

Experts in Rapid Digital Transformation,
through Low Code Platforms, Data and AI

Closing the satisfaction gap

Achieving Customer 360



Information has always been at the centre of business, but today we are in the midst of a revolution: data promises to create competitive advantage by driving decisions, revealing market transformations and opportunities, and improving the effectiveness of marketing campaigns.

At the same time, today, when customers have multiple channels and touchpoints with business, data can be overwhelming. As a result, businesses are unsure how to proceed and customers, staff and management report problems of fragmentation and siloing, difficulty understanding customer preferences, and concerns about compliance and security, all of which hold them back from implementing data-driven strategies and slow business growth.

A survey conducted by TEKenable, in collaboration with Microsoft, revealed that businesses, from SMEs right up to corporations, know they need to make better use of data.

In this whitepaper, we show you how.

SUMMARY

In this whitepaper, we will explore the benefits and challenges of Customer 360, and how it can help businesses to transform their customer relationships and achieve their goals, underpinned by insights from our survey of SMEs and Corporations.

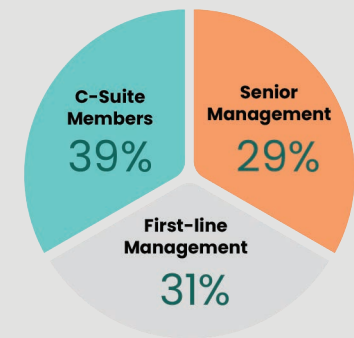
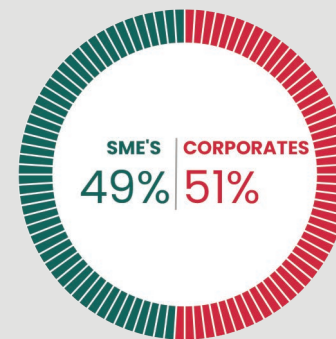
Key areas include:

- **Understanding Customer 360**
- **Examining the challenges** posed by current real world approaches to data in business
- **Understanding how to use data** in a compliant and secure manner



SURVEY DEMOGRAPHICS

- The survey sample comprised 51% Corporations and 49% SMEs
- Respondents included 39% C-Suite members, 29% Senior Management, and 31% First-line Management
- The industries represented most prominently were telecommunications and technology, followed by insurance, financial services, entertainment and leisure, health and pharma, and non-profit



INTRODUCTION

By now everyone has heard the expression **“data is the new oil”**. In fact, it has become something of a cliché in business. Despite this, it remains useful shorthand, but not necessarily as it was initially understood. Coined in 2006 by British mathematician Clive Humby, the phrase was typically understood to mean that data was a useful resource that would create value for businesses and society. Certainly, this is true, and it is a part of what Humby meant. However, as Humby meant it, the expression has a second component: data, like oil, has limited value in its raw state. In order to be valuable it needs to be processed, turning it into something useful.

In other words, data is all about potential.

Customer 360 is a method of doing just this. So what, exactly, does it mean?

Customer 360 as a concept is simple, meaning simply the collection of data and its use to create a kind of master customer record that aggregates all data about that customer from across the organisation. The benefits of such an approach are clear: by bringing data out of silos and into a central repository it can be examined and interrogated to discover patterns and drive future decision making. Let’s look at this in a little more detail.

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UNDERSTANDING CUSTOMER 360

In today's customer-centric business landscape, businesses increasingly recognise the value of Customer 360, allowing as it does a unified view of their customers across all and any touchpoints. **Customer 360 aims to break down silos between departments and provide a comprehensive understanding of customers' journeys with the organisation.** This holistic approach enables businesses to **deliver personalised experiences, enhance customer satisfaction, and ultimately drive business growth.**

- ▶ **Customer 360 definition:** Customer 360 is a method of collecting and integrating data from various sources to understand customer behaviour.
- ▶ **Data sources for Customer 360:** The data sources for Customer 360 include CRM systems, ERP and accounting systems, automation tools, sales platforms and customer service records.
- ▶ **Benefits of Customer 360:** Customer 360 can help businesses gain valuable insights into customer preferences, purchase history, interactions, and social media engagement. This can help them predict future trends and needs, and address potential issues before they affect the bottom line.

We believe that Customer 360 empowers businesses to make a crucial move beyond traditional transactional approaches to customer relationships and instead foster deeper connections. **By taking a unified view of their customers, businesses can tailor marketing campaigns and personalise product recommendations as well as provide exceptional customer service that resonates with individual needs.** This personalised approach fosters customer loyalty, increases satisfaction, and drives repeat business.

