

Towards a Universal Customer View

Understanding customer identities to deliver insight and drive value



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1. Introduction

Customer expectations are evolving fast. When interacting with brands, people demand smarter, more connected, more personalised and more seamless experiences, across every single touchpoint. And as we become increasingly connected to smart technology, the pressure to deliver that seamless experience for our customers is only going to increase.

Many businesses understand this challenge, but are struggling to cope with the sheer volume of data available to them. And the volume of data will continue to grow at a rapid pace. It's predicted that by 2025 the global datasphere will grow to 163 zettabytes (that is a trillion gigabytes). That's ten times the 16.1ZB of data generated in 2016.¹

This torrent of information is causing an 'infobesity' problem. Businesses are faced with an information overload. They have so much data, it can be overwhelming to know what to do with it all. How can they turn that data into useful information, unlocking its value and delivering better outcomes for their customers?

Bringing together all the relationships a customer, citizen or prospect has with an organisation is a principal and critical step. Much has been written and said about the importance of defining a 'single customer view', using technology to bring together the right data to reduce duplication of effort, save costs and make better decisions. Doing this will enable you to have a consistent, accurate and holistic view of your customer, prospects and their identity.

But with the myriad of data growing all the time, it's perhaps more appropriate to consider how investments in analytics and technology can move us beyond the 'single customer view' towards a 'universal customer view', allowing us to develop a deeper, more meaningful understanding of our

customers, beyond mere data-points of contact information and transactions into the realm of true understanding of them, their needs and motivations. The opportunity lies in the data. It's encouraging, then, to see that 83% of organisations see data as an integral part of forming a business strategy² and 65% of businesses acknowledge there's a need to improve their customer insight.³ Whether it's to drive better customer engagement, deal with existing or new regulation, improve marketing performance or manage fraud identification and risk, they recognise that data is the key to drive their business forward.

The quality, management and understanding of data is crucial for both businesses and society. This is an opportunity for smart, data-driven businesses to innovate, find better ways to deliver, or even disrupt a market. And it will absolutely be the key to building better relationships with customers.



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¹Data Age 2025: The Evolution of Data to Life-Critical', Seagate 2017

²Experian Global Data Management Research, 2018

³Experian Global Business Review, 2018

2. Benefits of a universal customer view

Few organisations underestimate the power of data to help achieve their business objectives. However, using this data to its fullest potential has been an elusive goal for many.

Better customer insight is a critical priority for 8 in 10 organisations⁴ and less than a fifth (19%) can currently harness all data to optimise customer interactions. Organisations should see their data as an asset – much the same way as their people, products or property – when used correctly it can unlock a wealth of insight and opportunity, limited only by the imagination of data practitioners.

Through more holistic and reliable customer insight, organisations can make more intelligent, data-driven decisions and stop relying on instinct and subjective opinion to make these decisions; something that currently plagues 40% of businesses.⁴ The benefits of this level of insight can be seen across business functions from customer experience and operational efficiency to regulatory compliance, risk identification and decisioning. Enhanced insight also provides value at each stage of the customer lifecycle.

- During prospecting and onboarding, you'll be able to build a more accurate picture of the types of customers you already have to help shape your prospective targets, as well as a view on if and how they've interacted with your brand before.
- While managing the customer across their lifecycle, enhanced insight enables you to deliver up a more personalised service or offering because you'll have a view of all their touchpoints with your brand – based on both an individual and household view of that customer; influencing their loyalty and retention.
- And in the unfortunate situation they do churn, you can win them back through more effective targeting based on a thorough understanding of the customer at an individual level, rather than account level.

All of this would not be possible without a universal, accurate and up-to-date view of your customers.

In this section we review



Customer experience



Fraud identification and decisioning



Operational efficiency



Regulatory compliance



Better customer insight is a critical priority for 8 in 10 organisations.

⁴Experian Global Business Review, 2018

2.1 Customer experience

Globally, 50% of organisations cite improving customer experience as the biggest driver for implementing a universal customer view⁵. Data is often seen as a hindrance to customer experience due to the poor quality found in so many databases. Organisations that use their data as an asset will be able to deliver a tailored experience that acknowledges who the customer is, past interactions with that individual and products or services used. Once you have an accurate view of your customers, who they are, what products and services they currently take from you and what motivates them, you can cross-sell and up-sell more effectively and appropriately.

