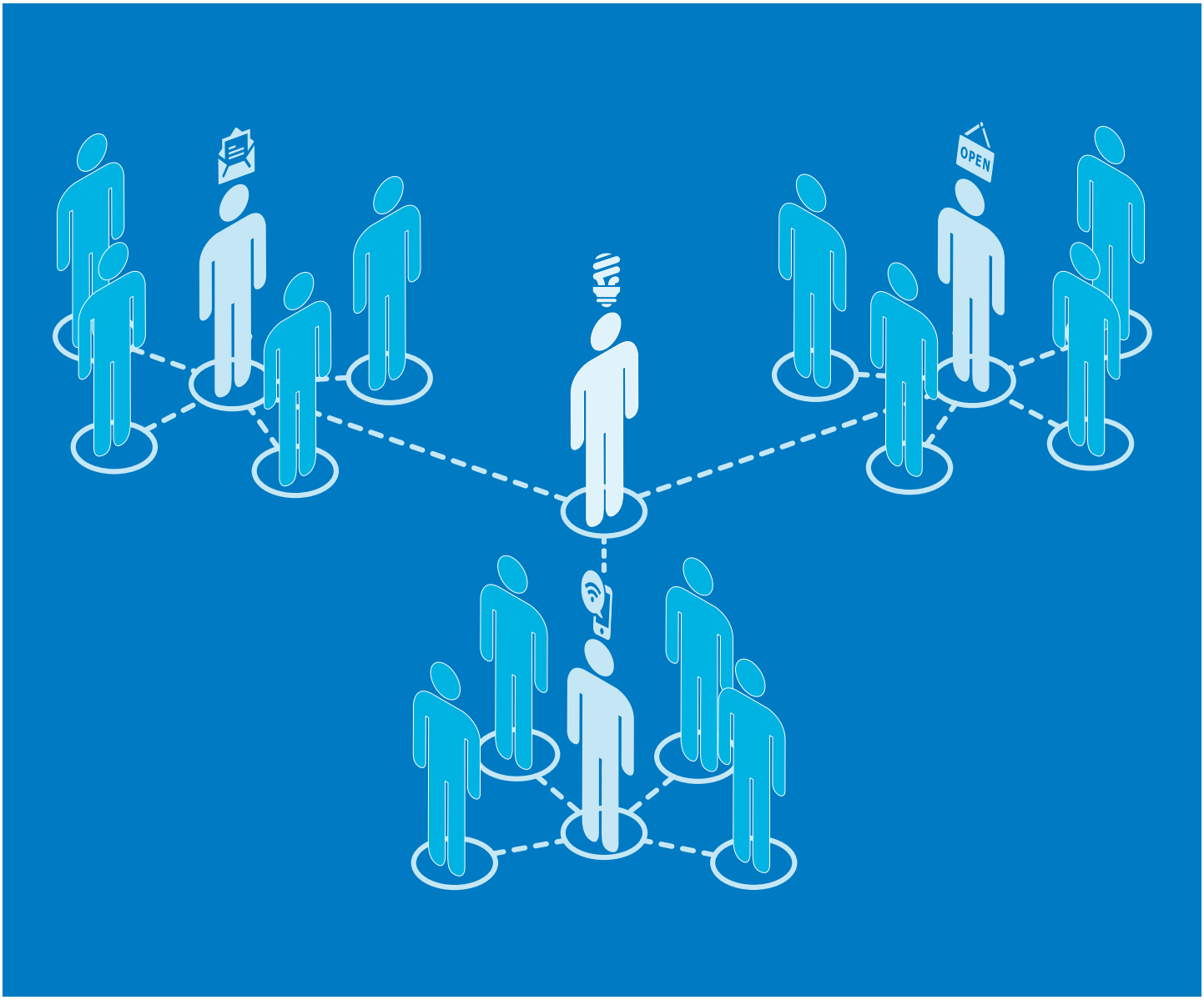
From concept to reality: achieving the Single Customer View

An Experian white paper

Experian™
Marketing Services



Contents

Introduction - fact from fiction	3
About this paper	4
The prices and prizes of a SCV	5
Business and customer benefits	9
Tips for a safer journey	10
Next steps	12
About the author	13

Introduction — fact from fiction

The potential of big data is nothing new to marketers. The realisation that ever-increasing amounts of customer generated information can have a massive and positive impact on marketing has now coalesced into the concept of the Single Customer View (SCV) and the vision that marketers can truly understand their customers across all channels.