The question is, then, why is this not already happening?
To some extent it is, but there are notable challenges and roadblocks.



UNDERSTANDING TODAY'S DATA SEASCAPE

Data is important for businesses because it can help make better decisions, improve customer satisfaction, increase revenue and profits, solve problems, understand performance and stay competitive. It can provide valuable insights and information about customers, markets, operations, and processes, as well as support and even drive innovation, and optimisation, including digital transformation strategies.

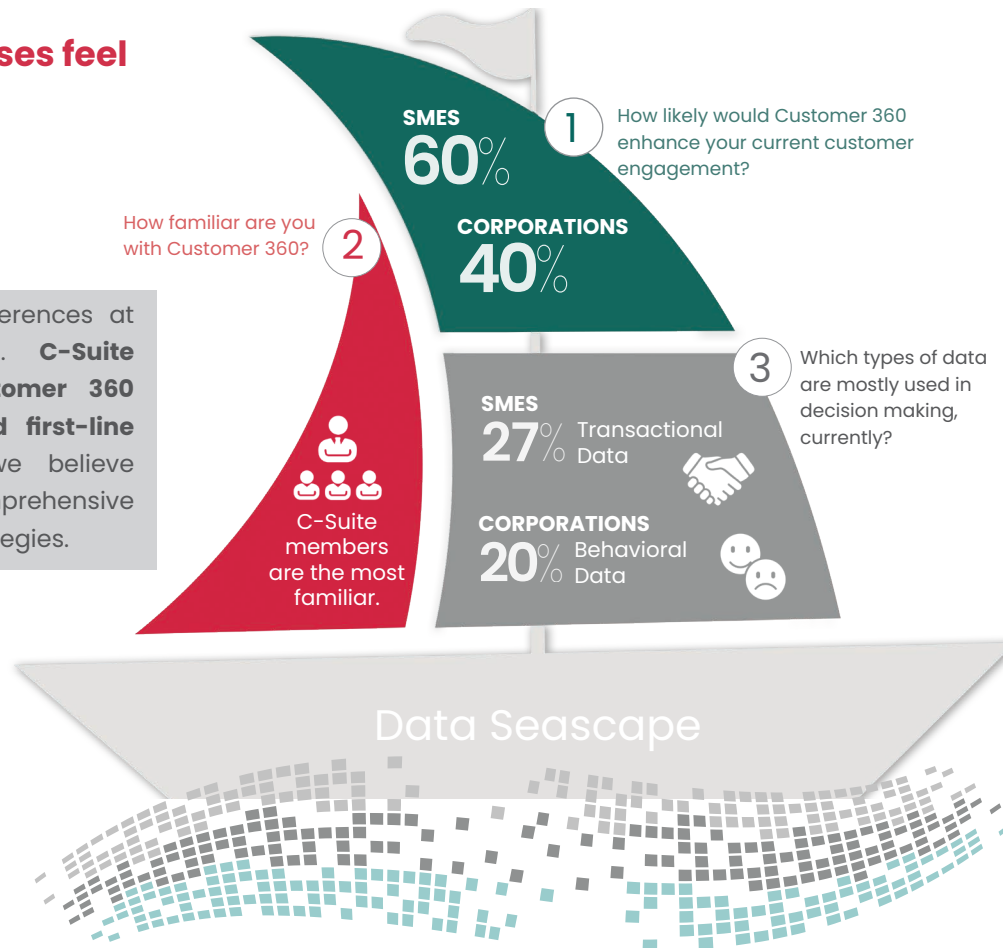
In one sense, this is nothing new. Every business is centred on its accounts, for example, and, depending on the industry or sector, many other forms of data are collected as a result of operations, from actuarial tables to customer volume to stock-keeping.

To say that nothing had changed, however, would be a grave error. Business today is faced with a whirlwind of numbers going well beyond traditional transactional data. Everything from customer sentiment to abandoned online shopping carts can now be quantified – at least in theory.

In reality, many businesses feel adrift on a sea of impenetrable numbers.

How familiar are you with Customer 360?

2 Our survey also recorded differences at management seniority levels. **C-Suite are more familiar with Customer 360 than senior management and first-line managers**, something that we believe emphasises the need for comprehensive education and engagement strategies.



1 Notably, our survey revealed that **60% of SMEs believe in the significant potential contribution of Customer 360 to enhanced customer engagement**, possibly due to their agility and potential to consolidate customer data efficiently. By contrast, **only 40% Corporations, believe the same.** This higher level of scepticism is potentially influenced by the complexity and costs associated with implementing and maintaining Customer 360.