“I’m a firm believer that influencing customers’ decisions, buying behaviour and loyalty cannot be achieved in silos – it’s about using data to make a difference, connecting the business with their customers across the entire customer journey. At Center Parcs we’re committed to our vision of delivering the most personalised and proactive guest experiences at every single touchpoint. That relies on our ability to bring together millions of interactions, combining the voice of the customer with good quality data, and delivering it back to the business.”

— Adi Clowes, Head of Data & Analytics, Center Parcs



60% of organisations perceive customer experience to be the top source of differentiation over the next 3 years

— Experian Digital Onboarding Report, 2017



Research from McKinsey showed that increasing the satisfaction throughout the customer journey by 20% can lift revenue by 15% and lower the cost to serve by as much as 20%

— Experian Digital Onboarding Report, 2017

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⁵Experian Global Data Management Research, 2018

2.2 Operational efficiency

Much has been made of the role of data in achieving strategic business goals. Take the biggest data-driven opportunities in the next five years – analytics, real-time processing, automation⁶. Realising these opportunities requires accurate and up-to-date data which will help enable more efficient processes, freeing up your people to focus their efforts in places where greater return can be seen such as innovation and relationship building.

“Not having a clear view of each record in our system meant valuable time and resource was spent manually linking and managing duplicates. What’s more, accurately reporting and delivering on regulatory requirements was incredibly labour intensive. Creating a universal view with accurate, up to date data has solved that problem and in the policing world that means a far quicker response to the public, budgetary savings and the opportunity to better identify those most vulnerable in our community.”

— Maria Hopper, Data Protection Manager, Cleveland Police



2.3 Fraud identification and decisioning

Knowing who your customers are can enable you to protect them throughout their interactions with your brand. Whether it be mitigating fraud or positioning the most appropriate product for their needs in regulated industries, an accurate, holistic and up-to-date view of your customers will enable you to make intelligent, data-driven decisions. Third-party data sources can be used to enhance your own data to ensure you are making the best decisions for your customers.

Our 2018 Global Data Management Research uncovered that reducing risk and fraud is the second biggest reason for maintaining high data quality, behind increasing efficiency.



⁶Experian Global Data Management Research, 2018

2.4 Regulatory compliance

68% of organisations claim that increasing volumes of data make it difficult to meet regulatory obligations.⁶ Through understanding the scope of the personal data you currently hold, as well as its validity and integrity, you can take steps to improve and enhance it and begin to tackle this challenge. Enabling your data to provide a complete understanding of your customers will assist in accurate reporting to relevant groups and governing bodies and your compliance efforts for key regulations.

“The financial sector in particular is subject to a number of important regulatory reporting commitments that are in place to protect consumers’ rights, including the Financial Services Compensation Scheme (FSCS). We place great importance on maintaining a clear and accurate view of our data because it’s fundamental to being able to meet our requirements efficiently and proactively uncover and fix data issues that could compromise our response.”

— Paul Silvester, Data Governance Analyst, Metro Bank



68% of organisations claim that increasing volumes of data make it difficult to meet regulatory obligations - Experian Global Data Management Research, 2018

⁶Experian Global Data Management Research, 2018

3. Achieving your universal customer view

In decentralised, service-driven environments, the increasing need to implement effective data-driven, smarter decisioning presents organisations from across all markets with a dichotomy: how to remain agile enough to adapt different strategies to meet rapidly changing market needs but at the same time, how to ensure their data strategy and quality of data insights are not neglected.

Recent Experian research revealed that organisations believe 30% of their contact data is inaccurate. This clearly has huge implications for businesses given 81% rely on it to make key decisions.⁷

Today, most organisations operate under an umbrella covering many internal businesses that have been aligned to specific markets and are fragmented and siloed. As markets themselves have developed it has resulted in these organisations requiring more sophisticated products to manage the expectations of their customer base. As this market landscape changes, new channels and products emerge to respond to these changes but often independently of any existing services. Therefore, such organisations will typically end up maintaining multiple, disparate systems driven with no commonality across the data assets used.

The challenge of trying to instigate order and structure across the data and then maintain this across so many systems can seem like a Herculean task. However, at Experian we firmly believe that it doesn't require mammoth transformational and costly IT undertaking. To truly benefit from any common view of your customer base, whether consumer, commercial or both, it is reliant on the ability to build a consistent actionable data-set that is both accurate and easily maintained.