Perhaps because of the wealth of treasures offered, the SCV has achieved almost mythical status — it's been an ambition for many years but never quite seems within reach. As with any myth, there's a lot of rumour and confusion, but very little in the way of empirical fact on how to achieve it.

Studies bear witness to this gap between concept and reality, with a recent IBM survey[1] reporting that 71 per cent of Chief Marketing Officers (CMOs) feel unprepared for big data and close to two thirds are concerned about the proliferation of new channels. The challenge here is that harnessing big data is fundamental to achieving the SCV, which in turn is fundamental to competitive advantage — businesses that don't deal with it will be swamped by it.

Though not widely appreciated, the reasons for this unease are receding. While the Single Customer View is not an easy thing to reach, we are now witnessing the confluence of accurate data availability, technology solutions and expertise that prove that big data is the prize of the information age, not its penalty.

This paper separates fact from fiction, outlines the tangible benefits that can be achieved, the dangers of failure and gives practical advice on how to turn the Single Customer View concept into a marketing reality.

Marie Myles
Director of Consulting
Experian Marketing Services

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[1] *From stretched to strengthened, IBM CMO C Suite Studies, Oct 2011*

About this paper

Experian commissioned market research in early 2012 to establish business attitudes to and progress towards the Single Customer View.[2] Key findings from the study inform this paper, which provides senior marketers with the information they need to move forward towards the SCV, make better informed decisions and place the customer at the heart of their marketing strategies.

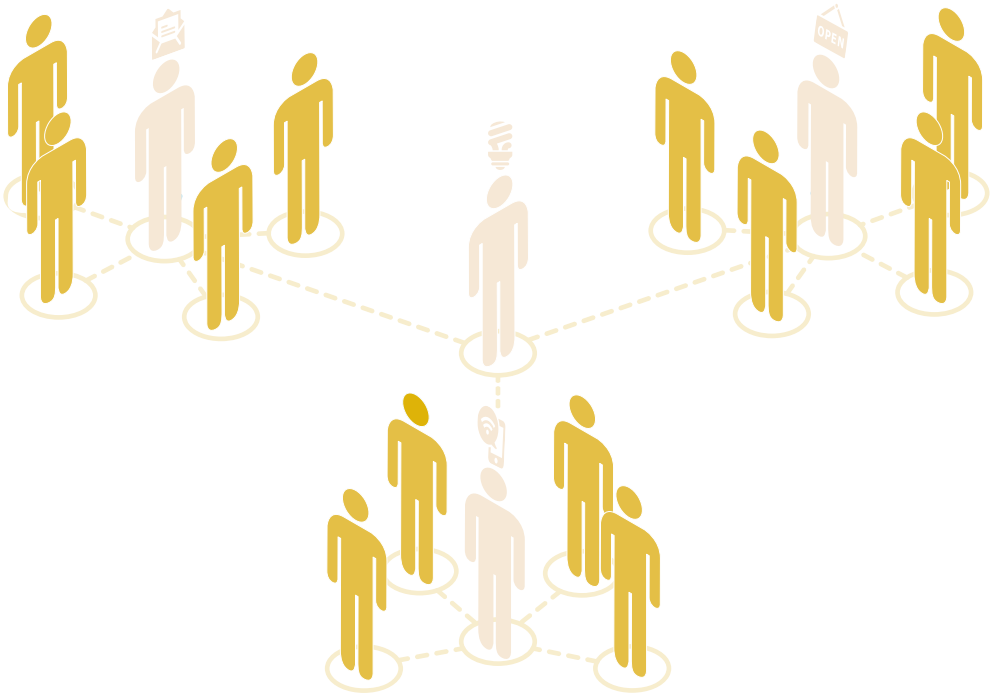
Defining terms

A Single Customer View is a readily accessible summary of a customer relationship across different products, brands, businesses and channels which enable personalised multi-channel engagement.

Central to the SCV is capturing and maintaining high quality data, and effectively managing this data from disparate sources.

This relies on the creation of linkages between different data sources, or to put it another way, bringing a customer's relationships together — usually by matching name, address and date of birth, and applying a unique customer identifier (often described as a customer PIN) to each individual. This identifier is then appended to every item of data relating to that customer — allowing all data on an individual customer to be matched and brought together to create a single view or record of that customer.

