

ORACLE

# Essential Strategies for Customer Data Management

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 **Ignite Guide**



AN ELEVEN-MINUTE READ

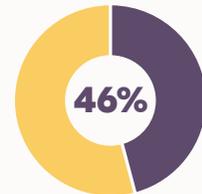


# Harness the power of good data to facilitate a top-notch customer experience

Effective customer data management (CDM) is essential to delivering customer experiences that are relevant and reflect the individual or the company on the receiving end. CDM systems consolidate account and contact data from front- and back-office systems—resulting in a single and accurate record for each individual and company (often referred to as a “golden” record).

CDM liberates teams from manually comparing and editing records, so they can spend more time using your customer relationship management (CRM) solution as intended—to sell more. A CDM solution delivers quality customer data to sales, service, and marketing teams right at their fingertips as they work within CRM and marketing applications. This helps them understand customers and align products and services to their business goals.

CDM also makes data enrichment efforts more constructive because you start with clean and correct records, and add second- and third-party data to them. This data foundation can drive more business



**46% of businesses say they don't have the right technology in place to take full advantage of their data.<sup>1</sup>**

value by uncovering new insights to fine-tune your products and services and improve customer experience.

Expand cross-sell and upsell opportunities, increase sales, streamline operations, and optimize the entire customer life cycle with CDM. This strategy guide outlines steps for gaining a complete view of your customer through optimal data collection, management, and enrichment.



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# Customer data management, defined

Customer data management (CDM) is a set of processes and technologies that enable the ethical collection, secure storage, and proper maintenance of customer information. CDM systems aggregate and normalize customer data collected from different sources.<sup>2</sup>

A foundation of high-quality data can



**Equip your service and sales teams to best serve a customer** at any given moment, be it by helping them redeem an offer, select a product, or troubleshoot a problem.



**Improve account intelligence** to inform how and when your sales or service organization contacts a customer, providing helpful background information to make interactions more seamless, satisfying, and relevant.



**Streamline operations across teams**—from service and sales to finance and marketing—by furnishing a single, consistent, and accurate customer profile.

## Types of customer data

**1. Personal data** includes both personally identifiable information (PII) and nonpersonally identifiable information (non PII).

PII can be used to trace someone's identity. It can include names, addresses, credit card numbers, and contact information; Social Security, passport, and taxpayer identification numbers; and financial, medical, and employment information.

Non PII can be collected, but it can't be traced back to a person's identity. It can include device types a customer uses, language preferences, time zone, cookie information, etc.

**2. Engagement or interaction information** pertains to how a customer interacts with a brand via its website, mobile app, social media, and paid ads. Other examples include whether a customer has opened or clicked through on emails, attended

virtual events, or interacted with customer service or sales.

**3. Behaviors** include purchase histories, how a customer uses a product or service, and how often they use them.

**4. Attitudes** include customer satisfaction, product desirability, product ease of use, and purchase criteria.



## Customer data management, defined

Without CDM, your team might act on inaccurate, outdated, duplicated, or inaccessible data, which hampers their ability to help customers.

Your organization is also at higher risk of violating legal requirements for collection, storage, management, and use of data. The European Union's General Data Protection Regulation (GDPR) went into effect in May 2018.<sup>3</sup> In a similar effort, the state of California implemented the California Consumer Privacy Act (CCPA) on January 1, 2020, and Maine and Nevada also have data privacy laws.<sup>4, 5, 6</sup> The Federal Trade Commission (FTC) can use broad authority to issue regulations and enforce privacy laws to protect consumers.<sup>7</sup> Violations can lead to legal consequences, hefty fines, compromised customer relationships, and damage to your brand.