To achieve this, we have developed a 4-step approach to addressing the data management needs of any organisation, across any market sector. Our approach focuses on the data and provides a methodology that will consolidate, clean, fix, link and enrich with additional customer insights across all data assets within a business. This can be done within the client environment itself or, to further remove the complexity of such a challenge, within the domain of Experian's secure hosted environments.

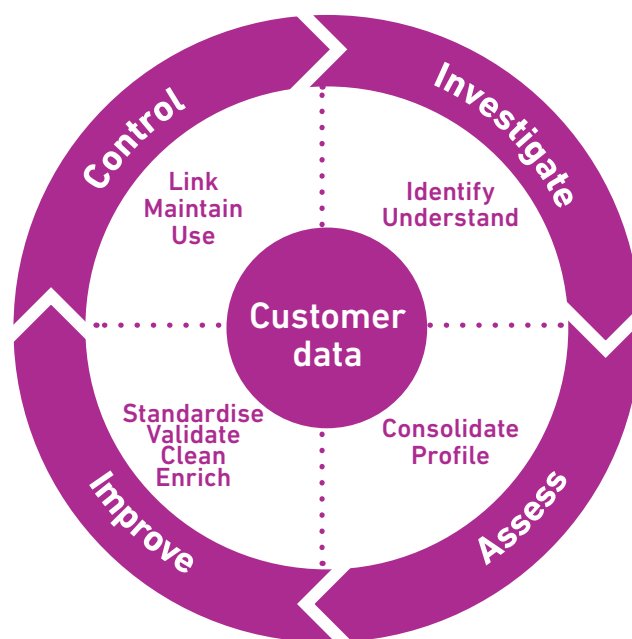


Diagram: Building your universal customer view

The real value of a universal view of your customers relies on the ability to maintain it and ensure its integrity over time. Data decays and new insights become available so it is vital, both when you're building your universal customer view and in the control step, that your organisation has the functions in place to preserve an accurate and up to date view of your data in a way that fits into business as usual processes.

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⁷Experian Global Data Management Research, 2018

4. Conclusion

It's clear that the transparent, secure and effective use of data has the potential to transform our approach to business. It can drive innovation, improve methods and increase productivity, allowing us to dramatically evolve our relationships with customers in the process.

However, there's no doubt that businesses are also feeling the pressure. Customers are increasingly calling the shots, empowered by more fluid offers and round-the-clock connectivity. This has provided a massive influx of information about their identity, preferences and habits, but making sense of the data deluge is certainly not a straightforward procedure. Indeed, research shows that just 1 in 5 organisations have⁹ a fully developed view of their customers, preventing them from establishing an effective cross-channel marketing strategy.

Achieving a comprehensive understanding of your market, and your customers, is absolutely vital. The quality of your underlying data is fundamental to achieving a universal view of your data. One which you can trust to enable you to make smarter, data-driven decisions, whether for marketing, credit, risk or regulatory purposes.

It all starts with the data. From improving operational efficiency, to building a more trusted brand, data brings challenges, but also unlocks enormous opportunities.

The biggest data driven opportunity in the next 5 years comes from analytics – this wouldn't be possible without good data quality and a universal view of your customers.

At Experian, we can help you understand and manage your data. Our team will be happy to conduct an audit of your data to show you what state it's currently in and what you can achieve. From here, we can tell you what you need to get your data quality up to the standard it needs to be if it's going to feed into a successful universal customer view.



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⁹Myths of Marketing Survey Results, Blue Venn 2017

About Experian

Experian unlocks the power of data to create opportunities for consumers, businesses and society.

At life's big moments – from buying a home or car, to sending a child to college, to growing your business exponentially by connecting it with new customers – we empower consumers and our clients to manage their data with confidence so they can maximise every opportunity.

We gather, analyse and process data in ways others can't. We help individuals take financial control and access financial services, businesses make smarter decisions and thrive, lenders lend more responsibly, and organisations prevent identity fraud and crime.

For more than 125 years, we've helped consumers and clients prosper, and economies and communities flourish – and we're not done. Our 17,000 people in 37 countries believe the possibilities for you, and our world, are growing. We're investing in new technologies, talented people and innovation so we can help create a better tomorrow.

Learn more at www.experian.co.uk



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