It's important to remember, however, that attaining the SCV is not an end in its own right —the Single Customer View alone will not suddenly transform your marketing effectiveness. The actionable insight you need to engage with the right message at the right time on the right device only comes from the application of analysis, technologies and smart thinking. By using data to link customers' on and offline identities, the Single Customer View becomes the platform on which you can build all your multi-channel marketing activity.



[2] *Striving for a Single Customer View, Experian Feb 2012 – sample of 400 UK businesses*

The prices and prizes of a SCV

Fundamental to the concept of a Single Customer View is the understanding that customers are at the heart of business operations and marketing strategies. In the information age, this isn't a 'soft' aspiration — it is one that is central to successful businesses.

The proliferation of new channels means that customers now have far more power, with the ability to influence other consumers, and have access to a far greater range of providers, making competition for businesses and brands incredibly fierce.

Being able to listen to consumers, learn from them and then go on to leverage this information for better engagement is, today, critical if businesses are to be competitive. But fast emerging and evolving channels, such as: the web, mobile phone and social media, mean that there are more sources that are generating a lot more data.

Customer impact
the price

As the Experian Marketing Services research shows, an incomplete picture of customer expectations carries a heavy price, with a significant percentage of customers walking away from companies that:

84% Don't Listen

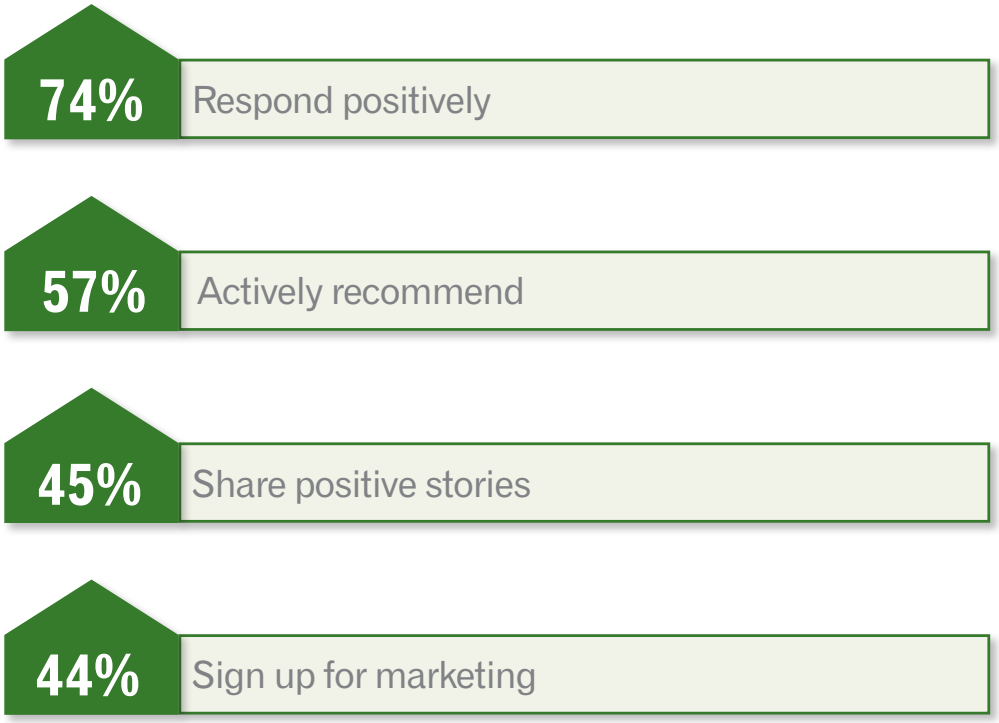
52% Market irrelevant products

45% Contact through a channel asked not to

36% Offers products already refused

Customer impact
the prize

On the other side of the coin, customers indicate that a company's active and intelligent engagement with them encourages desirable behaviours:



In addition:

- **First port of call:** 29 per cent of customers said that they would seek additional purchases with engaged companies and 26 per cent would use such a company as their first port of call, rather than shopping elsewhere.
- **Good news travels fast:** 26 per cent would proactively leave a positive review on the company's website and 12 per cent would email family and friends to share the good news.
- **Social club:** social media's role as a channel of customer influence will only ever become more important, but even today one in 10 would write something positive on, for example, Facebook or Twitter.
- **Actively engaged:** 32 per cent of customers would sign up to a loyalty scheme, 22 per cent to promotional emails and 12 per cent for e-newsletters.

