

# **Is Customer 360 Dead?**

**How to do Advanced Marketing  
Analytics in the Age of  
Data Privacy Regulations**





*The '360-degree view of the customer' promised to deliver the Holy Grail of marketing:*

*A complete, data-driven picture of individual customers, built out of real-time interactions across all brand touchpoints.*

*But GDPR rendered this concept more painful than it was worth.*

**The result:** *Marketers have never had more customer data available to them, and never had a tougher environment in which to use this data.*

*In this overview, discover how marketers can turn the challenge of GDPR into an opportunity: **Deliver exactly what customers want, and build value for business through advanced analytics.***



# 360-Degree View and Data Regulation

Digital marketers are in a bind.

Customer data volumes have expanded so much over the last few years, that the global Customer Data Platform is now worth **\$1.42 billion, and is projected to grow to \$6.94 billion by 2029.**

In addition, with brand touchpoints and advertizing options multiplying over the last decade, customers have come to expect personalized experiences and interactions as a matter of course.

Per a recent **McKinsey survey**, 71% of respondents expected personalized experiences and three-quarters planned to switch if companies did not deliver.

How could marketers overcome these challenges, whilst continuing to deliver high-value service to their customers and businesses?

The 360 degree view of the customer promised to solve all their problems.

Describing a 'single view of customer engagement' across the entire customer journey, the 'Customer 360' model centered on the creation of a single customer record. Created by aggregating customer data from across the organization, including social media behavior, transaction data, demographic information and click-stream data, Customer 360 would provide a complete view of the customer. What's more, it would be enriched in real time with in-the-moment activity data points, enabling ever-more-accurate personalization.

However, the concept ran into a serious problem: Data Privacy Regulation.



GDPR, instituted in May 2018, limited the kind of data businesses are allowed to collect. Even with user consent, the law required companies to offer users the ability to simply opt out of data gathering processes. Without consent, it made it a must for user data to remain anonymous. Hence, companies risked losing data points necessary to build complete customer pictures.

This issue — as well as implementation and execution costs — made **Gartner reassess the Customer 360 model**: “By 2026, 80% of organizations pursuing a ‘360-degree view of the customer’ will abandon these efforts because they flout data privacy regulations, rely on obsolete data collection methods, and erode customer trust.”

While companies can collect and store certain data without consent, GDPR requires that this kind of data be **completely anonymous**

# The State of Play: Key Tenets of GDPR

Designed to ensure individual privacy and data security, the European Union's General Data Protection Regulation (GDPR) requires companies to gain user consent for collecting and using personal data. While companies can collect and store certain data without consent, GDPR requires that this kind of data be completely anonymous. This means that any user data collected without consent cannot contain personally identifiable information (PII) that would allow individual users to be traced.

Affecting any company based anywhere in the world that targets users inside the European Union, GDPR gives authorities and individuals legal recourse against companies in breach of regulations. Some well-known cases of companies coughing up millions of dollars in fines are already documented.

## What Counts as Personally Identifiable Information (PII) under GDPR?

Any information that relates to an identified or identifiable living individual, including, but not limited to:

- Name
- Email address
- Location
- IP address
- Browser history

As well as web server logs, such as:

- Access logs
- Error logs
- Security audit logs



# Balancing Advanced Analytics with Data Privacy Regulations

While stringent, GDPR doesn't render digital marketing activities impossible. In fact, it can enhance a company's customer relations, as well as their digital marketing capabilities.

As a consent-based framework, it's mutually beneficial for both marketers and customers. Marketers gain a reliable understanding of which customers to target and what to offer them, and customers only receive marketing material and information they've opted in for. As McKinsey comments, GDPR could be transformative for marketers' approach to data, "rooting their approach...in a stronger relationship with customers that is built on trust and a true exchange of value".

True, it demands far greater attention to security and transparency, which might seem like a hassle, but it is essentially an opportunity. Research shows that as long as companies can offer richer, better, more personalized experiences, consumers are willing to share their personal information.

Four out of five (81%) consumers are willing to share basic personal information for personalization and 83% of consumers are more willing to share data if the brand is transparent about how it will be used.