3 The types of data used in business also vary. Our survey revealed that **SMEs predominantly used transactional data (27%)**, less frequently employing behavioral (10%) and demographic (8%) data. On the other hand, **corporations showed a more varied usage pattern, with behavioral data (20%) and demographic data (10%) being more prevalent.**

Data hygiene

Through its survey, TEKenable has identified a **number of barriers to the adoption of a Customer 360 data strategy**.

Data quality emerged as a challenge across all business categories, but with a notable difference in emphasis between SMEs and Corporation: **SMEs are less likely to draw heavily on data for decision making**. This difference is likely due to the fact that **SMEs often have fewer resources and expertise dedicated to data management**, making it more difficult to ensure data quality.

Additionally, management seniority plays a role in the level of concern about data quality, with **C-suite executives most likely to report data quality as a challenge** (65% of C-suite respondents cite it as their top concern). While it is likely that this greater concern is due to the fact that C-suite executives are responsible for making strategic decisions that rely on accurate data, other managers are also likely to report data quality as a challenge, albeit it a lesser degree: 56% of first-line managers report data quality as their top challenge. This is likely because first-line managers are less directly involved in the decision-making process and may not be as aware of the importance of data quality.

In light of this, it is clear that **understanding and addressing data quality is crucial** if businesses want to implement effective solutions that meet the specific needs of each business segment.

FOR SMEs

It is important to **build a strong data hygiene and quality assurance foundation**. This may involve implementing data governance policies, training employees on data quality standards, and using data quality tools.

FOR CORPORATIONS

It is important to **invest in more sophisticated data management solutions and to develop a data culture that emphasises the importance of data quality**. By addressing data quality challenges, businesses can improve their decision-making, increase efficiency, and reduce costs.



IDENTIFYING THE KEY CHALLENGES TO CUSTOMER 360

Our survey revealed five significant challenges faced by SMEs and larger Corporations alike in using data to move to a Customer 360 stance.

- ▶ Data Fragmentation and Silos
- ▶ Data Compliance and Security
- ▶ Lack of Single Customer View
- ▶ Inability to Make Data-Driven Decisions
- ▶ Challenge in Understanding Customer Preferences

Breaking down barriers

It comes as no surprise that fragmentation, or siloing, is also a major challenge. A wide variety of types of data are collected in business, often differing by business size and industry sector. In addition, existing software solutions, particularly legacy and on-premise ones, often leave data inaccessible to other systems and solutions.

This kind of siloing might mean that, for example, sales teams are unable to access information relevant to potential sales or mean that producing reports becomes an arduous and even haphazard process. On the whole, fragmentation and siloing have **clear negative impacts on businesses such as reduced efficiency, poor decision-making, and increased risk.**

The challenge of data fragmentation and silos is felt across all levels of management. Our survey found that, while the C-suite and senior management are more likely to identify data fragmentation and silos as a top challenge, first-line managers also recognise the importance of addressing this issue. This suggests that data fragmentation and silos are **a pervasive problem** that has implications for all parts of an organisation.

Moreover, **the problem is felt particularly keenly at SME level.** TEKenable's survey found that fragmentation and siloing is the most commonly cited challenge for SMEs when it comes to data, suggesting they may be more vulnerable to its negative impact.

Taken together, a data strategy that collects and provides useful data, where and when it is needed, and is not beholden to periodic manual imports from siloed, legacy systems drives a single view of the customer that facilitates better meeting their needs. **The single customer view, when achievable, allows businesses to personalise customer experiences, target marketing campaigns, and make informed business decisions.**

In other words, taking a Customer 360 view reveals not only what customers are doing, but also creates the ability to ask why they are doing it.

“ *On the whole, fragmentation and siloing have clear negative impacts on businesses such as reduced efficiency, poor decision-making, and increased risk.* ”



Further challenges: compliance and security

Concern about the need to protect data is also acting as a barrier to the adoption of Customer 360. Our survey revealed that some 58.3% of SMEs see data security and compliance as the main challenge, while 41.7% of Corporations identify it as the primary obstacle.

Again, concern varied by management level. 33.3% of C-suite members view data security and compliance as the principal challenge, whereas this figure rises to 41.7% among Senior Management. First-line Management reported the lowest concern, with a still significant 25% seeing it as the main challenge.