Business impact
the price

As well as unfocused customer engagement, businesses report a range of adverse effects owing to the lack of progress towards an SCV:

85% Experienced avoidable problems

72% Ineffectiveness leading to financial implications

58% Inefficiencies leading to lost time and resource

22% Lost opportunities to competitors

Companies report that the missing SCV causes:

- **Waste:** cost inefficiencies (38 per cent), wasted time (34 per cent) and wider company inefficiencies (24 per cent)
- **Risky business:** 18 per cent report lost cross and upsell opportunities, 17 per cent reference a greater exposure to risk and 11 per cent point to an increase in bad debts. Meanwhile, 12 per cent report regulatory breach as an implication.
- **Indecision:** 29 per cent admit that decision-making has suffered due to fragmented data.

Business impact
the prize

It is also clear from the survey that CMOs are increasingly aware of the impact that greater leverage from data generally, and the SCV specifically, can bring to their businesses. The major themes associated with SCV that have emerged from the Experian survey are fundamental business drivers:

72% Improved brand reputation, customer service, engagement and retention

70% Finance - increased revenue and cut costs

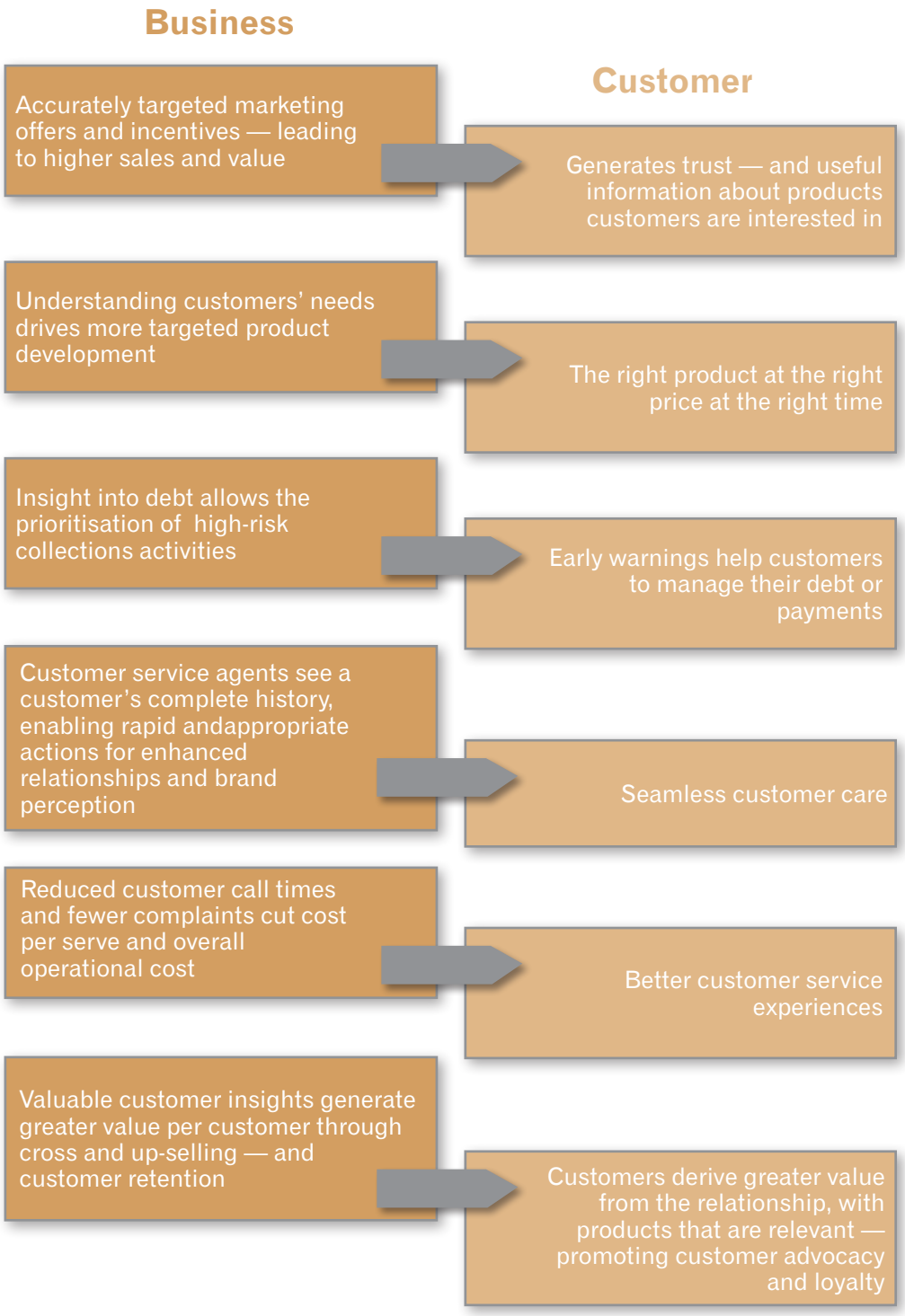
61% Increased efficiencies, data benefits and compliance