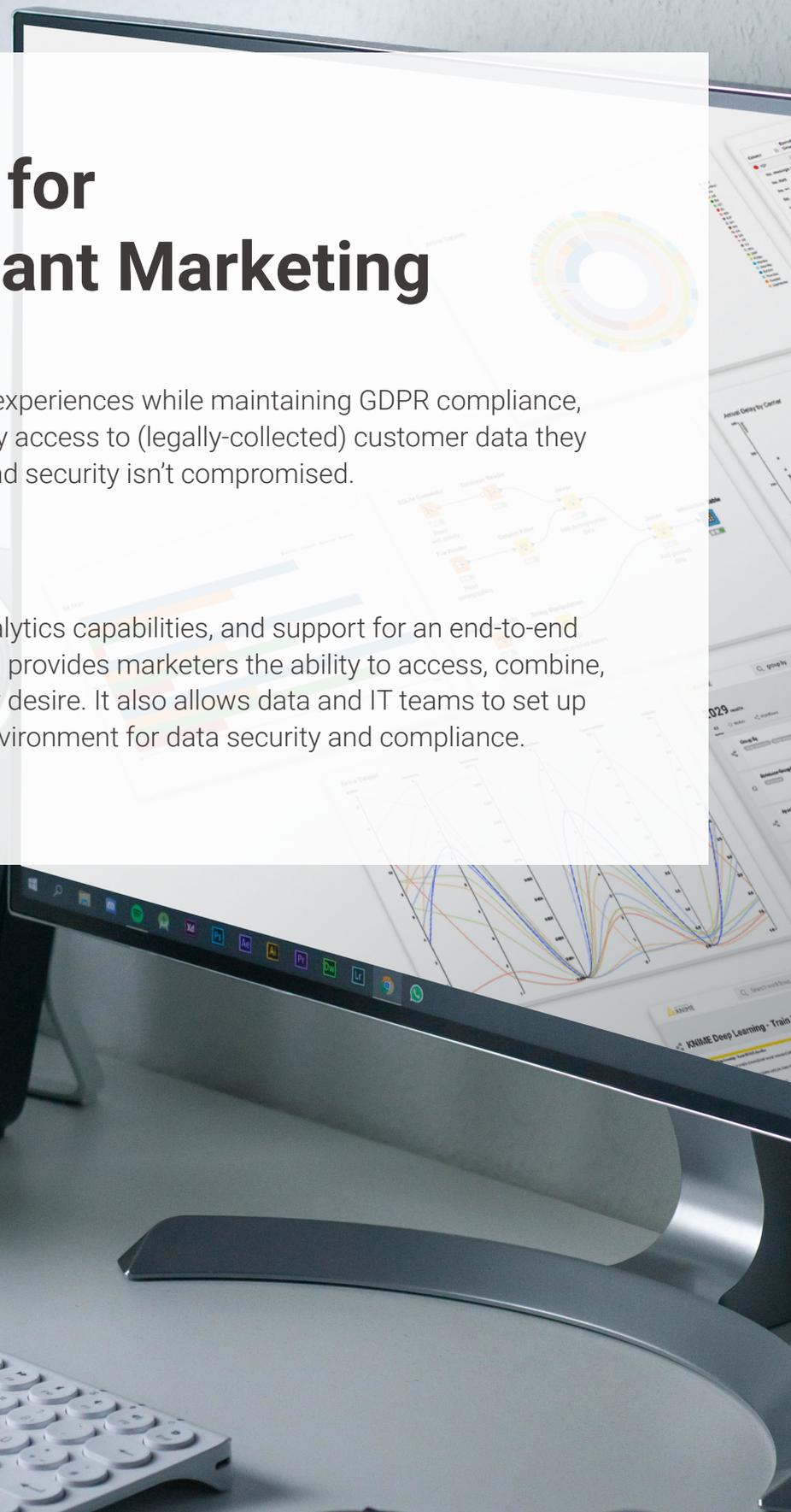
**Bottom line:** Instead of trying to implement the overblown 360-degree view of the customer, companies should aim to build trust and work with as much data as they can **legally** obtain from customers. And while GDPR-compliant advanced analytics may seem less promising than the Customer 360 approach, it is far more realistic, practical and cost effective than a marketing concept which promises to be a panacea, but delivers little.

# Using KNIME for GDPR-compliant Marketing

Delivering personalized customer experiences while maintaining GDPR compliance, requires providing marketers timely access to (legally-collected) customer data they need, but such that data privacy and security isn't compromised.

This is where KNIME comes in.

Offering a rich set of advanced analytics capabilities, and support for an end-to-end data science lifecycle, the platform provides marketers the ability to access, combine, and analyze data at the speed they desire. It also allows data and IT teams to set up access controls in a centralized environment for data security and compliance.



# A Single Environment for the Full Lifecycle



Compatibility with a range of different tools, and connectivity to 100s of data sources means KNIME forms the core of any Martech set-up.

The platform's low-code, no-code interface gives marketers the ability to easily make sense of all their data, for deeper, richer insights, without the need for any coding.

Further, KNIME offers no limitations on the kinds of analyses teams can perform, supporting everything from basic dashboarding and data exploration to predictive modeling to deploying sophisticated ML models as data apps and services.

