Executive Summary

Who *are* your customers? Which products and services are they buying across your enterprise? How much business have they transacted with your enterprise so far this year? Where do they conduct business besides your firm?

Customer data integration (CDI) helps you answer key business questions.

If you don't have an enterprisewide solution for customer data integration (CDI), it's unlikely you can answer any of these questions with a respectable level of accuracy. Therefore, you don't know who your most profitable customers are, and, in turn, you don't have a viable strategy for retaining and growing them. If a customer is in peril, you won't know it until they churn—and maybe not even then. If you're not acquiring customer data from third parties, you don't have a complete view of your customers' financial brackets, consumer demographics, and lifestyle behaviors—information that is essential to successful up-sell and cross-sell, plus accurate customer base segmentations.

Customer data's greatest value is achieved when it becomes an organizational asset.

CDI helps with these issues by collecting customer data from disparate enterprise and third-party sources and integrating the data into a 360-degree view of each customer that's complete, up-to-date, cleansed, and standardized. TDWI's position is that customer data is an organizational asset that's best shared and leveraged across every business within an enterprise. For customer data to achieve status as an enterprise asset, its ownership and management must be centralized, although physically relocating the data to a central location isn't necessary. Once centralized ownership and control are ceded to corporate IT, the CIO's office, a data governance committee, or some other central organization, sharing customer data across organizational boundaries is relatively fast and easy, as is improving and integrating the managed data.

Most firms have old CDI solutions that need to be updated or replaced.

Of course, the devil's in the details. Many corporations already have multiple CDI solutions, owned by diverse departments. Many of these are silos connected to a short list of systems, despite their use of integration technologies. And many are legacies that need to be updated or replaced to address new requirements in CDI. In these cases, a corporation cannot start with a clean slate, but must spend time and resources consolidating redundant CDI solutions and updating others.

However, the effort of CDI is worthwhile because it yields ROI. The catch is that the ROI is indirect. For instance, up-to-date customer data leads to more efficient customer service, which yields higher customer satisfaction, such that customers churn less. Since CDI is the first link in the chain (and revenue is the last), it's hard to link CDI to revenue. But the link is there.

CDI has ROI and benefits, so just do it.

ROI aside, CDI has other benefits. According to this report's survey of users, the leading benefits involve improvements to actions in business intelligence (BI), sales and marketing, and customer relations. And improvements in these activities lead indirectly to revenue lift or cost savings.

Most users will update their CDI solutions soon and significantly.

According to our survey, data quality functions are what users wish for most in their CDI solutions. Curiously, the same users admit they aren't doing much with data quality today, but they anticipate beefing up data quality functions in their CDI solutions in the future. The survey uncovered the same situation with master data management, metadata management, third-party data, bidirectional data movement, and Web services. All are inadequately supported in today's CDI solutions, but users anticipate correcting all these soon. TDWI hopes the correction does indeed happen—and soon. Without these corrections, CDI solutions are unlikely to satisfy recent requirements (respectively) for consistent definitions of the customer, data lineage, visibility beyond the enterprise, customer data distribution through a CDI hub, and customer data services that are embeddable within packaged and composite applications.