**87% of respondents to a recent McKinsey survey stated they wouldn't do business with an organization if they didn't trust its data security policies.<sup>8</sup>**

CDM can help you maintain legal compliance and position you to solve challenges that torment most organizations, including

- **Knowing what types of data** you can collect and how
- **Using data at the right time** to differentiate your service and sales approach (for example, using location data for territory management or curated data to grow total addressable markets)
- **Cleansing and preventing** duplicated, inaccurate, incomplete, and obsolete customer data
- **Deciding who has access** to what data and how to keep it private from everyone else

## How do businesses gather customer data?

- **They ask customers to provide it** when they fill out a form, register for an event or service, subscribe to a newsletter, or complete a survey.
- **They track online behavior** and browsing history using cookies and web beacons. Businesses can also look at customer email habits, including where, when, and on what device they prefer to open emails.
- **They look to social media.** If someone shares information on a social media platform, it's available for anybody who comes across it.
- **They examine past engagement.** A customer's prior interactions with your business (such as with past purchases and interactions with advertising, marketing, customer service, or sales) can provide valuable insights.
- **They buy it from organizations** that exist to collect, analyze, and sell data.



# Build your foundation

To realize the total value of customer data management, make sure your strategy considers these factors.

## 1. Data quality and accuracy

10-25% of contact records include critical data errors that impact sales, service, and marketing teams' day-to-day operations.<sup>9</sup> Such errors affect 91% of businesses.<sup>10</sup> A CDM solution will maintain good data hygiene, keeping it clean, complete, and duplicate-free. CDMs catch and prevent duplicate records as they enter your systems, match them to preexisting records, and then retain the most accurate and complete version.

## 2. Verified data from the back office

Accurate data won't do you much good if it doesn't flow through your entire organization. That's why back-office integration is so important. You can create a single, complete, and accurate primary customer record that persists across your

business systems with a simple integration between your CRM and enterprise resource planning (ERP) application. Salespeople and service agents will be more effective when acting on information that reflects the most recent customer transactions and interactions across the entire business.

## 3. Data enrichment

The data you collect is vital, but it isn't enough to create a full picture of your customer. Complete customer profiles by connecting your CDM with a service that provides second- and third-party data. The latest demographic and firmographic attributes, corporate hierarchies, and news signals supplement first-party data to fill in details about your customers that aren't available in their transactional history with your company.

## 4. Data governance and security

Decide how you will store and use customer data, who has permission to access it, and what they are allowed to do with it. Customer data privacy is a big factor also, so define practices for encryption, audits, and maintaining backups. Documenting these procedures is an important part of data governance and security.

## 5. Artificial intelligence

The true value of your data rests in what you do with it. Artificial intelligence models are most potent when based on a full set of accurate customer data. As the algorithms learn and become smarter, they will help you develop more sound, trustworthy business insights to guide salespeople and service agents.



# Six steps to get started with CDM

## 01 **Unify your data on a common platform**

Unify your data on a common platform that shares the same data model. Bringing together CRM, ERP, and human capital management (HCM) systems will help you become more agile, plan smarter, and streamline processes across your business.

Unification lets you surface and analyze this collective data using business intelligence capabilities such data visualization and predictive modeling.

## 02 **Select a CDM system that addresses your needs**

Select a CDM system that addresses your needs for storage, management, and use. The most comprehensive ones come pre-integrated with core processes, data enrichment services, and best practices to ensure superior data quality.

## 03 **Decide how you are going to collect data**

Proper collection hinges on proper management. Leverage automation tools wherever possible to help mitigate human error—the most common cause of inaccurate data.<sup>11</sup>



## Six steps to get started with CDM

### 04 Train your team

Train your team to use the system—and its data. Those with data stewardship roles should understand importing, matching and cleansing, deduplication, and enrichment. End users should know how to view account profiles and history.

### 05 Establish protocols

Establish protocols for backing up and updating data. This may require an application capable of fast, efficient, high-performance, and high-volume data protection.

Such applications include different types of backup capabilities, for example backing up only certain data, making backup data available instantly in a non-proprietary format, or specifying the age of files that must be recovered in order for normal operations to resume after a system failure.

### 06 Develop guidelines

Develop guidelines to review for ethical and legal compliance continually. These should span data collection, management, and protection.