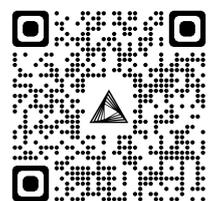
## Customer Stories: Advanced Analytics and KNIME

Once GDPR-compliant data has been collected, KNIME makes many advanced analytics use cases possible, meaning marketers can deliver value for their customers and businesses far exceeding the promised value of the Customer 360 model.

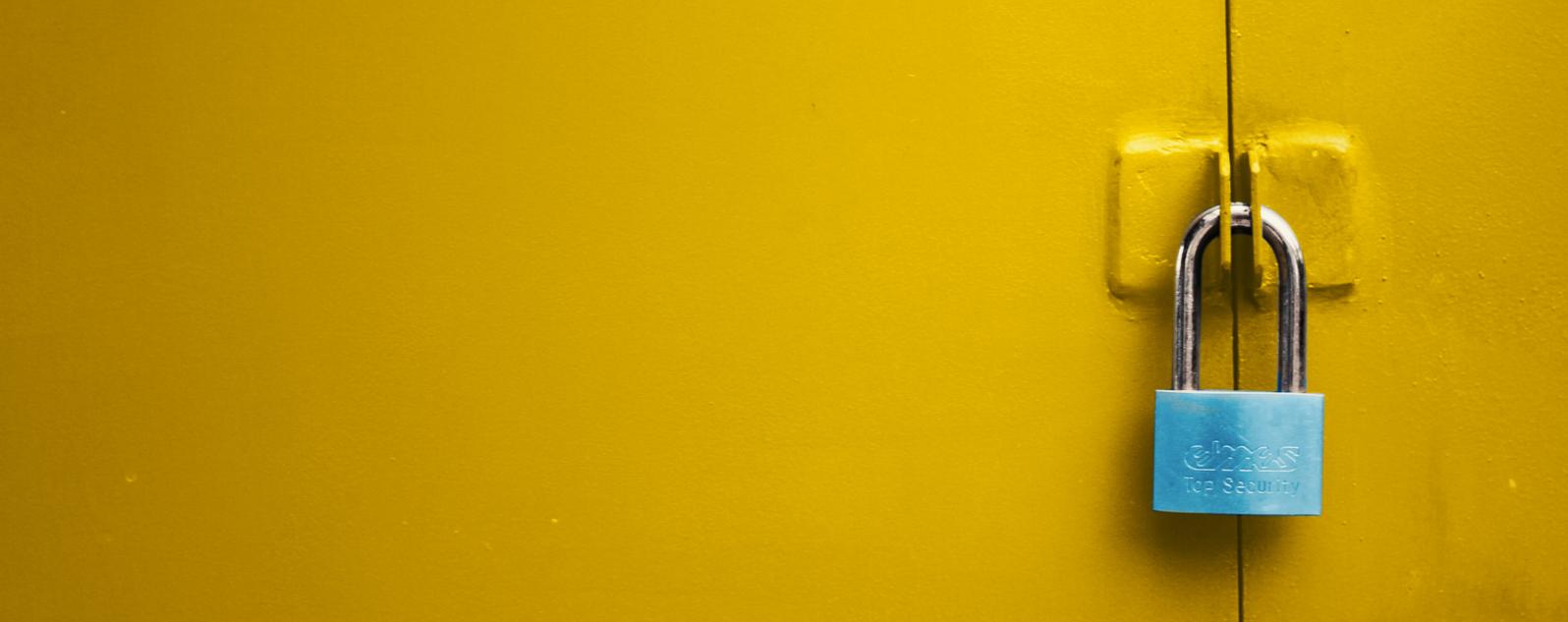
Not only can advanced analytics deliver on traditional marketing goals such as personalized offers for customers, it can have significant operational benefits, reducing manpower hours and increasing savings.

Here are just some of the ways companies have used KNIME to maximize benefits through advanced analytics.

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## Advertising Automation for a Major Cybersecurity Player

A global cybersecurity leader was manually managing and promoting hundreds of real-world and digital events on an ongoing basis. To reduce the manual labor involved and also deliver personalized content to attendees, the company needed automated processes, which could also manage multiple variables: Different geographies, visibility of ads on different platforms, and also, appropriate responses to when events had sold out. Using KNIME, the company was able to automate workflows, which delivered on these variables, and also, push personalized content to users. Ultimately, the company saved 122 man-days and \$2.9M in ad-spend.

## Customer Data Scoring and Data Privacy for Financial Institutions

A technology company specializing in privacy risk assessments and anonymization had a two-pronged goal: To anonymize and automate credit card data, and also allow its client organizations in the financial services industry to perform “self-service” analytics while maintaining privacy. For this, they needed an open source and extensible tool that offers Guided Analytics and blueprints, as they didn’t want to write their own workflows from scratch. KNIME was the natural solution. The most significant hurdle the company faced: Authorization in an integrated solutions architecture has immense authentication challenges. Using KNIME’s flexible deployment options and browser-based data apps several hundred financial institutions were given access to the company’s solution, while ensuring privacy.

