Lytics | GUIDE

HOW TO CHOOSE A CUSTOMER DATA PLATFORM

78% of Enterprise companies have or are planning to implement a Customer Data Platform[1]. Here's why you should be one of them and how you can choose the best technology for your business.

1   78% of Enterprise companies have or are planning to implement a CDP.

What's a CDP and Why Do You Need One?

70% OF IT EXECUTIVES say data technology contributes to revenue growth[2]. And recent research from Forrester[3] agrees. Data-driven businesses experience 30% more growth per year than other businesses. Predictions say they'll take $1.8 trillion annually from their competitors.

It's figures like these that support what many marketers have known for years: The future of marketing lies with data. And not just the fragmented, often outdated, siloed data of our forefathers, but real-time, accurate, interconnected data enhanced by machine learning and Artificial Intelligence.

Which is where CDPs come in.

SO, WHAT EXACTLY IS A CDP?

CDPs Consolidate Data

At its simplest, a CDP—or Customer Data Platform—is a platform that stores, connects and unifies customer data to give you an up-to-date, holistic view of your customers no matter how many devices they use or marketing channels they interact with.

This means information about your customers feeds into the platform from every channel—your CRM, your customer service ticketing system, social media, your website—and is unified and updated in real time to give you a more accurate, more complete view of your customers.

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3   *Data-driven businesses average 30% more growth per year than their competitors. Predictions say they'll take $1.8 trillion annually from the competition.*

CDPs Integrate With Your Marketing Efforts

Unifying your data is only a first step. A good CDP should also enable you to take action on the data. This means integrating with your current marketing channels and tools—not only bringing data in and unifying it but also pushing the right data back out to those channels to improve targeting, personalization and, ultimately, marketing results across all channels.

CDPs Make Marketing Smarter and More Personalized

Best-in-breed CDPs take that data a step further, using machine-learning and AI to interpret customer behavior, identify high-value customers and personalize marketing based on real customer behavior and interests. You won't find these features in every CDP, so it's always smart to ask about machine learning and AI before you choose a technology partner.

CASE STUDY

How The Economist Grew Digital Subscriptions by 300%

When we say best-in-breed CDPs take customer data a step further, The Economist is a great example of what we mean.

The Economist came to Lytics with a clear set of goals: **To identify individual customers** and understand **who they are, how they interact with The Economist and what they want and need from the brand**. After unifying their data within Lytics, the brand took advantage of our predictive scores to drive subscriptions.

They identified web visitors who were not already subscribers and who were likely to subscribe based on those predictive scores and targeted those specific users with subscription ads.

The results? **The brand decreased acquisition costs by 80%, grew digital subscriptions by 300% and increased overall time on their site.**

View the case study.

CDPs Help Companies Comply with New Data Privacy Regulations

A good CDP should also help your business comply with new and upcoming privacy laws like the GDPR in Europe and the California Privacy Act in the States. The key to compliance is knowing exactly what data you have, where it comes from and where it goes—and providing users with profiles they can verify, change or delete.

Without a CDP, this is tricky to do. A user who opts out of email may still receive ads on their tablet. A user who requests an edit to their profile with your customer service team might not see that edit reflected in marketing communications. Siloed customer data is, by its very nature, not compliant with these new regulations.

With a good CDP, compliance is simplified. You know what data you have, where it comes from and where it goes—and you have a single unified user profile, which makes edits, opt-outs and rights management simple to keep track of and implement in real time.

Learn how Lytics Supports GDPR

"You know what data you have, where it comes from and where it goes—and you have a single unified user profile, which makes edits, opt-outs and rights management simple to keep track of and implement in real time."

Is Your Organization Ready for a CDP?

DATA-DRIVEN MARKETING may be the holy grail of business success, but before you start shopping for a CDP, it's important to spend some time on organizational readiness. After all, the biggest challenges we see customers face aren't technology challenges. They're business challenges.

In a recent panel discussion[4], leaders at Adobe, SalesForce, Google and Lytics agreed: The biggest challenge to MarTech success is people and process. Companies need to start with strategy before tech and prioritize bridging the gaps between teams and breaking down data silos within their organizations.

DID YOU KNOW?

Businesses with data-driven strategies see **5–8 times** as much ROI as businesses without.[5]

4   Listen as experts from Lytics, Google, Adobe and Salesforce discuss MarTech best practices for 2019 and beyond.
5   Businesses with data-driven strategies see five to eight times as much ROI as businesses without.

SO, IS YOUR BUSINESS READY FOR A CDP?
HERE ARE THREE QUESTIONS TO ASK YOURSELF:

1. **Have you identified your goals—both long- and short-term?** As with all technology, Customer Data Platforms are a tool meant to help you achieve real business goals. This means you need to know what your business goals are and have a plan for how your new CDP will help you reach them before you start shopping for the CDP itself.

   Are you trying to unify data across your organization to better understand who your customers are? Are you trying to personalize messages for individual customers to drive sales? Are you committed to complying with GDPR and taking advantage of sales in Europe? How will you use your CDP and what features and capabilities does it need to have to meet your use cases?

