CUSTOMER DATA PLATFORM INSTITUTE

Leadspace

Using Customer Data to

Deliver the Best Buyer Experience

Leadspace

Contents

Leadspace

Sure, B2B selling is tough. But B2B buying is even tougher.

Today's buyers do more of their own research using more channels than ever before: in fact, McKinsey finds that two-thirds of pre-purchase interactions take place outside of face-to-face meetings with sales reps, and the number of channels used has doubled since 2016.[1] The result is a highly disjointed process where the burden of integrating information from different sources sits squarely on the buyer. It's little wonder that 55% of B2B decision makers said their purchase decisions now take longer than before.[2]

Progressive selling organizations see the challenges faced by buyers as an opportunity to distinguish themselves by delivering a superior experience. The baseline challenge for sellers is to create materials for each channel, to ensure that buyers can find those materials, and to watch and optimize channel results. The more significant challenge is to coordinate delivery of the right materials to each potential buyer, creating a consistent experience across channels and responding to individual needs as each buyer moves through the purchase process.

Done correctly, a well-orchestrated approach makes it easier to buy from your company and presents a favorable contrast with less organized competitors. Done poorly, spreading uncoordinated materials across many channels increases costs to your company and creates confusion that drives buyers away.

Leadspace

Defining the Best Buyer Experience

Before jumping into the nuts and bolts of how to deliver a unified experience, let's ask what buyers really want.

Their ultimate selection goals remain the same as always: price, features, industry expertise, and ease of use.[2] What has changed is the self-service nature of the buying process, which puts a premium on saving time and effort for the buyer. Specifically, it means that buyers favor companies to make it easy for them get relevant content when they need it.

Leadspace

Any marketer working in B2B today can easily reel off a list of B2B data challenges. The challenge for companies is that what's relevant is constantly changing. To give each buyer the information she needs at a particular moment requires understanding where that buyer is in the purchase process. This means the company needs to:

Track the questions she has asked, content she has already consumed, and channels used

Identify other members of her buying team and track their behaviors

Collect third-party information on the buying team's behaviors and intentions

Assess the potential revenue and success probability of the deal

Combine all this information with current context to understand what content to provide at the moment

Use the same information to select other actions such as outbound sales calls or email messages

Coordinate all channels and departments to provide consistent, relevant information during each interaction

Just listing these tasks makes clear that delivering a unified experience is not easy. It's reasonable to ask whether it's worth the trouble. The short answer, unsurprisingly, is **yes**. Buyers clearly favor sellers who make their lives easier; more subtly, sellers who provide easy access to relevant information are showing they understand the buyer and earn more opportunities to promote their products. Studies show the most successful companies are twice as likely to have key capabilities in place than less successful firms.[3]

Leadspace

Delivering the Best Buyer Experience

The key to delivering a winning buyer experience is taking a systematic approach to the entire process, starting with a sound understanding of customer needs and ending with systems that give each customer what they need, when and where they need it.

All steps must be tied to the same, measurable goals and be optimized over time.

Steps in the process include:

Assemble data

Analyze the data

Build a customer journey map

Build a lead scoring model

Deploy results

Leadspace

Let’s look at each of these in more detail.

Assemble Data

The process works best when it’s based on a complete picture of each customer, including contextual information such as products, competitors, and business conditions. The primary source of customer data will be internal systems including CRM for sales and service interactions, marketing automation and web analytics for marketing interactions, ecommerce, and accounting. These will be supplemented as needed with external data about companies (size, location, products, technologies used, current vendors, recent news, purchase intent, etc.), existing and new contacts, competitive products and offers, economic conditions, and industry forecasts. Outside data can be especially important in keeping B2B contacts up to date: research shows about 5% of B2B contact records become outdated each month, and external resources are often the only way to find corrections efficiently. The list of possible data items is nearly endless, so it’s important to prioritize which are included based on the value provided by each item.

Once the necessary items are identified, you’ll need to identify the source of each piece of information, recognizing that some data is captured in multiple systems. You’ll then assess the quality of data from each source, bearing in mind that quality is always relative to the intended purpose. Other starting tasks include: define a structure to hold the data, recognizing there will be a mix of structured and unstructured information; finding or building connectors to import the data into a central data store; and developing on-going data management processes for continuous updates to the data. These processes include data quality checks, standardization and enhancement; identity management, matching, and deduplication; and application of calculated values such as lifetime purchase totals, segment codes, and model scores. Updates will be a mix of real-time and batch processing depending largely on capabilities of the source systems.

Analyze the Data

Initial analysis will provide the foundation for building your ideal customer experience. It starts with strategic issues such as the definition and size of the total available market, opportunities within the market, customer segments, and attributes of target and ideal customers. These are themselves based on core strategic factors such as the nature of your products, competitive position, existing and potential distribution channels, brand position, and other company resources. Strategic analyses often require external data to provide a full view of the situation, although that data doesn't necessarily need to be updated on a regular basis.

