Customer Data Platforms: Sound Data Foundation for Data Strategy

DDMA Data Dag
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The CDP Syllogism

- 78% of consumers will be more loyal to brands that 'show they understand me'
- 83% of marketers say customer data silos impact personalization
- *You need a CDP*

Source: Acquia, Customer Experience Trends Report 2019

The CDP Fallacy

- True: everyone needs unified customer data
- True: CDP builds unified customer data
- False: CDP is the only way to build unified customer data
- False: everyone needs a CDP

Source: Acquia, Customer Experience Trends Report 2019

The CDP Addendum

- True: everyone needs unified customer data
- True: CDP builds unified customer data
- True: CDP is often the best way to build unified customer data
- True: many people need CDP

So, what's a CDP?

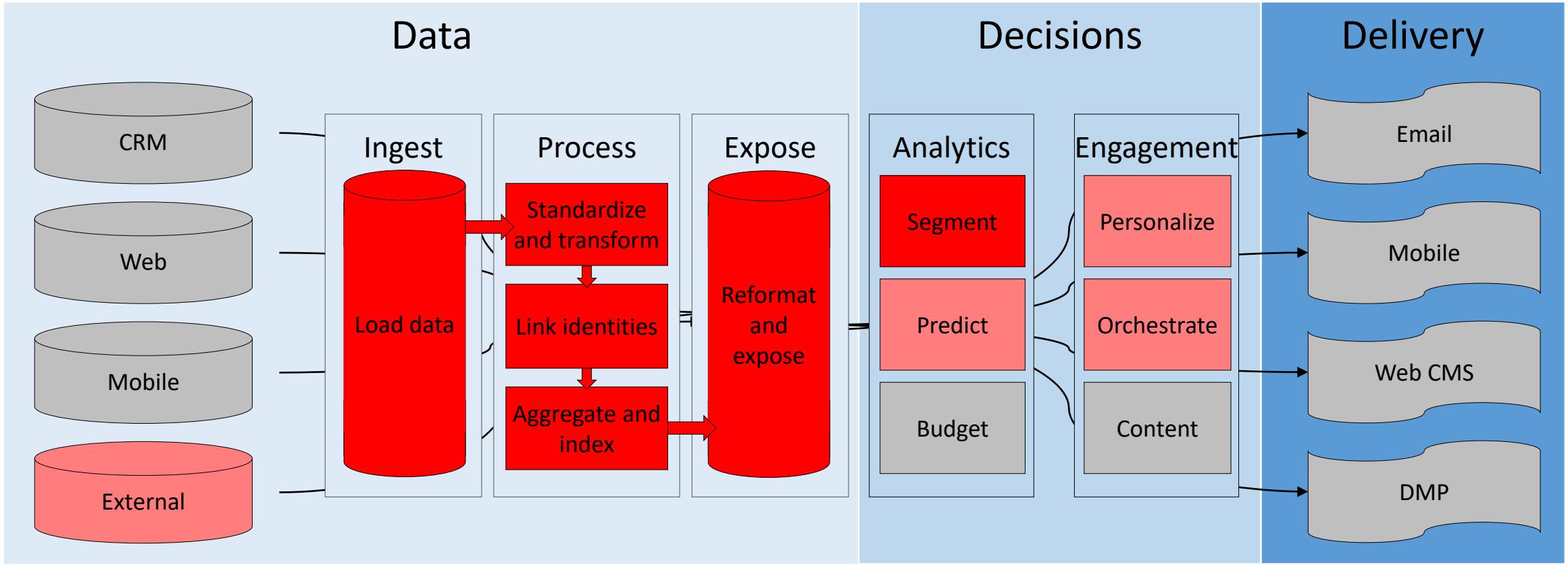
CDP Definition

- Packaged software
- Persistent, unified customer database
- Accessible to other systems

Behind the Definition

- Packaged software = faster, lower cost, less risk, more mature
- Persistent, unified customer database = all sources, full detail, organized for customer management
- Accessible to other systems = easy to share data, change systems without disruption

CDP Components



Why It Works

- Prebuilt components save development time
- ‘Big data’ technology makes data management easier than before
- It’s designed to do one thing well
- Vendors are customer data specialists

CDP vs Other Systems

	CDP	Data Lake/WH	DMP	Data Hub, Tag Mgr	MAP, CRM	Marketing Cloud, JOE
packaged software						
persistent						
unified customer data						
open access						
decisions & delivery	?					

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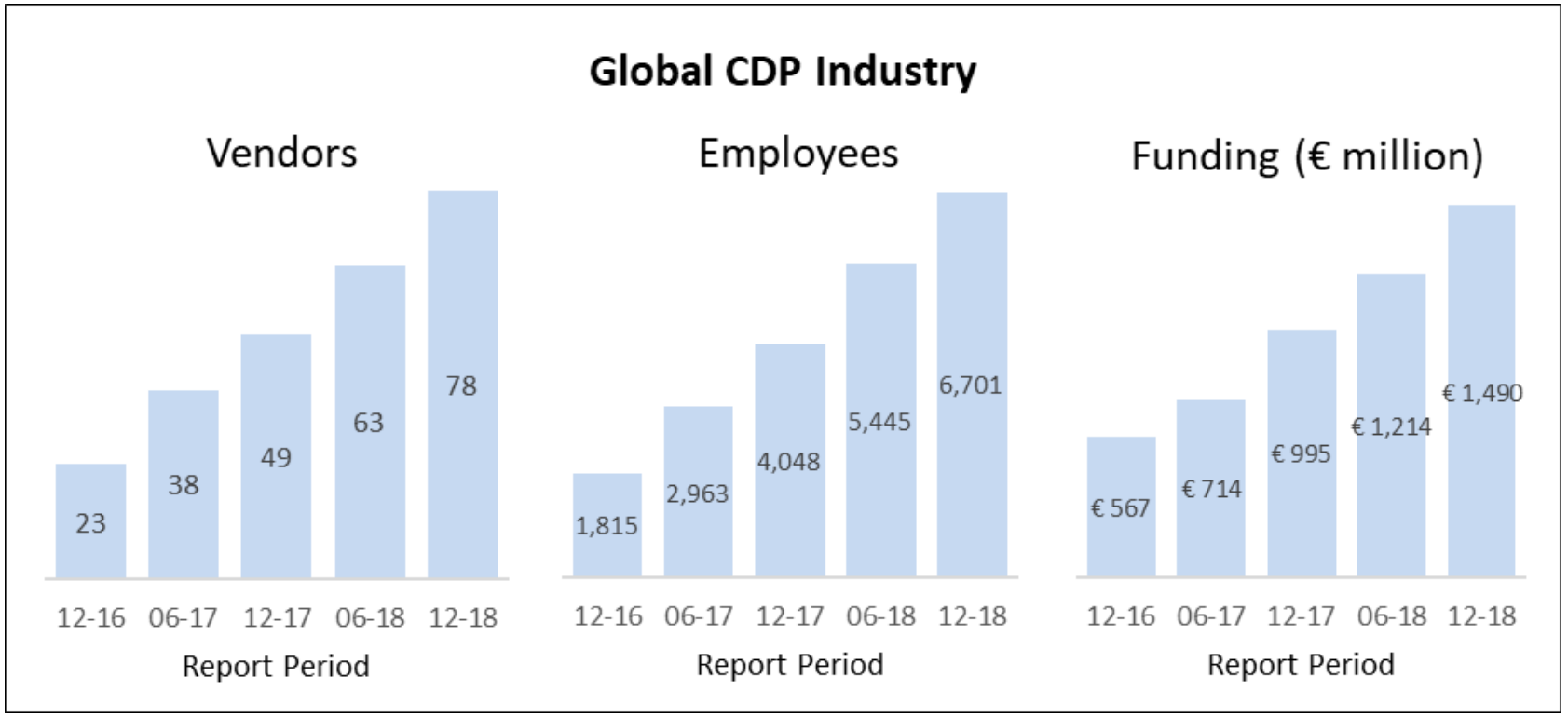
You need a CDP if…

- Sources include un- & semi-structured data
- Multiple source and execution systems
- You have repeat customers
- IT resources are busy elsewhere
- Time and money are limited

