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Q&A: Powering the customer experience through data

As brands race to deliver the best customer experience in their markets and secure precious customer loyalty, many are looking to their data to provide an edge over the competition. When creating a good customer experience, business leaders need to think about what data they are capturing, whether that is the right data, and if that data is available to make appropriate, timely decisions. In a recent webinar: Powering the customer experience through data, Forrester Research guest presenter Michele Goetz discussed best practices for leveraging data to elevate customer experiences. Here are some of the top questions.

What are the top mistakes companies make when trying to develop better customer insight?

Michelle: There are three things that are very common.

1. Creating multiple customer databases.
Traditional data management practices forced companies to copy data from multiple sources into a single customer database. Business teams learned that if one database wasn't serving their needs, go build another that would. This ultimately creates more customer data chaos and data quality degradation. As business and application ecosystems expand, and data isn't always an internal company asset, modern data platforms are better able to bring data together when it is needed and only maintain in a single database when appropriate. This is an Information fabric. Now, when customer facing and analytic teams need to get insights, they query customer and relevant data from where it lives, or a view provided to them by IT. This saves time in preparing data, improves the quality of data, and data is more up to date because data consumers don't have to wait for heavy data processing to occur.

2. Forcing a common definition of a customer.
Marketing, Sales, Support and Finance each define a customer record differently. It can be based on identity, location, account number, or contract. Business applications like CRM, Marketing Automation and Financial systems will define the customer to meet the needs of the primary application users and process owners. When these teams need to work together, mastering a customer record typically is driven by finance to trace revenue and profitability. But, that can degrade the quality of customer

data in an application such as creating duplicates or entering data into inappropriate fields so information is not lost. Data quality and master data policies need to allow for multiple definitions to enable the efficient and effective business operations while also meeting customer experience objectives. The best practice is to allow unique definitions and create a data model to map, link and reconcile customer views.

3. Disconnecting customer data from customer journeys.
Building a holistic view of your customer comes from data capture and insights derived from analytics. The first step most customer stakeholders think about is, 'Where is the data?' This technology centric mindset gets too deep into an understanding of the database and disconnects the information from business objectives and desired customer outcomes. Understanding your customer doesn't stop with identity. Today, capturing intent, behavior, events, wants and needs, and influences in context of a customer journey and engagement points is critical. The customer journey means data is purposefully sourced and strategically aligned to what matters at the right moment for the best outcomes. Data and process alignment are critical.

What are some of the biggest challenges companies face when developing trusted data sources?

Michele: It comes down to addressing a bottoms up and top down perspective for data. Top down, when governance efforts start the most common question is, 'Who owns the data?' The next question is, 'What is the authoritative source?' This approach causes tension between IT and business stakeholders and tension between business stakeholders themselves. A better way to approach trusting data is to define it first by how it supports a business outcome and then understand who is helping to contribute, create, and update data about a customer, process or decision. Trust is a shared responsibility.

For bottom up, the challenge is detangling the complex data flows, sources, and models that exist in systems. Data management teams need ways to see into systems to align data to business objectives, processes and analytic efforts. They need ways to analyze the data, systems, lineage, and processing to test for data anomalies and ineffective and efficient data management. Then they need to apply the data governance business logic and polices to the data. Without strong skills and practices for data analysis in data operations, disconnects persist and grow due to lack of business alignment.

How do you think companies should get started when trying to improve their data?

Michele: Start with a strategy that connects data to business initiatives and objectives. Build a data opportunity map that illustrates where data will change and improve the business. Next, outline what needs to be addressed to meet the objectives of the opportunity. Governance teams will gather answers to questions such as: What quality issues occur? What regulations touch data in context of business activities in these opportunities? What data is missing or hard to get to? How should access and utilization of data be managed? Now, build out the requirements for the new solution to align data to these opportunity outcomes. Illustrate an approach for technology, roles, responsibilities, organizational alignment and processes, policies and procedures, and the data and models themselves. This can be high level to show a to-be vision. Then you develop a one-year road map with quarterly milestones showing the impact of deployment to the business. This can then translate into the workstreams that data operations, governance and business stakeholders execute on iteratively as well as put the foundations in place for ongoing best practices.

Who should own the customer data? How do you assign data ownership?

Michele: Everyone owns the data. Ownership responsibility is tied to how employees, partners, and customers share, use and enable data. Ownership is then defined by what the owner can do in context of how they currently interact with data. This minimizes the friction and disruption data ownership by aligning people, skills and business responsibilities logically to their relationship to the data. IT owns the capabilities to automate and scale the capture, management, governance, and delivery of data and insights. Data governance teams own the policies and procedure to ensure data is relevant, valuable and compliant with use cases and regulations. Business stakeholders own the capture, creation, updates and requirements for data. Customers too have ownership responsibilities – it's their data! Industry and government regulations for privacy are empowering customers with the ability to apply their own data protections. Companies are required to easily enable this for the customer as well as have the transparency and processes in place to monitor, alert and report to regulators and customers that they are following these laws.

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