Different analyses are performed by different users with different tools. Basic customer profiling can be done by business users with simple reporting systems. Segment discovery and opportunity identification may need a data scientist using advanced statistical methods. Market projections and forecasts may require yet another set of skills. Again, some of these analyses will be updated continuously: for these, it's important to have tools that are efficient and, if possible, directly accessible to business users. Less common or more technical analyses might best be done by specialists using their general-purpose tools of choice. One positive change in recent years is that many platforms now offer analytical capabilities as part of their core services. This enables business users to perform analyses that previously would have required a data scientist to execute.

Leadspace

Build a Customer Journey Map

Once the main strategic analysis is complete, a more detailed customer analysis can address operational issues such as customers' behavior patterns, business goals, product needs, and communication preferences. These are summarized in the customer journey map, which provides the framework for managing on-going customer experience. While it's possible to define a journey map based on anecdotal evidence and personal experience, the more reliable approach is to use the actual customer data assembled in the previous steps. This can draw a fine-grained picture of the path followed by each customer, although it's not always possible to link every interaction to a specific individual, company, or buying stage. Despite such limits, journey mapping can identify "moments of truth" in the buying process that determine whether it moves ahead or stalls. Even more helpful, if the right data is available, the mapping process can correlate specific treatments, channels, messages, questions, and behaviors with different outcomes, giving the company guidance for how to react in different situations.

While the simplicity of a single journey map is appealing, it's important to recognize that different customers actually follow different paths, and this variety is increasing as customers use more channels and take greater control over the buying process. Journey maps are even more valuable in this situation because they provide a way to separate important similarities in customer behaviors from irrelevant variations. Like other types of advanced analytics, this often requires specialized software to execute and visualize effectively.

Leadspace

Journey maps take many different forms. All assign customer events to stages in the buying process. Where they differ is the attributes assigned to events: this nearly always includes the channel where the event took place, but may also extend to include the nature of the event and messages delivered; customer-related attributes such as goals, expectations, and emotions; business-related attributes such as metrics, tasks, departments, systems, and costs; and observations such as problems, opportunities, and suggested or planned changes. Some journey mapping systems can estimate the impact on future results of different treatments during an event, using incremental attribution methods or full-scale simulation models.

One note of caution: don't confuse journey mapping with journey orchestration. Mapping is a descriptive, analytical process that is based on data, opinions, or both. Orchestration is an operational process that selects the actual treatments to deliver to individual customers. Many orchestration systems use a journey map as an organizing metaphor. But they are not the same thing.

Leadspace

Build a Lead Scoring Model

Lead scoring is one of many analytical processes that can be applied to customer data. It's worth calling out because it often plays a central role in how leads are treated. Like other types of analysis, lead scoring is based on historical data. Specifically, it finds relationships between lead attributes at the time the scoring takes place and subsequent purchase behaviors. While early lead scoring systems focused primarily on how actively contacts were engaging with the company, the growing amount of profile information has enabled companies to base lead scores on lookalike models that assess how closely new leads resemble current best customers or target audiences. Scoring may predict whether a deal will close, the size of the closed deal, or some other behavior. (Even scoring formulas based on educated opinions rather than statistical analysis still use current lead attributes as their inputs.

Lead scores are most commonly used to route leads in the early stages of the sales cycle, enabling companies to apply all resources to their best use. Scores also give sales agents (and automated systems) guidance on how to treat each lead that is routed to them. Other types of scores may recommend specific channels, messages, products, offers, or next steps in a specific situation. Those kinds of scores must be updated as new information is received, frequently in real time, so they can guide orchestration efforts.

Deploy Results

Data assembly, analysis, journey mapping, and scoring models are all preliminaries to the actual process of delivering a unified sales and marketing experience. The key tool for this is an orchestration engine that accepts data from customer systems, applies rules and predictions derived from analytics to select the next action, and instructs customer-facing systems to deliver the result. The customer data will come both from whatever system is currently interacting with a customer and from other sources contain older information. Decisions may also depend on non-customer data such as inventory levels and market conditions. Choices made by the orchestration system include selecting the delivery channel and content to deliver; they may also specify a particular product or offer, or include internal messages such as a note to a salesperson make a call or to a marketing automation system to add the customer to a particular campaign. Centralized orchestration across all interactions is essential to delivering a consistent, optimal experience to each customer across all interactions.

In addition to deciding wh`ich treatments to deliver, the orchestration engine must adjust its choices over time to improve results. These adjustments are based on analyzing results of past decisions, which again requires collecting customer data. The analysis might take place within the orchestration system itself, within the journey mapping system, or in other tools. In practice, it will likely occur in all of these.

What's important is that the business continually reviews results and looks for opportunities for improvement. These opportunities can then be tested and deployed by changes in the orchestration rules and models. Simulation models and forecasts can also be used to optimize results. As with any optimization system, it's necessary to set an objective to target. This will often be long-term revenue, but business strategy might dictate targeting something else such as return on investment, new customer growth, or sales of a particular product line.