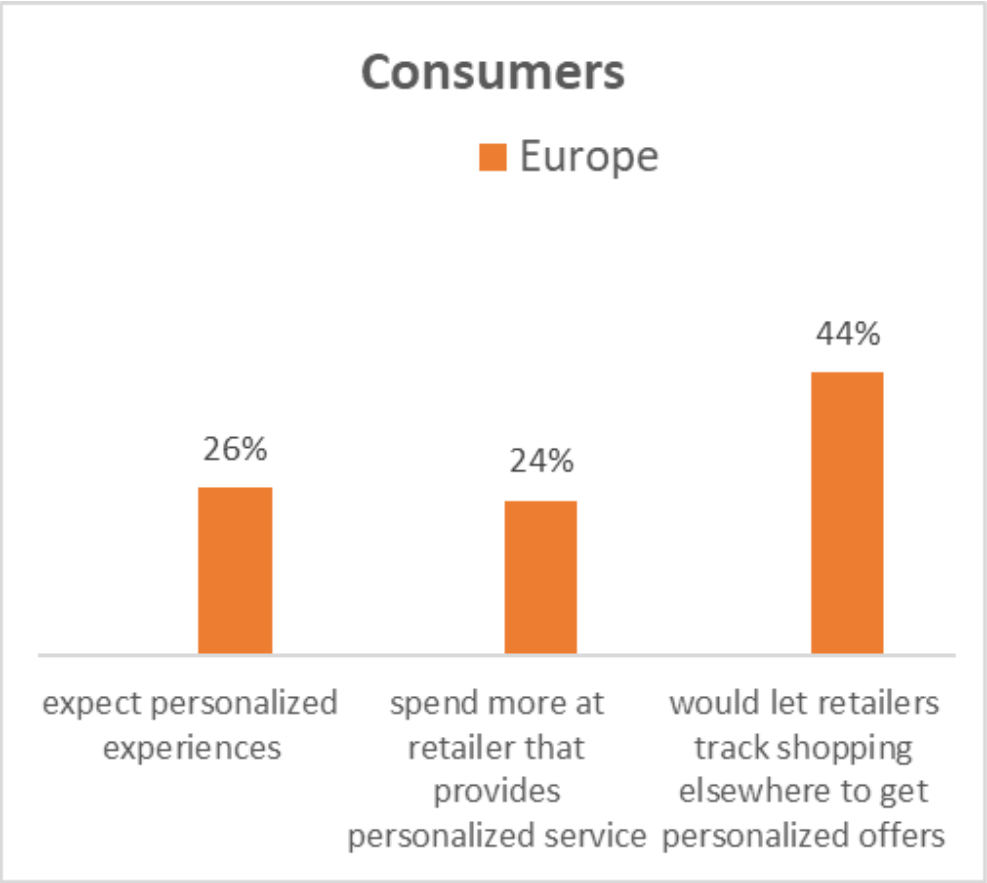
Marketers Recognize CDP Value

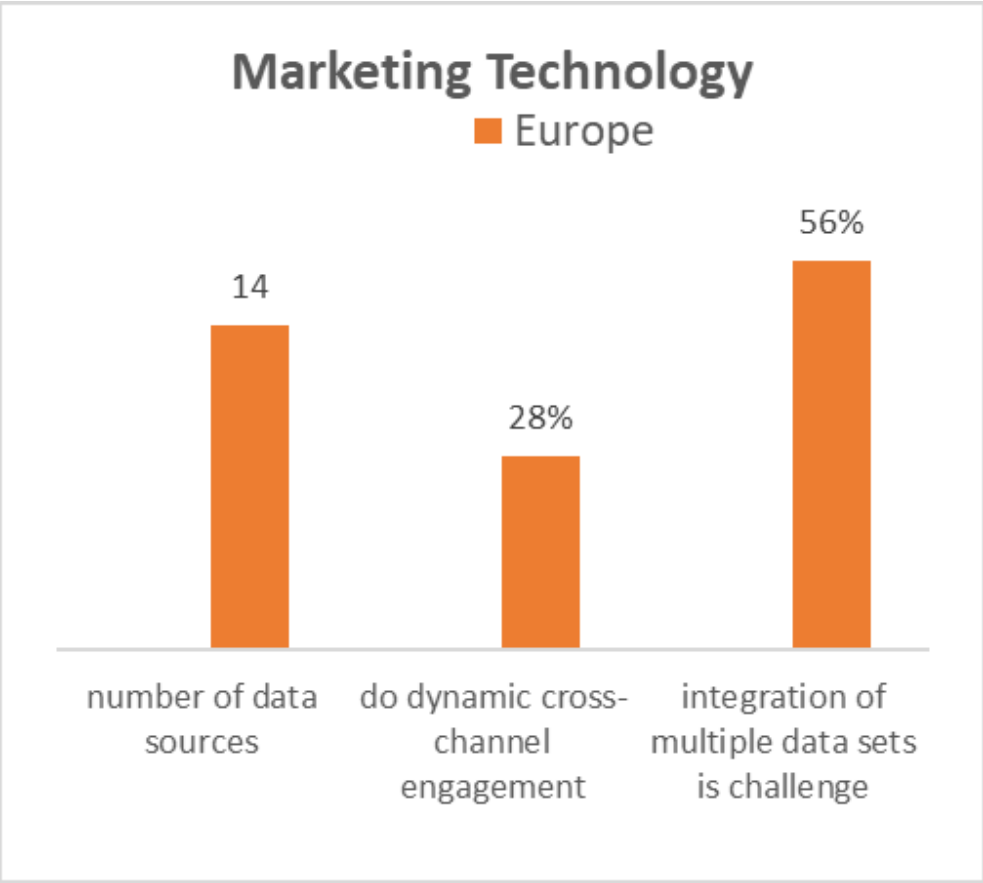
- €650 million revenue 2018
- 80+ vendors
- 60% annual growth



What about Europe?

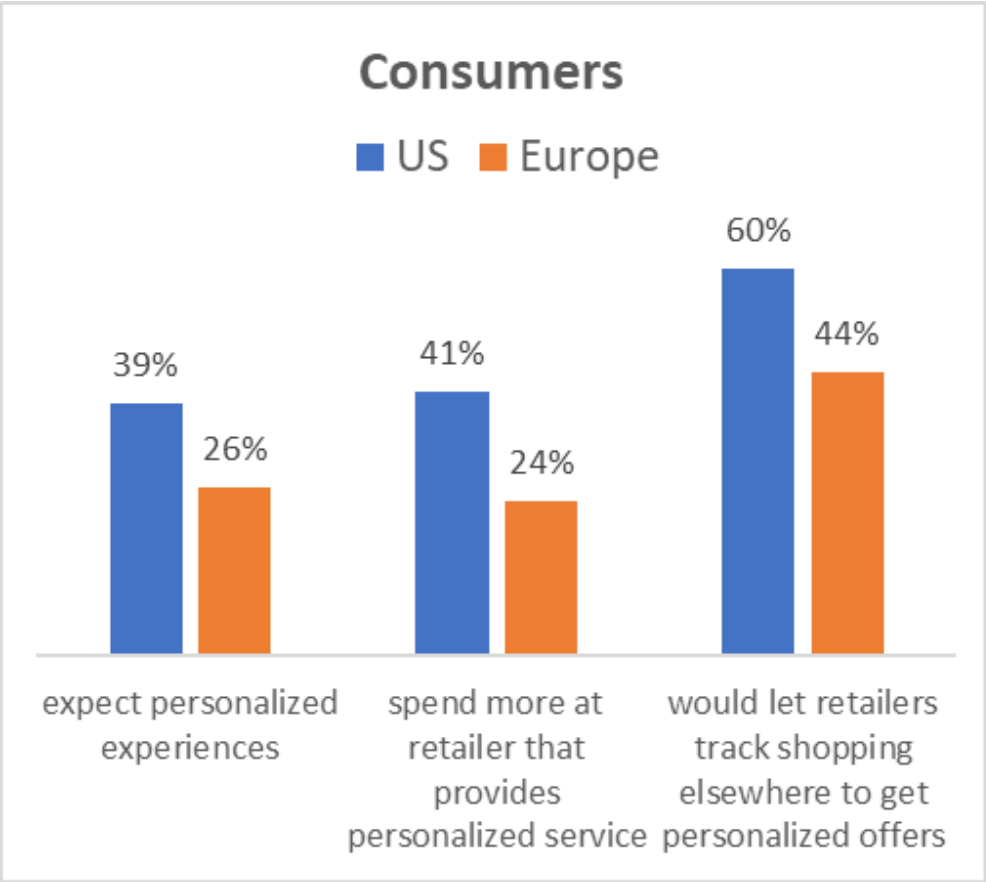
European Consumers Expect Personalization
European Marketers Deliver Despite Complexity

