

Integrating the customer view: Linking marketing, sales and service data for greater profitability

A White Paper by Harte-Hanks

Executive Summary

A simple but powerful approach to customer information is taking hold in leading companies—integrating the customer view.

Traditionally, marketing, sales and service maintain separate applications and customer databases. Inevitably, this leads to inefficiencies and a fragmented customer experience. Recently, Harte-Hanks has helped several leading companies create a unified customer database that spans all three operations. These companies are reporting significant gains in effectiveness, such as a greater conversion rate of leads to sales, increased accuracy of marketing data, improved marketing analytics, and more responsive service.

Database integration can be done as an incremental enhancement to existing applications and systems through a data mart, allowing organizations to continue using their existing CRM, SFA and service managements solutions while gaining the advantages of a fully integrated approach to customer information.


This paper reviews the integrated customer database, its benefits to marketing, sales and service, and a few issues to consider to ensure a successful implementation.

The traditional "three-headed" view of customer information

In most companies, whether business-to-business or business-to-consumer, three departments are in regular contact with customers and prospects—marketing, sales and service.

These three organizations drive the life-cycle of the customer relationship:

- Marketing reaches out with various campaigns to create interest, generating leads from new prospects and cross-sell/up-sell opportunities from existing customers.
- Sales builds relationships, follows up on leads and closes sales.
- Service takes care of customers over time, responding to problems and providing help when needed.



Marketing often has a rich database of prospect files, campaign results, customer information, scoring, and modeling. But most of it never gets shared with sales.

To the customer, they are three parts of the same organization. Clearly, all three functions are crucial to

customer satisfaction and loyalty, not to mention corporate profitability.

Yet in almost every company, these three organizations maintain their own customer databases and their own applications for communicating and caring for the customer.

Marketing often has a rich database of prospect files, campaign results, customer information, scoring, and modeling. But most of it never gets shared with sales. Sales is trying to get in the door, but doesn't have access to marketing knowledge about who should be targeted and why. Service is trying to deliver effective customer care, and perhaps support sales initiatives, but can't see the full scope of the customer relationship.

Fragmented data means fragmented marketing

What does this mean to the customer experience? In a word, fragmentation. The marketing department sends out an email and print media promotion to its list of customers and prospects. Meanwhile, the sales person is calling on someone else in the company who is not even in the marketing database. And neither knows that the service department just got an urgent call for help from yet a third person in the company.

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This fragmentation is not the fault of any one department. It's simply the result of how automation has evolved over the years. Marketing adopted CRM applications and databases, sales invested in Sales Force Automation tools, and service teams set up their own service management systems.

Case Study Snapshot

Company:

A leading provider of full-service community banking, investment management and trust services

Outcome:

Immediate and long-term value through more efficient pipeline management and improved close ratios

Such a divided approach does not make business sense—especially at a time when companies are looking for ways to build unified one-to-one relationships throughout the customer lifecycle. Obviously, a fractured marketing/sales/service effort works against that goal, or at best fails to support it.

A new approach: unifying the customer view

Recently, Harte-Hanks has been working with leading companies to bring all their customer data together in a unified data mart that informs all branches of customer care, from marketing to sales to service.

Companies that have taken the step are reporting positive results. They are able to see their customers with a comprehensive "360-degree" view that makes every customer encounter more productive.

Some of the benefits that Harte-Hanks has seen include:

- More synergy between sales, marketing and service. Instead of working at odds with each other, each department complements the others. The right hand knows what the left hand is doing.
- Improved knowledge of customers and prospects. Marketers talk about a "360-degree view" of

customers. But such a view is not possible when information is fragmented. Bringing customer information together in one place improves everyone's understanding.

- More accurate data. In many companies, marketing data is notoriously unreliable. Yet there is a resource within each company for keeping information accurate and up to date – the sales and service teams. These people have information about the customer not available to anyone else. For example, a company might have more than one relationship with a company, or two different people on the customer side might be linked in a given marketing/sales process. The sales and service departments often understand these relationships, and if given access to the marketing database, could make a huge contribution to creating a true 360 view of the customer.
- Closed loop between marketing, sales and service. Instead of leads being delivered months late without context, leads get to sales immediately. And the results of sales efforts can be fed back to marketing.
- Enhanced customer experience. Most importantly, a unified view of the customer helps companies deliver a consistent customer experience.

Lets take a closer look at what such a solution would mean to each branch of the team – sales, marketing and service

From the sales side

Access to a comprehensive customer database is an invaluable tool for sales people. Some of the things that sales people can do with an integrated database include:

- Ability to tap into knowledge gained from marketing campaigns. The marketing database is filled with information about customers and prospects—their history of responses or lack thereof, their stated preferences, their requests for information, etc. Why not let the sales force tap into this information and use it on a daily basis?
- Know immediately who responded to campaigns and why. If marketing does an email blast or other campaign, the results can be made available to sales people right away—so the sales team knows who got what offering and what they responded to. This empowers sales to follow up on the most productive leads in a timely way.
- Access to analysis and profiles. Traditionally, customer profiles and analysis are kept by marketing to plan campaigns. But sales people can make great use of this data. With integration, sales can pull up a customer list that has been scored by marketing to see what types of profiles are the most promising prospects. showing who should be called on for what solutions, based on history and modeling.