**The result:** Anonymous credit card data and self-service analytics for hundreds of clients, all through one easy solution.



## Automated Sentiment Analysis for Major Nonprofit Organization

A national non-profit organization found managing multiple social media accounts and creating useful reports on user engagement and ad-spend laborious and time-consuming. While off-the-shelf solutions could pull multiple accounts into a single dashboard, they didn't provide the granularity and reporting precision the organization needed. To create reports that would enable nimble operational responses, KNIME Partner Atos built workflows in KNIME to collect, transform, join, and write data from various social media platforms and visualized outcomes in Power BI. By using KNIME for sentiment analysis, data aggregation, and reporting, the company not only saved time in reporting, it also was able to see how its brand was being perceived in real time.

Reports were tailored to the organization's specifications, providing users exactly what they needed in an easy-to-digest format.



## Recommendation Engine for E-commerce Marketing Campaigns for Multinational Retailer

A multinational, specialist retailer launched an ecommerce business (alongside their bricks-and-mortar stores), and wished to increase online sales by making customers personalized offers.

Aiming to automatically create personalized content based on users' preferences and digital purchasing habits, the company used KNIME to create a highly-effective recommendation engine which made targeted offers. They first analyzed the information from the online store, as well as other relevant sources such as the data warehouse and CRM, to create engaging content. Then, together with KNIME Partner Miriade, a big data recommendation engine was developed. The workflows were automated and scheduled with KNIME, resulting in automatically generated, in-the-moment personalized offers for customers.

# Adopting a Privacy-centric Approach to Data Collection

No matter what their goals — whether gathering customer data for personalized interactions, or analyzing it for campaign analytics — marketers have to be able to transform data into useful insights.

Doing this in GDPR-compliant manner requires companies to not only conduct their marketing activities with a privacy-centric approach, but also re-assess their technology stacks to ensure data privacy and security requirements are adhered to. Here are three key tips to doing that:

## 1. Audit your data collection practices

Conduct a thorough analysis of your current data-collection practices. What data is your team habitually collecting? By meticulously going through this data (with the help of a data processing expert), you'll be able to locate data that doesn't meet GDPR requirements. Don't just stop at an audit. Be prepared to delete the data you have collected. Understand that data deletion is key to complying with regulations. Holding data (especially old data) may put companies at risk of being in breach of GDPR.

## 2. Realign your technology stack with privacy in mind

Evaluate which tools store which data, and what each vendor's data policy is, and prioritize those that comply with GDPR, and have consent management ability. And finally, ensure that your analytics platform gives you sophisticated analytics, the ability to perform end-to-end tasks, and integration with other tools.

## 3. Don't compromise analytic sophistication in search of data privacy

GDPR compliance is crucial to your success, but that doesn't mean you should settle for a less sophisticated analytics platform, or worse yet, that you should opt for a highly complex code-heavy data science environment. Look for a platform that provides your marketers a comprehensive set of analytics, and support for end-to-end data science with an easy-to-use low-code, no-code interface, while giving your data and IT teams the ability to set up access controls in a centralized environment for data security and compliance.

# Achieving Advanced Analytics – Summary:

- **Gather and connect data legally**

Make sure you gain user consent for collecting personal data and connecting it – throughout all tools in your stack. Remember to send out regular consent management reminders.

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- **Analyze your current data practices**

Make sure everything you're doing is GDPR compliant and change what isn't.

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- **Keep personal data secure**

Ensure that all personal data is encrypted within a secure CDP, only accessible through role-based permissions.

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- **Choose the right tools**

Invest money in those tools that will efficiently gather and analyze data. Make sure the tools you choose can work together for the benefit of your overall strategy. Integrate the tools with existing systems and data.

- **Measure metrics**

Measuring metrics allows you to identify processes and strategies that need improvement. Measure the parameters comparing them to your marketing goals.

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- **Draw conclusions**

Make the right data-based decisions to make your marketing campaign as successful as possible.

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- **Strategize on your marketing goals**

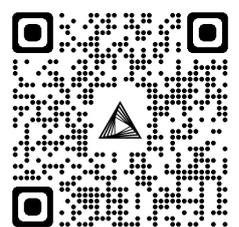
Are you aiming to grow your business or better respond to customer feedback? Lay out exactly what it is you're trying to achieve.





Want to learn more about other advanced analytics use cases in marketing? Request a demo and start benefiting from KNIME's data science platform today.

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