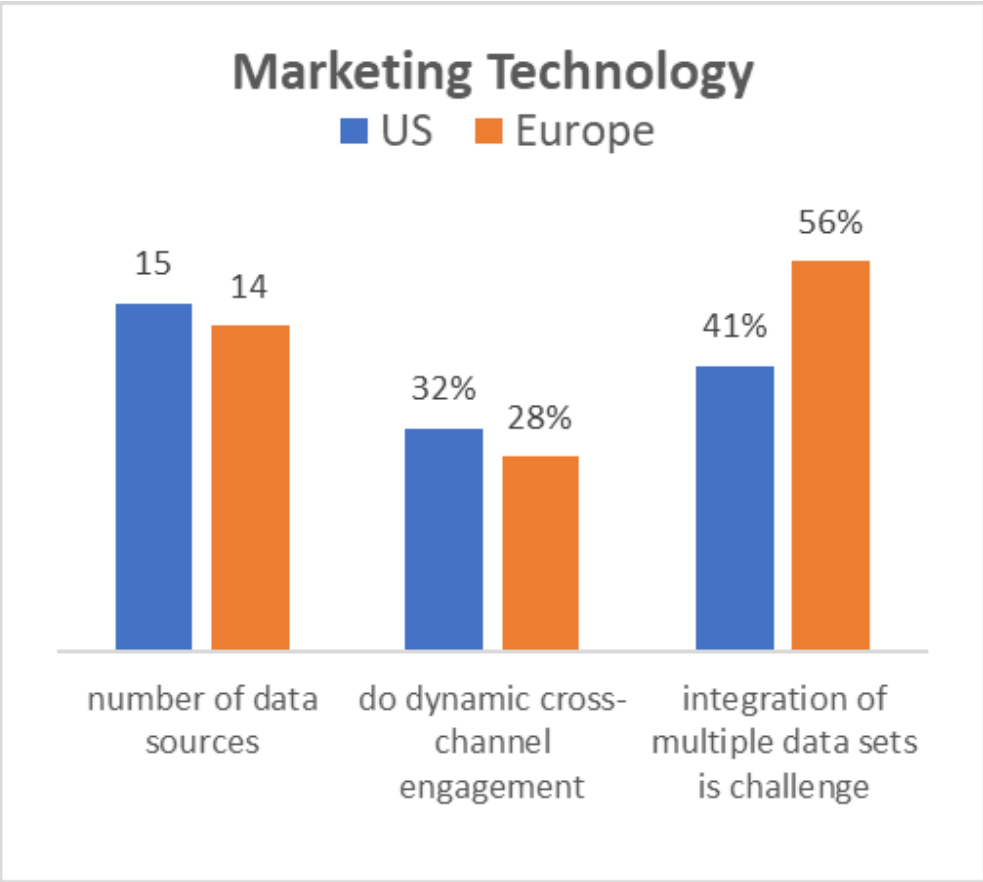




Sources: Ipsos+Medallia, The Customer Experience Tipping Point, 2018; Mulesoft, Consumer Connectivity Insights 2018; Salesforce Research, Fifth Edition State of Marketing 2019; Infosys, Endless Possibilities with Data, 2018

U.S. Consumers Expect More
U.S. Marketers Deliver More





Sources: Ipsos+Medallia, The Customer Experience Tipping Point, 2018; Mulesoft, Consumer Connectivity Insights 2018; Salesforce Research, Fifth Edition State of Marketing 2019; Infosys, Endless Possibilities with Data, 2018

Conclusion

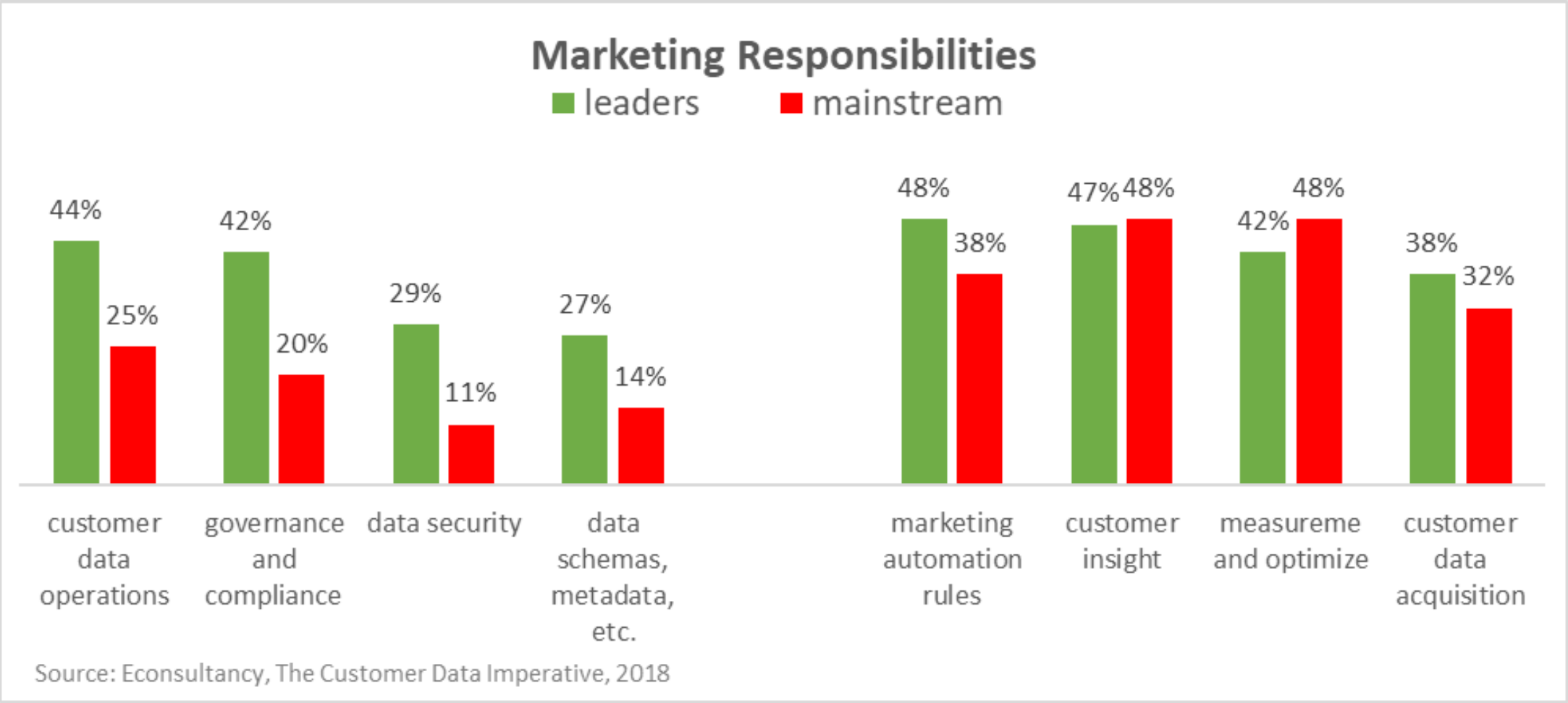
- European marketers face similar issues but at smaller scale and with fewer resources
- European CDP vendors tailored to European market
  - Campaign CDPs provide most features and least integration effort
  - Smaller client bases make specialized data technology less important
  - Industry-specific CDPs offer additional value from the start
  - Can combine US-based data access CDP with local campaign CDP

- Want more surveys? https://lp.cdpinstitute.venntive.com/DL2022-CDPI-Recent-Martech-Surveys

What about You?