These concerns are not without justification. Recent years have not only seen a steady increase in security breaches, but also the drafting and proposing of significant pieces of legislation, such as the **European Union's General Data Protection Regulation (GDPR)** that set clear limits on what data can be collected, how it can be stored and processed, and terms for its deletion. In addition, the forthcoming **AI Act**, and its equivalents in the United States and United Kingdom, will further demarcate what business can and cannot do to extract value from data.

However, the picture is not a negative one. Indeed, adopting Customer 360 can have a positive impact as it requires a strategic rethink of both business processes and the IT systems that support organisations in their operations. **In fact, in moving away from legacy on-premise systems in order to benefit from a greater ability to make sense of data, businesses also enjoy improved compliance and security.**

Today's cloud-based applications, from CRM to ERP to accounting and beyond, are designed not only for interoperability, which is necessary for a single customer view and the useful adoption of artificial intelligence, but also benefit from the highly secure environments provided by the likes of Microsoft.

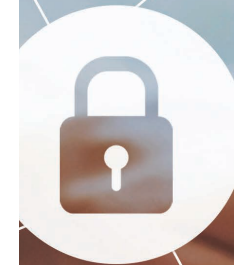
In addition, following the adoption of the GDPR, cloud service providers such as Microsoft have gone to great lengths to ensure compliance with data residency requirements, thus aiding compliance.

View that risk of data security and compliance in Customer 360, is main challenge, by management level:

33%
C-suite members

42%
Senior Management

25%
First-line Management



CONCLUSION: HOW CUSTOMER 360 CAN TRANSFORM YOUR BUSINESS

The challenge is clear: today, data is spread across multiple systems, held in multiple data silos, something that makes gaining and acting on key customer insights difficult if not possible. In addition, as complexity grows due to the changing nature of customer journeys, there is confusion about how to use data to create actionable insights.

TEKenable's view is that both SMEs and Corporations can benefit from Customer 360.

The first step must be a data hygiene strategy. After all, no attempt to make use of data in operational workflow has any chance of succeeding in the face of inaccurate or outdated data. As the old adage goes: garbage in, garbage out. Happily, the next greatest challenges – data fragmentation/siloing and compliance and security, respectively – are aided by the organisational and IT transformations necessary for adoption of Customer 360.

By moving to modern, cloud-based systems, which draw on a single source of truth, organisations will find that they are able to access a wider array of data points and interrogate them in new and novel ways. Furthermore, the move from legacy, on-premise hardware and applications represents a significant hardening of an organisation's security and compliance stances.

Other barriers identified by our survey can also be addressed.

For example, 43% of SME respondents consider the **lack of a single customer view** as the main challenge to Customer 360, while 57% of Corporations share the same perception.

And yet, the move to Customer 360 addresses this. Taking the case of SME, the results demonstrate concern about the ability to effectively manage and utilise customer data, which can hinder the ability to provide personalised customer experiences, target marketing campaigns, and make informed business decisions. However, the high percentage of SMEs facing this challenge highlights the importance of investing in CRM systems and data analytics tools to gain a unified view of their customers, both of which are a crucial component of Customer 360.

A further issue identified by our survey was a widespread **inability to make data-driven decisions**. 66.7% of SMEs say this was their main challenge, while 33.3% of Corporations share this view.

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CONCLUSION: HOW CUSTOMER 360 CAN TRANSFORM YOUR BUSINESS (CONTINUED)

Again, the move to Customer 360 is itself the answer: data-driven decision-making can help businesses to make better informed decisions about everything from marketing and sales to product development and operations, as well as gain a competitive edge and make better long-term decisions. As addressed above, adopting Customer 360 necessarily means collecting useful data in a way that can be strategically shared across an organisation without siloing. The result is that decisions can be made at every level, for example sales or marketing, due to the presence of useful and accurate information derived from data collected from the widest range of sources.

Business today is at an inflection point. Everyone in business knows that the data they collect and produce is the cornerstone of their future activities. They also know that competitors know the same. In addition, broad social and technological changes, from pervasive mobile internet to, most recently, AI, indicate that even greater changes lie ahead.

The strategy each business adopts in order to make sense of the complex business environments of today and tomorrow must obviously be bespoke, responding to the specificities of their size, existing and potential market, and more. Despite this, any and all strategies will have one thing in common: they will need to be responsive to customers, and they can only be responsive if they take the total view. More than a strategy for cleaning and streamlining data, this is the real promise of Customer 360: instead of 'finger-in-the-air' guesswork, business operations can be transformed by taking the raw material of data and using it to both quantify and qualify opportunities.

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Get in touch with a TEKenable Consultant to discuss the implementation of Customer 360 in your organisation.

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