   Before you start assessing CDPs, make sure you know what real-world goals you're trying to achieve. And don't stop with short-term goals. It's important to know what you need to do tomorrow and what you want to do a year from now, two years from now, five years from now.

   Maybe the short-term goal is to have more accessible data—data your marketing team can use to make real decisions. But maybe the long-term goal is to be the next Netflix or Spotify or The Economist—harnessing personalization to drive subscriptions and site time up exponentially. If you choose a CDP based on both short- and long-term goals, you won't find yourself in the tricky position of having to switch CDPs a few years from now to hit those long-term targets.

2. **Is your data accessible—or can you make it accessible?** For a CDP to really drive business results, it needs to have data coming in. Before you start looking at platforms, you need to understand what data you have, where it lives and if it is accessible to you. Moving forward requires knowing where we're starting from. And the more you know about your organization's current data structures, the better you can ask the right questions once you start evaluating CDPs.

"Maybe the short-term goal is to have more accessible data— data your marketing team can use to make real decisions."

Heineken's Creative Approach to Gathering Customer Data

When Heineken decided to implement a CDP, they faced more challenges than most. Because the best customer data comes from direct contact with your customers—and in post-prohibition America, beer companies must sell through a distributor, who then goes through a retailer. This means Heineken and other beverage companies are three steps removed from their customer.

So, how was Heineken going to really get to know their customers, personalize their marketing messages for individuals and drive real business results? The answer had to be a creative one.

Led by their Director of e-Commerce, Bram Reukers,

Heineken created an e-Commerce platform. It's branded Heineken. The offerings are Heineken products. But, to keep within regulations, Heineken isn't actually selling the products on the site. The back-end system is powered by liquor delivery services.

This smart solution lets the brand stay compliant with US regulations while also becoming the first touch point with their customers. Which means they now have access to the data those customers are sharing.

Since implementing the new e-Commerce platform and Lytics CDP, **the brand has more than doubled its known users and increased Facebook campaign effectiveness by 300%.**

3. Have you started to bridge the gap between IT, marketing, sales, PR, customer service and any other customer-facing teams—or are you willing to?

The biggest point of failure in this process isn't the technology; it's communication. If you're going to unify data and give your customers a consistent, personalized experience, every team that touches that customer experience will need to be aligned.

If you're not sure where to start with this, pick a vendor like Lytics with robust services designed to help you structure teams, open lines of communication and succeed not just on a technology level but on a people and processes level.

What to Look for in a CDP

SO, YOUR BUSINESS IS READY for a CDP. You have goals and use cases in hand. You're committed to bridging the gaps between customer-facing teams. And your data is accessible—or getting there.

Now what? How do you choose the right technology partner?

The answer starts with asking good questions. The questions below are some of the core considerations we recommend. But since every business will have different goals and use cases, it's important to know which of these questions hold more weight for your business. We recommend asking them all but basing your final decision on the questions most closely aligned with your strategy.

BUSINESS AND MARKETING CONSIDERATIONS

Does the CDP have a marketer-friendly user interface? (Can your team use it out of the box without any tech experience?)

Can the CDP solution accept data from multiple sources or tools—both structured and unstructured?

Does it provide unified profiles of your users and are there multiple ways to view those profiles?

Does the system support real-time data streaming and batch processing to keep all your channels operating with up-to-date customer data?

Does the CDP integrate seamlessly with your preferred MarTech tools and channels? (Facebook, your CRM, Google, ad channels, etc.)

Does the CDP offer predictive scoring and machine-learning to help you identify and target customers based on behavior and predictive insights?

Does the CDP offer a simple way to create audiences you can use across other tools, and can those audience segments be used as building blocks to define and refine other audiences?

Does the CDP help you understand which topics and content your users find interesting? Does the platform do this automatically?

Does the company provide both self-service and dedicated customer support and/or strategic services to help you succeed with the technology? How does their customer service rank?

91% of MarTech buyers would rather use multiple best-in-breed vendors than a single-vendor stack[6]. If this is you, you need a CDP with a solid list of integration partners and a flexible API that future-proofs your platform.

TECHNICAL CONSIDERATIONS

Does the CDP fit your technical requirements?	**How easy or complicated is technical implementation?** Does the company provide a JavaScript tag for your website to easily capture data and import it into the CDP?	**Does the CDP have APIs and developer SDKs that your developers can leverage to integrate with other tools in your brand's marketing stack?**
How does the system handle identity resolution? Can it help you transition users from anonymous to known?	**Does the system function deterministically or probabilistically?** (Note that deterministic providers are more likely to be compliant with privacy regulations.)	**Is it hosted on a secure, cloud-based service?**
Does it accept inputs from multiple tools?	**Does it offer automatic data export into your marketing tools?**	**Does it integrate easily with your preferred tools now, and will it continue to do so in the future?**

Ultimately, when you're evaluating a CDP, you should look at how it fits with your business and marketing goals. Start with strategy. Start with goals. Start with knowing where your business is today and where you need to take it. Then use the questions above to make sure you find the best technology vendor to reach your specific goals.