Best Practices

- Let marketing manage customer data



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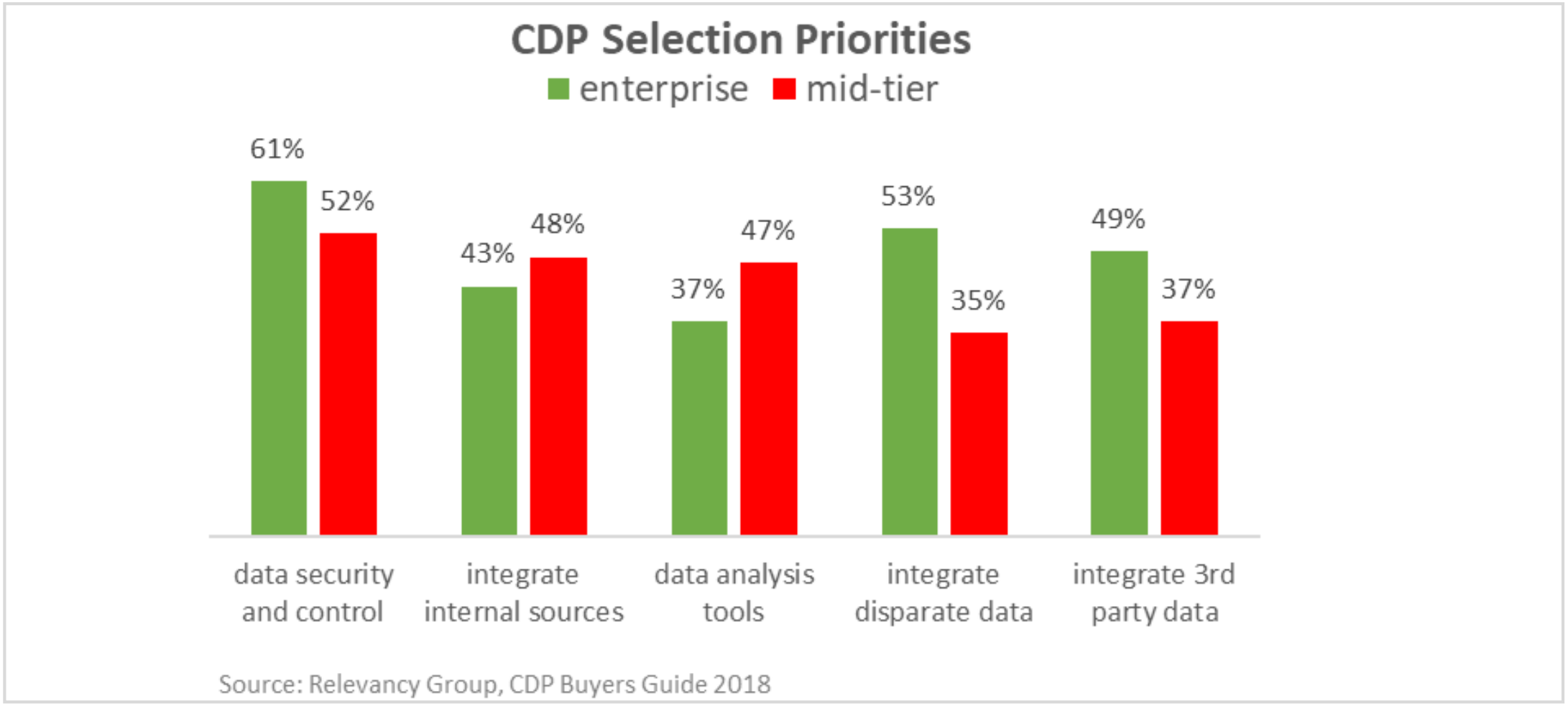
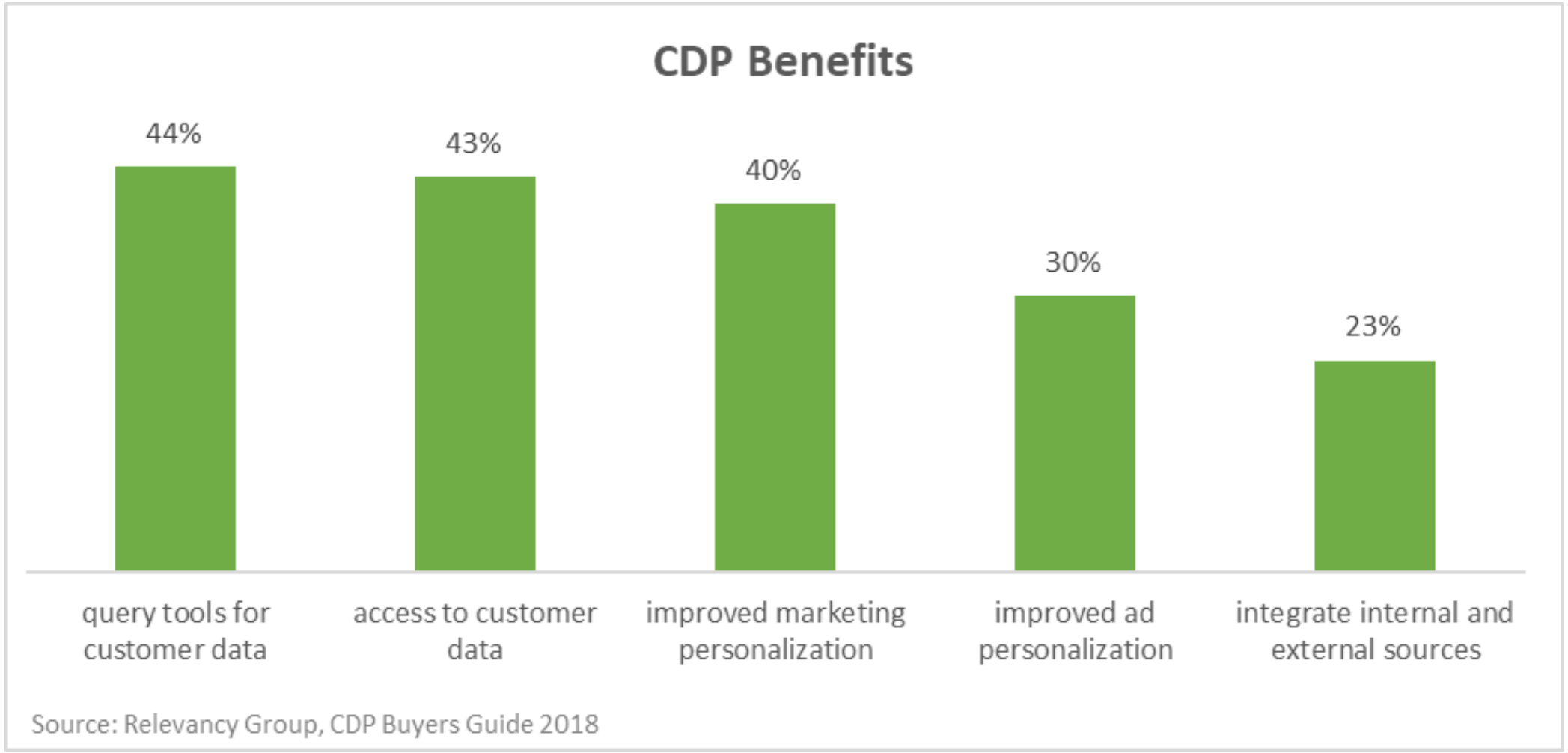
Best Practices