Delving deeper in to the survey results:

- **Valued customers:** 86 per cent of companies think that an effective SCV will enable them to increase the value of a typical customer over a 12 month period — through enhanced targeting for cross and up selling.
- **Retain and attract:** 41 per cent believe SCV will retain customers whilst 37 per cent see it as central to attracting new ones.
- **Cut costs:** 93 per cent of organisations anticipate being able to reduce costs across at least one area of their business with an effective SCV, whilst one in four estimate savings can be made across five functions or more.

Business and customer benefits

The term ‘win-win’ may be clichéd, but it perfectly describes the relationship that a SCV develops between business and customer.



Tips for a safer journey

Implementing a Single Customer View is one of the fundamental success factors to create a modern, competitive company. It demands cultural and systemic changes if the customer is to drive business priorities and marketing strategies.

This is a highly specialised area and demands equally specialised input, but the following pointers will help businesses to achieve a SCV:

1. **Be ready for business-wide change:** this isn't a simple initiative — it crosses all customer data sources within a business and may cut across business units as well as channel functions.

2. **Senior ownership:** whilst this isn't a top down process, it needs championing at a level of seniority that's sufficient to drive change across the business.

3. **Technology driven:** while benefits are business-wide, IT is critical to success and must be empowered to deliver.

4. **Focus:** Single Customer View is an enabler, with sometimes hard to see direct benefits, so focus is needed to ensure it doesn't slip down the list of priorities.

5. **Clear objectives:** good project management and clear definition of goals, rules and data sources are required.

6 **Know where you are now:** conduct an honest appraisal of current data quality capabilities and how to improve them.

7 **Resources that match demands:** issues tend to arise from lack of funding or resource —so ensure the Single Customer View project is planned, budgeted and resourced adequately. Use external suppliers where appropriate.

8 **Scope:** poor project scoping can be an issue. Prioritise key data feeds in the initial phases whilst allowing for new data feeds to be integrated at a later stage.

9 **Proper processes:** the wrong implementation processes, lack of buy in to the changes in operational units and having to deal with legacy applications can all impede progress, so ensure that these are anticipated.

10 **Testing:** insufficient testing is also a challenge — this may be a time constraint, lack of planning or lack of resource within the business units to test the new rules and data linkages together. Make sure this is factored into planning at the very earliest stage.

Implementing a Single Customer View is one of the fundamental success factors to create a modern, competitive company.

Next steps

Moving from the Single Customer View concept to the business reality is a complex process, but one that ultimately provides companies with clarity and simplicity. It is not a journey that should be undertaken alone, no matter what the size of the organisation attempting it.

Experian Marketing Services has extensive experience in the management of data and the rules and logic required to create linkages within a SCV application, developing software such as Experian Link to do just that. We can also draw on our own data assets to support Single Customer View — the most extensive in the UK. It means we can provide full cross-channel insight — including social media, email and mobile repositories — which other companies simply cannot match.

Understanding the need for greater customer engagement is the first stage in the journey to a Single Customer View, and the next is to talk to Experian Marketing Services — we will be with you every step of the way.

About the author



Marie Myles
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Marie has a wealth of client and supplier/agency experience in delivering data and insight driven actions and business benefits. A senior direct marketer with over 12 years experience managing and delivering large scale sales and marketing plans in the utilities (TXU and ScottishPower).

This is backed by over 7 years experience agency and supplier side ranging from a Senior Planner in a direct marketing agency to leading a consultancy team in the analytics sector. Able to adapt and apply her skills in other sectors with extensive Financial Services and Home Shopping experience as well as travel and now the luxury market; in fact any sector where customer data management and the application of analytics and research is key to added value. Marie backs these marketing credentials with a strong commercial background and extensive team and project management skills. Marie has a BA (Hons)Economics supported by professional diplomas in Management Studies, Chartered Institute of Marketing and the IDM Diploma in Digital Marketing (distinction).

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