In fact, business strategy may dictate avoiding this sort of optimization altogether. The vision of a smoothly running, self-optimizing orchestration engine is highly seductive. But this sort of optimization may not lead to the best experience from a customer's view. It's important to keep in mind that urgency of delivering a superior experience to build loyal, long-term relationships. This becomes even more urgent as buyers build fewer personal relationships with sales people and it becomes easier to research alternative vendors. Orchestration engines and optimization algorithms make it easier to deploy and fine-tune unified company policies, but genuine innovation and insight still depend on human creativity.

Leadspace

Making it Happen

The steps to delivering a superior buyer experience are easy to list but hard to achieve.

The greatest challenge for most organizations is data. The information you need is present but it sits in many disconnected systems. Feeding it directly from every source system into every analytic, journey mapping, orchestration, and delivery system would require a frightening number of point-to-point connections, as well as duplicate data quality, consolidation, and enhancement processes. Attempting to build separate but consistent customer treatment rules in different systems, rather than using a shared orchestration engine, is even more impractical.

Many B2B companies look to an existing CRM or marketing automation system as the home for unified customer data. But neither type of system was designed for this purpose. Both are built primarily to store the data they generate internally, which is much less than a complete customer view. Their data structures are optimized for this limited slice of information and they lack the data quality, identity management, enrichment, and other tools needed to incorporate additional information. Nor are they designed to easily share their data with other systems.

Leadspace

Some B2B companies have an existing data warehouse or data lake that they consider expanding for this purpose. This may be possible, depending on the technology in place. But most data warehouses are highly structured and difficult to extend, while most data lakes lack the data preparation and unification features required. In both cases, this means that extending the existing system would be a major project requiring commitment of scarce technical resources that are often already committed to other high-priority projects.

Customer Data Platforms offer an appealing alternative. These are packaged software designed from the start to create and share unified, persistent customer profiles. As such, they are well suited to assemble, integrate, and deliver the data needed to support a unified buyer experience. Several CDPs are built specifically for B2B applications. There products have B2B data architectures, including support for company, account, and contact data types, as well as connectors to common B2B CRM and marketing automation systems. This makes them relatively easy and fast to deploy. Some extend beyond basic data assembly to provide advanced analytics, campaign management, and orchestration functions. This is distinctly optional, as many B2B marketing systems provide similar capabilities. These systems can easily be set to ingest data prepared by the CDP and/or to read data from the CDP directly.

Any company that is considering ways to improve its unified buyer experience should at least explore the CDP option before making a decision about how to proceed.

Leadspace

Conclusion

Today's B2B buyers have a wide range of suppliers to consider and can explore them through a wide range of channels. B2B sales and marketing organizations must adapt to this new situation by giving each buyer a unified, optimized experience across all channels. The technology to do this exists, but must be deployed wisely to create a cost-effective, manageable solution. Unified customer data is at the heart of any solution, and a CDP will often be the best way to assemble and share that data. B2B companies should carefully examine their existing systems, identify the gaps that prevent them from delivering the experience their customers expect, and move quickly to fill those gaps to ensure a successful future.

---

1. B2B sales: Omnichannel everywhere, every time, McKinsey & Co, 2021)
2. B2B Buyers Survey Report 2021, DemandGen Report).
3. 8th Annual B2B Sales & Marketing Data Report, Dun & Bradstreet, 2021)

About the CDP Institute

The Customer Data Platform Institute educates marketers and marketing technologists about customer data management. The mission of the Institute is to provide vendor-neutral information about issues, methods, and technologies for creating unified, persistent customer databases. Activities include publishing of educational materials, news about industry developments, best practice guides and benchmarks, directories of industry vendors, and consulting on related issues.

The Institute is managed by Raab Associates Inc., a consultancy specializing in marketing technology and analysis. Raab Associates defined Customer Data Platforms as a category in 2013. Funding is provided by a consortium of CDP vendors.

For more information, visit www.cdpinstitute.org

Customer Data Platform Institute
231 2nd Avenue
Milford, CT 06460
info@cdpinstitute.org

About Leadspace

Leadspace B2B Customer Data Platform empowers Sales and Marketing to find and convert their ideal customers through accurate, personalized engagement across all channels. By combining customers' first-party data with unparalleled third-party data coverage, intent signals and Artificial Intelligence, Leadspace provides a 360-degree view of customers and prospects, and can accurately recommend the best marketing and sales activities to pursue. Updated in real time and automated directly into leading CRMs and Marketing Automation Platforms, data and intelligence remain constantly accurate and actionable. Based in San Francisco, Denver and Israel, Leadspace is trusted by more than 130 B2B brands and 7 of the 10 largest enterprise software companies, including Microsoft, Zoom Video and Marketo.

For more information visit www.leadspace.com

Leadspace, Inc.
445 Bush Street, Suite 900
San Francisco, CA 94108
info@leadspace.com