- Match CDP to your needs



Best Practices

- Simple tasks first



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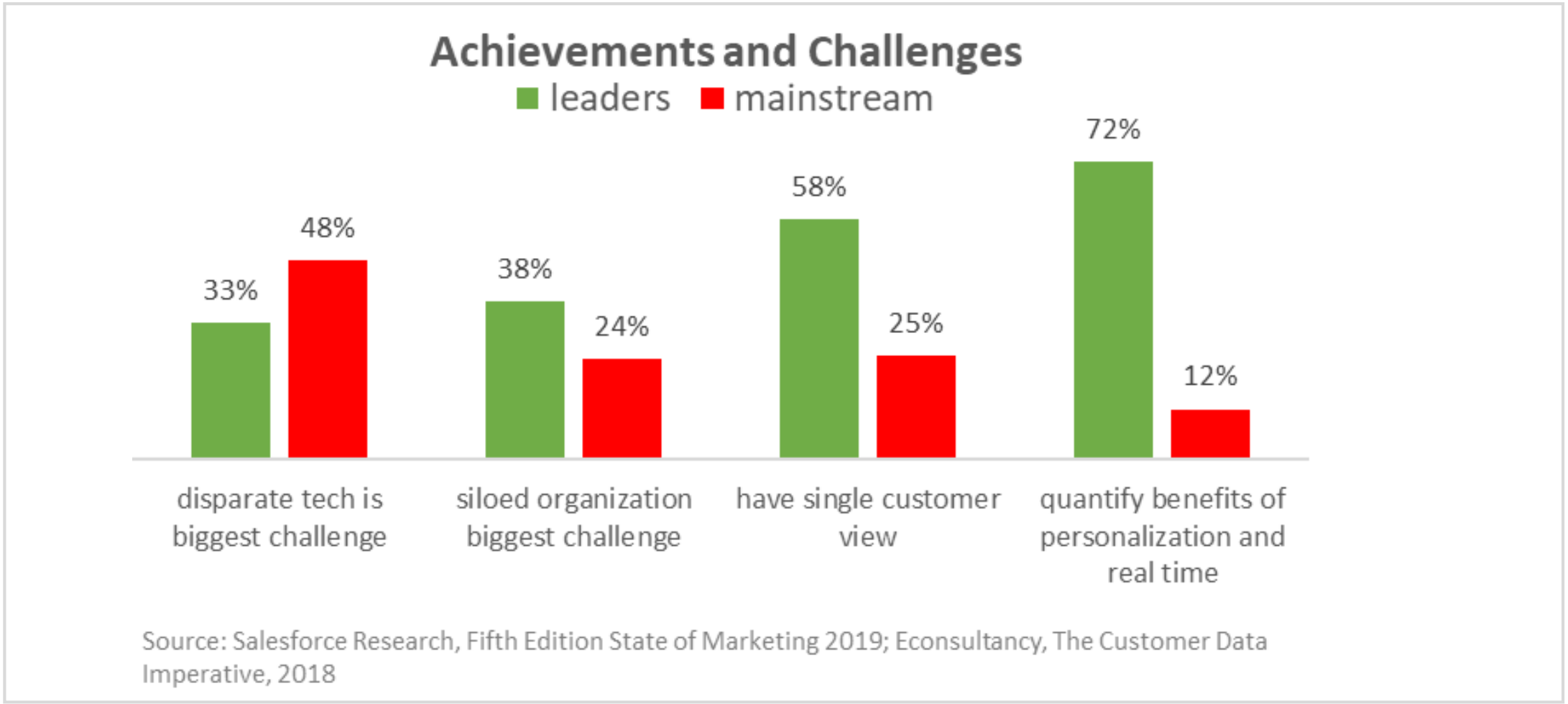
Best Practices

- Follow path to leadership



Source: Salesforce Research, Fifth Edition State of Marketing 2019; Econsultancy, The Customer Data Imperative, 2018

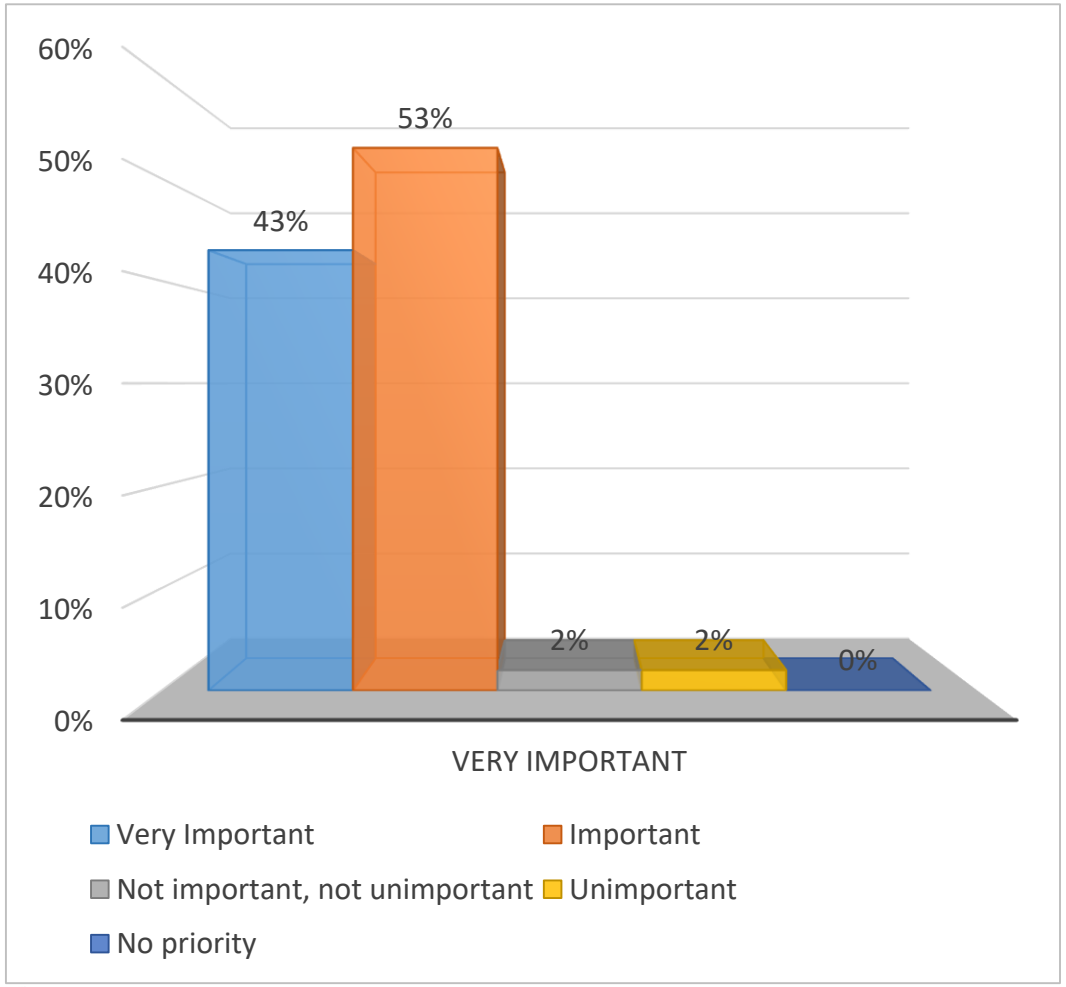
What’s Next?

CDP Industry Trends

- Continued growth in demand and new vendors
- GDPR & ePrivacy drive demand in Europe
- Shift from data access to analytics and campaign functions
- Differentiation based on scope, industry, region, client size
- Broader products and marketing clouds embed CDP functions, via development and acquisition
- Smarter buyers: standards and better understanding

What about The Netherlands?