These capabilities can all be merged seamlessly with the traditional SFA tools such as lead management, workflow, document sharing, and synchronization with MS Outlook. Thus, sales people can have the SFA tool they're accustomed to *plus* a wealth of customer/prospect information at their fingertips.

Case Study Snapshot

Company:

A leading manufacturer of portable air duct cleaning equipment, electrostatic air filters and active video inspection equipment

Outcome:

Ability to leverage data for optimal campaign design and segmentation; identify and execute better on high-value business opportunities

From the marketing side

Marketing professionals depend on information—about customers, campaigns, and results. All these areas are improved by a unified customer database. Among the benefits to marketers are:

- More information in hand. An integrated database is an enriched database. Marketers can see more information to help them make marketing and budget decisions, such as types of leads, sources of lead, conversion rates, and what campaigns and targets generate the most bang for buck.
- Deeper insights into campaign performance. By integrating sales with marketing, and closing the information loop, organizations can track campaign effectiveness from lead to sales call to closing the deal. This is something few organizations can do today, precisely because sales and marketing data are fragmented. Linking them—and being able to see the full marketing/sales cycle—can thus provide a significant competitive advantage.
- Real-time sharing of information. When databases are integrated, information becomes more dynamic and actionable. Marketers can quickly identify which ads and campaigns are leading to sales and which are not, so tactics and budgets can be adjusted quickly. To take an everyday example, a business card scanned at a trade show booth in response to a special promotion can immediately enter the CRM system and update the SFA system for next-day follow-up.
- Closer coordination with sales. Marketing can alert sales of a new email blast with a click of the mouse. And responses can go immediately to sales, along with the campaign information and customer profiles that tell the sales people exactly how valuable and hot each lead is.

These capabilities are not a separate CRM application, but an extension of it. Marketers can continue using CRM as they do now—to plan and execute campaigns, analyze results, and model customers and prospects. In addition, they can enjoy a rich synergy with sales, and an improved database that is closer to a true 360-degree customer view—because it incorporates the insights that only sales and service can provide.

From the service side

As companies increasingly focus on customer loyalty and lifetime value, the role of service naturally moves to the forefront. Integrating the service database with marketing and sales is a natural and necessary step in that direction. Benefits to service include:

- Better view into customers. Too often, service only knows about a customer when something goes wrong. Data integration allows the service team to understand the customer relationship and the context in which service calls occur.
- Early engagement. Forward-looking companies can initiate proactive service policies, based on information that comes from marketing and sales information. For example, if service knows that a

Case Study Snapshot

Company:

A world leader in the agricultural and construction equipment businesses

Outcome:

Unified customer and prospect lead visibility at every point in the process;
optimized customer interactions for increased sales and loyalty;;
improved management of leads and pipeline

major marketing campaign for a specific product has launched, and that the sales force is closing a record number of deals, the service team can take appropriate action ahead of time—such as preparing to staff up or planning an extended warranty promotion for new customers.

- Greater role in customer relationships. Too often, service is the stepchild in the chain of customer relationship management. Through integration, the service department can play a more active role. For example, service can alert sales immediately when there is a pending customer problem, and service data can be added to the CRM system to provide the company with a better, more complete customer view.

As with sales and marketing, database integration can be added to existing service management applications, so the advantages are gained with little or no disruption to current practices.

What does it take to get there?

In Harte-Hanks' experience, the integration of customer data can be accomplished without a major overhaul of existing systems. Rather, it can be added as an incremental improvement. This keeps the expense of the project within the reach of most mid-sized to large enterprises.

When considering integration, a few issues to consider are:

- Data cleansing. An effective data cleansing tool is essential. Data will flow into the integrated data mart from all over the region, country or world. Data can be cleansed as it comes in, or cleansed nightly in batch, but the process needs to be done rigorously and regularly.
- Mapping disparate databases. The various databases—CRM, SFA and service management—are built and used for different purposes. From a technical perspective, they are likely to be quite different from one another. For example, one database might be relational and another might be structured on a star schema. Linking them is therefore a critical challenge.

The challenges are important, but can be overcome with proper knowledge and planning. Most companies will not have the resources in-house, and will need to partner with a consultant who has expertise not only in databases, but in marketing, sales and service processes in general.

Conclusion

A single data mart that can be used by sales, marketing, and service offers many compelling advantages. It enhances the synergy between the organizations. It makes all departments—sales, marketing and service—more effective. It improves the customer view, which in turn improves the customer experience that a company is able to create.

Most importantly, it creates a powerful competitive advantage by enabling more informed, coordinated and timely customer contact across all arms of a company. Market leaders are already taking the step now, and as their success is proven, no doubt more companies will follow.

About Harte-Hanks

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