At every collection point, consider how you are helping customers make informed decisions about providing their data and what you do with it. Also determine how you will securely transfer data at scale and allow access to certain types of data to individuals and groups.



# Customer experience success and data go hand in hand

As you think about CDM and how to make customer experiences more satisfying, keep these essential principles in mind.



## 1. CDM is the foundation for good, clean data

Customer experiences are built on data. Done right, customer data management produces satisfying experiences that increase sales and customer loyalty. Done wrong, it delivers poor experiences that frustrate customers and damage your brand.



## 2. Verified back-office data improve CDM

Enterprise resource planning (ERP) and other financial applications contain the most accurate customer data within a company. Using a CDM system to marry this data with account and contact data in your CRM yields the “golden master” customer record.



## 3. Enriching customer data completes the picture

A CDM system makes it easier to flesh out customer personas with data from second- and third-party providers. Augmenting CDM with information such as in-store interactions, purchase history, and corporate hierarchy will help you market to, sell, and service customers.



## 4. Artificial Intelligence is more effective with CDM

AI models produce more accurate insights and predictions when trained on a valid, complete customer data set.



## 5. Data governance protocols protect you and your customers

Customers care about their privacy, and in fact, it is protected by law. When designing a CDM strategy, take care to document procedures for collecting and using information about your customers.



## Enhance customer data management with Oracle

Build a better source of truth with reliable data that permeates your entire organization. Integrated, continuously cleaned data means every part of your business is working with the same customer information and can make every experience personalized and satisfying.

**Find out how to [start](#).**

The screenshot displays the Oracle Workspace interface. At the top, the Oracle logo is visible. Below it, the 'Workspace' header is shown. A search bar and filter options are present. The main content is a table of sales opportunities with the following columns: Favorite, Win Probability, Name, Account, Amount, Close Date, and Sales Stage. The table contains 9 rows of data.

Favorite	Win Probability	Name	Account	Amount	Close Date	Sales Stage
★	20%	Smart Desk for ACME	ACME Corporation	\$48,000.00	11/1/20	01 - Qualification
★	10%	IIVAC Install	System Solutions	\$200,000.00	2/27/21	01 - Qualification
★	100%	Workplace Subscriptions	Cantor Technical Institute	\$408,000.00	9/4/19	07 - Closed
★	20%	Office Design	Washington Healthcare	\$0.00	1/30/21	02 - Discovery
★	90%	Enterprise Workspace Implementati...	Pittsburgh Electronics	\$280,000.00	11/28/20	06 - Negotiation
☆	100%	Enterprise Architecture Overhaul	Tatawour	\$2,922,451.74	10/16/17	07 - Closed
☆	100%	Desk Replacements	Banca Cooperativa Meridionale	€1,436,000.00	10/16/18	07 - Closed
☆	50%	Office Space Renewal	Pinnacle Technologies	\$1,198,772.73	12/31/20	04 - Presentation
☆	100%	Pinnacle technologies seattle Data...	Pinnacle Technologies	\$300,000.00	3/31/20	07 - Closed



# To the experience-maker who's always moving forward

As modern customers seem to shape-shift from one moment to the next, it's critical to maintain pace with their expectations. To help, we created the Ignite series to fuel your continuous pursuit of customer experiences that always hit the mark.

Guides like this one on customer data management aim to advance your expertise and help you craft foundational strategies in less time. So you can get back out there to captivate customers and drive revenue.

## What will you discover next?

- [Blog: Getting Customer Data Management Right](#)
- [Guide: Go Further with Data Management](#)
- [Guide: Do More with Customer Data Platforms \(CDP\)](#)



## About Oracle Advertising and CX

Make every customer interaction matter by connecting all your business data across advertising, marketing, sales, commerce, and service. Oracle Advertising and Customer Experience (CX) is a connected suite of applications that goes beyond traditional CRM to help you create and nurture lasting customer relationships. Build a complete view of every customer and every interaction, no matter how and when they engage. Empower your entire business to deliver exceptional customer experiences—from acquisition to retention—and everything in between.

### Sources

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