Almost all Dutch companies consider customer data to be important for business



Source: Squadra CDM Research, 2018

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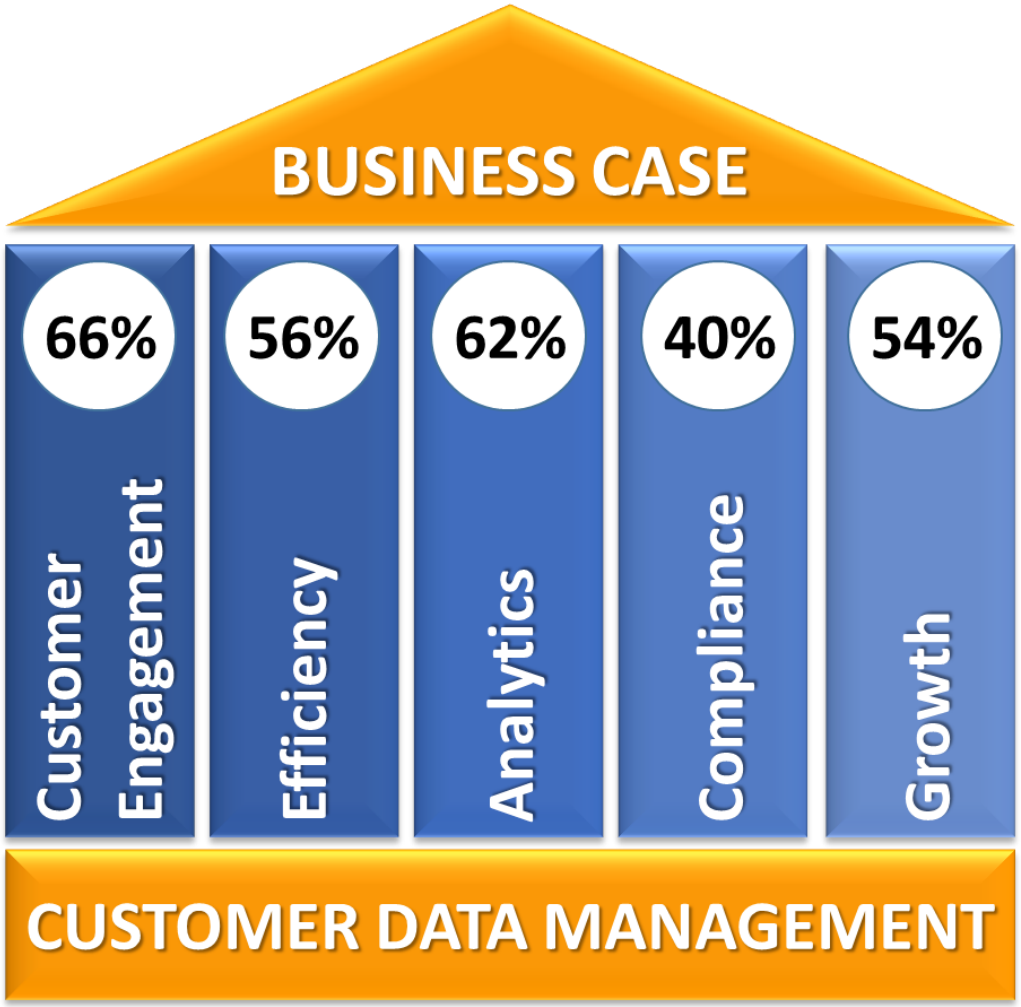
5 Key reasons to consider using unified customer data



- “Improving customer engagement using customer knowledge”
- “Customer data allow us to better understand customer preferences and discover potential needs”
- “Using customer data we can personalize our website content more efffectively”
- “Our customers have been segmented and are treated using different campaigns”
- “Specific/relevant emails to our customers”
- “Next best actions based on customer profiles and behavior”
- “More opportunities for co-creation”

Source: Squadra CDM Research, 2018

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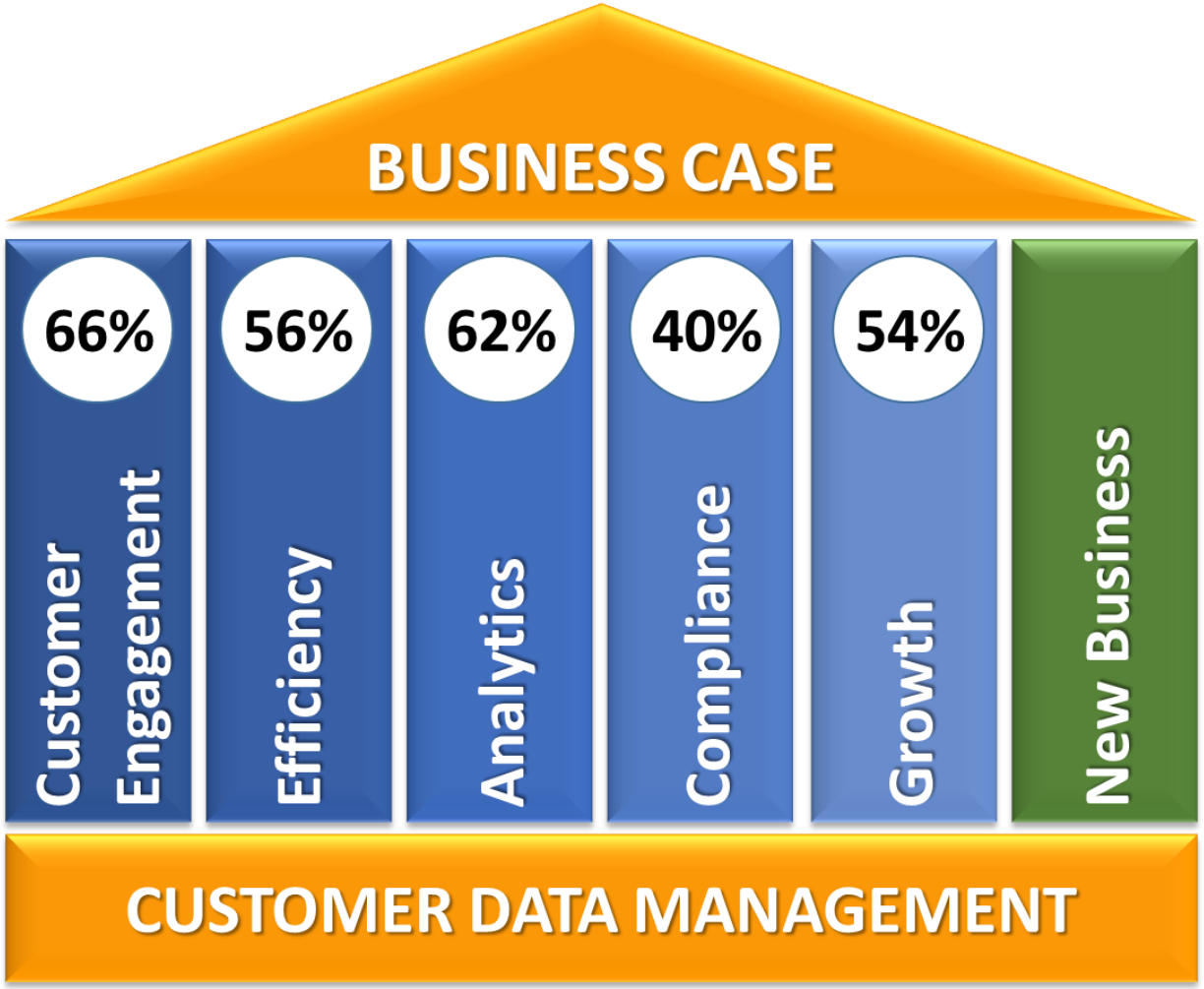
Unified customer view: opportunities to develop new categories, new markets and new business models with less risk



- "More opportunities for co-creation"
- "Different revenue models and business models are becoming clearer"
- "We are finding leads using available profiles"
- "Using the profiles of existing customers to create better offers but also to look for new market opportunities"
- Category optimization decisions can be taken quicker with less risk

Source: Squadra CDM Research, 2018

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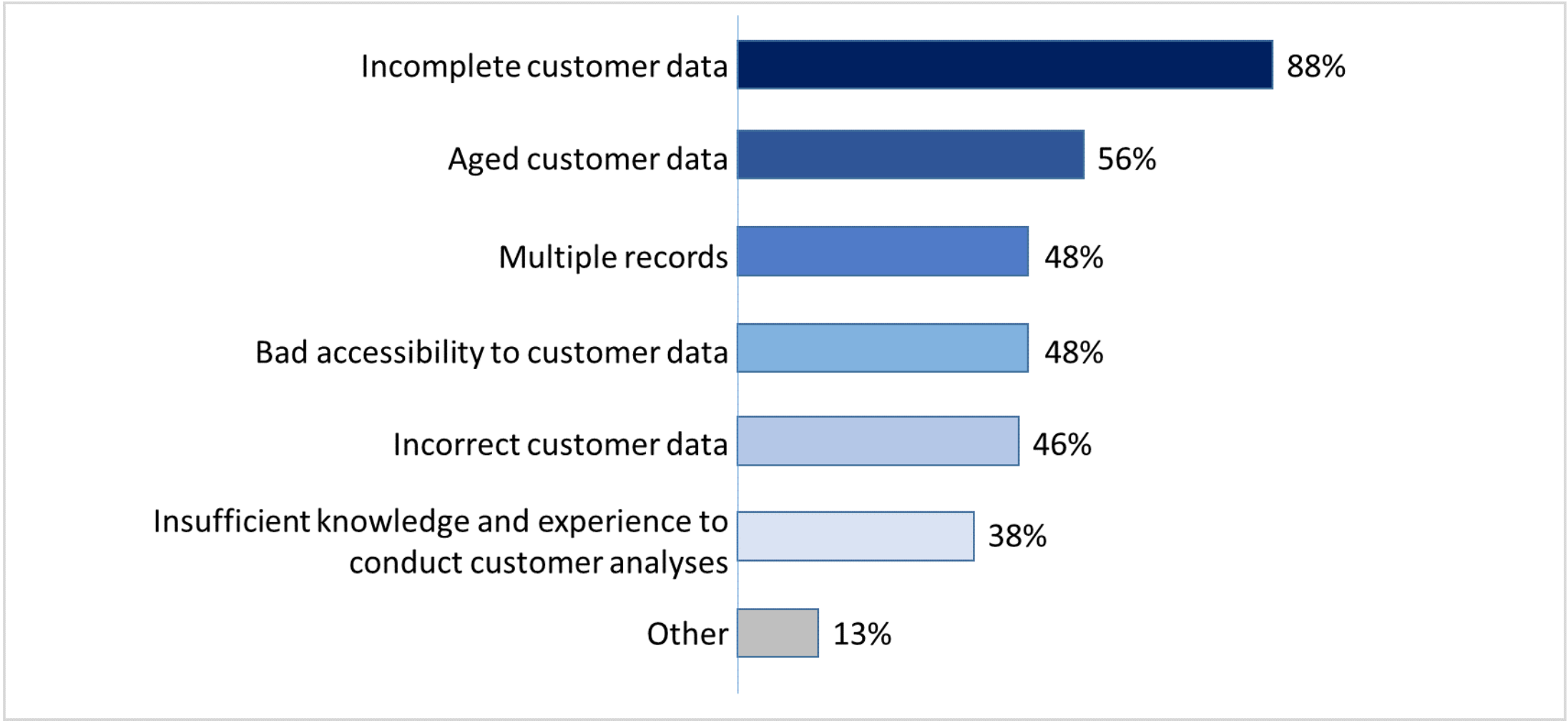
Key issue: incomplete customer data

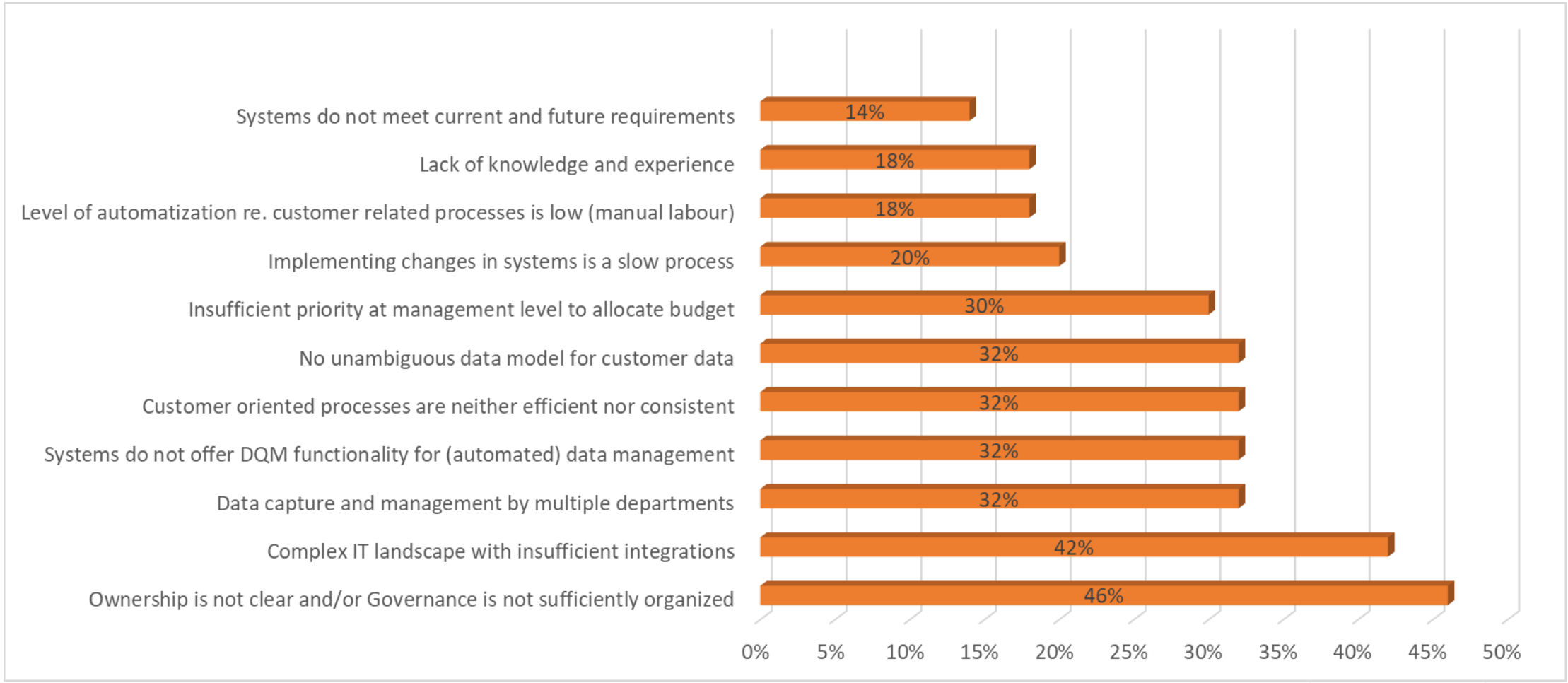
- In your opinion, what are the main issues regarding customer data? What issues do you encounter?



Source: Squadra CDM Research, 2018

Key obstacles: unclear ownership/governance, complex IT landscape; data capture done by multiple departments

- What are the key obstacles in you organization that prevent you from getting to the ideal situation regarding customer data management? (Multiple answers allowed)



Source: Squadra CDM Research, 2018

Define business vision, use cases and requirements first; compare and select the best matching CDP platform next

CDP Solutions active in Europe as per January 24, 2019. Source: CDP Institute, Clear Value

Use cases and client cases offer guidance

Churn prevention from multi-channel to orchestrated cross channel execution using unified customer data

- Available and actionable data
- Reduction of manual work for CRM
- Reduction of required IT support
- Connecting to existing channels

- Personalized customer journeys
- Optimized channel mix → higher ROI
- Increased conversion rates

Source: CrossEngage

Use Cases and Client Cases Offer Guidance

Building a data driven business

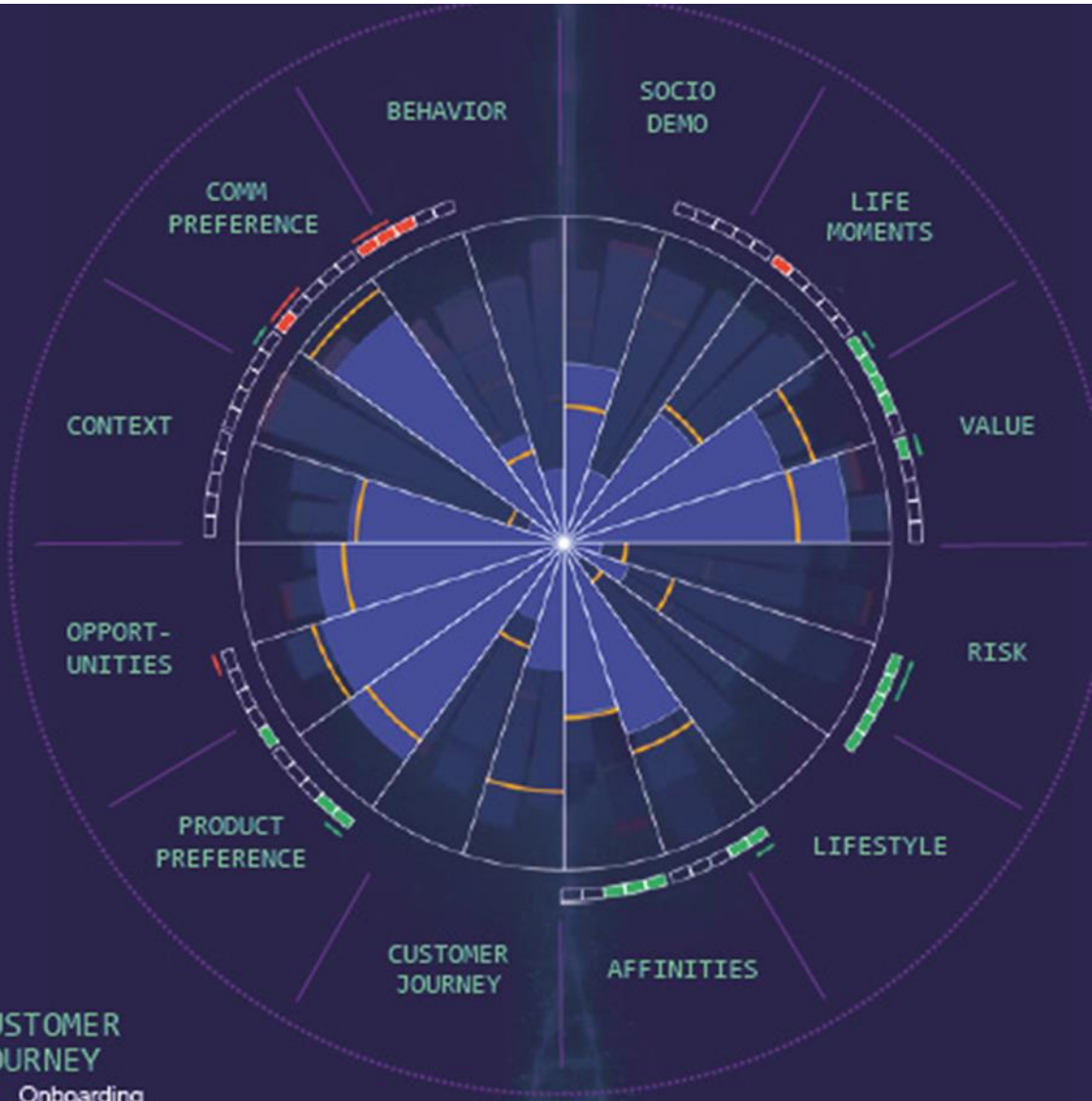
Effect of implementation of CDP solution:

- Unified customer view instead of data in various data silos
- 24/7 Data collection and constantly scaling
- Less effort to extend and scale data driven business solutions
- Data quality across the business
- Multiple onsite personalization campaigns
- CTR personalized campaigns 3.4% instead of 1.8% with non-personalized campaigns

Source: Tealium

Use Cases and Client Cases Offer Guidance

DNA-POWERED INTELLIGENCE ON EVERY CUSTOMER



BEHAVIORS
- Active
- Online
- Searching
- Usage

AFFINITIES
- Hobbies
- Shows
- Articles
- Travel

RESPONSE
- Coupons
- Campaign
- Loyalty
- Rewards

COMMUNICATION PREFERENCE
- Channel
- Device
- Time
- Location

CONTEXT
- Home
- Work
- Device
- Holiday

LIFESTYLE
- Holiday Shopper
- Trendshopper
- New Collection

SOCIO DEMO
- Gender
- Household
- Location
- Income Level

OPPORTUNITIES
- Buy propensities
- Referrals
- Cross-Sell
- Up-Sell

RISK
- Attrition
- Identity
- Financial
- Anomalies

LIFE MOMENTS
- New Job
- Marriage
- Back to School
- New Parent

VALUE
- Income Level
- Spending
- Revenue
- Lifetime Value

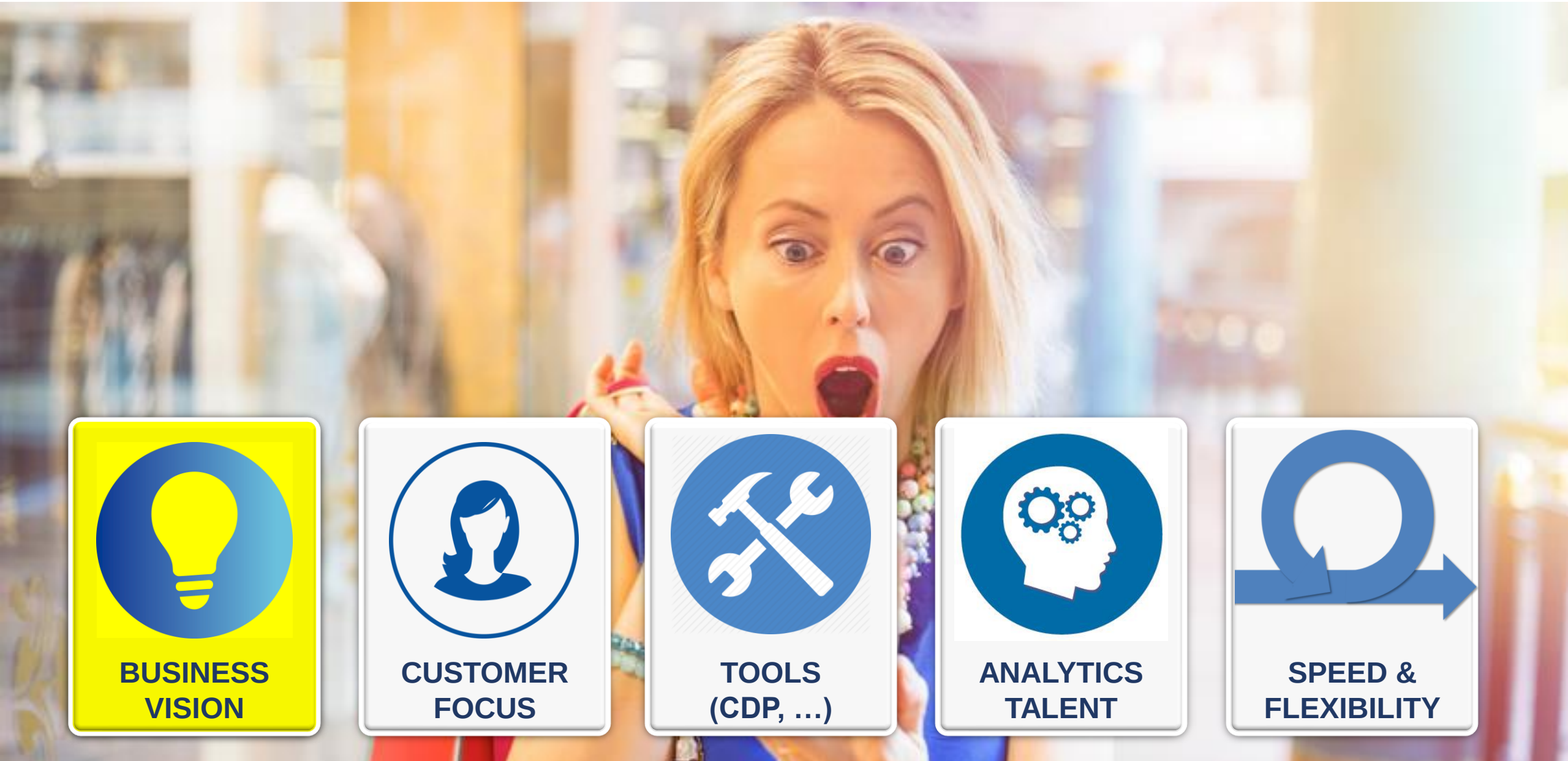
PRODUCT PREFERENCE
- Price Point
- New Collection
- Category

CUSTOMER JOURNEY
- Onboarding
- Active Use
- Purchase

Source: NGData

Source: Telenet Belgium, NGData

How To Talk To Your CEO About CDP: 5 Drivers For CDP Success



First Step: Assessing CDP Value Re. Business Ambitions & Goals

Wrapping up

Key Take Aways

- CDP is purpose-built to unify customer data
- Often the best solution
- Buyers must match system to their needs
- Benefits of success are great
- Price of failure is unthinkable
- Success depends on alignment with corporate ambitions

Thank You!

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