6   *91% of MarTech buyers prefer multiple best-in-breed technologies to a single-vendor stack.*

CDP COMPARISON CHART

Now, to the nitty gritty. On top of their core capabilities designed to collect and unify customer data, CDPs can come with a whole host of features and add-ons. Here's how some of the top technology vendors in the space stack up against each other, according to the CDP Institute[7].

	Lytics	BlueConic	Tealium	mParticle	AgilOne	RedPoint	NGData	Optimove	Evergage
SHARED CDP FEATURES									
Retain original detail	Y	Y	Y	Y	Y	Y	Y	Y	Y
Persistent data	Y	Y	Y	Y	Y	Y	Y	Y	Y
Individual detail	Y	Y	Y	Y	Y	Y	Y	Y	Y
Vendor-neutral access	Y	Y	Y	Y	Y	Y	Y	Y	Y
Manage PII	Y	Y	Y	Y	Y	Y	Y	Y	Y
DISTINGUISHING FEATURES									
Data Management									
Base Features									
API/query access	Y	Y	Y	Y	Y	Y	Y	Y	Y
Real-time access	Y	Y	Y	Y	Y	Y	Y	Y	Y
Persistent ID	Y	Y	Y	Y	Y	Y	Y	Y	Y
Deterministic match	Y	Y	Y	Y	Y	Y	Y	Y	Y
Probabilistic match	Y	N	N	N	Y	Y	Y	N	Y
Un/Semi-Structured									
JSON load	Y	Y	Y	Y	Y	Y	N	N	Y
Schema-free data store	Y	Y	Y	N	Y	Y	Y	N	Y
Website									
Javascript tag	Y	Y	Y	Y	Y	Y	Y	Y	Y
Cookie management	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mobile Apps									
SDK load	Y	Y	Y	Y	Y	Y	N	Y	Y
Digital Ads									
Audience API	Y	Y	Y	Y	Y	Y	Y	Y	Y
Cookie synch	Y	Y	Y	Y	N	Y	Y	Y	Y
Offline									
Postal address hygiene	Y	N	N	Y	Y	Y	N	N	N
Name/address match	Y	N	N	Y	Y	Y	N	N	N
Business to Business									
Account-level data	Y	N	N	N	Y	Y	Y	Y	Y
Lead-to-account match	Y	N	N	N	Y	Y	Y	Y	Y
Analytics									
Segmentation	Y	Y	Y	Y	Y	Y	Y	Y	Y
Automated predictive	Y	Y	N	N	Y	Y	Y	Y	Y
Engagement									
Content selection	Y	Y	Y	N	Y	Y	Y	Y	Y
Multi-step campaigns	Y	N	N	N	N	Y	N	Y	N
Real-time interactions	Y	Y	Y	N	Y	Y	Y	Y	Y

7   Chart data sourced from the Customer Data Platform Institute's CDP Vendor Comparison.

The Process of Choosing a CDP

WITH YOUR ORGANIZATIONAL GOALS, data strategy and strategic questions in hand, it's time to take the next steps—researching and, ultimately, choosing the right CDP for your business. What should you be doing and asking along the way? Here are our suggestions:

1. **Research.** What do you want to achieve with your CDP? Are you focused on legal compliance? Unifying customer data for better user experiences? Smarter marketing campaigns driven by real user behavior? A centralized hub where your MarTech tools can can all draw from and feed into one unified data source?

   Research CDPs with your strategic goals in mind and come up with a list of the vendors you think will be the best fit for you. Compile a list of questions before you schedule demos. Tech questions are important, but don't forget to ask about your business use cases. Get clear up front about whether you're looking for a simple tool to route data or whether you're committed to leveling up to marketing 3.0 to drive person-centric marketing at scale with a platform like Lytics.

2. **Schedule demos.** Schedule demos and see for yourself how each of your top technology options stack up against both your business goals and the competition. This is also a great opportunity to ask deeper questions and assess the usability of the system. If your marketing team can't use the platform, it may be a challenge to get value out of the system quickly.

   (And if you're ready to schedule demos, we would, of course, love to show you how Lytics works.)

How The Grand Ole Opry Increased Customer Engagement by 115%

For The Grand Ole Opry, personalization and a desire to better understand their customers were the driving factors in CDP adoption. And who could blame them? After all, **83% of marketers who exceeded their revenue goals in 2017 were using personalization**[8].

To harness the power of personalization, the brand began with simple segmentation efforts within their marketing campaigns. By leveraging Lytics' powerful data science tools to determine which of their email subscribers preferred contemporary artists over classic artists, they were able to tailor the show lineups in their email newsletters to better reflect their subscribers' interests.

Initial segmentation efforts generated email click-through rates over 30%, year-over-year increases in ticket sales and, ultimately, a 115% increase in customer engagement.

3. **Ask for case studies—and don't settle for anything less than compelling results.** Companies with data-driven strategies are reaping huge rewards. In fact, they're six times more likely to be profitable year-over-year than companies who aren't data-driven[9]. To see results like those, look for tech partners like Lytics who are already generating big results for their clients. They should have case studies at the ready.

4. **Visit your vendors.** If possible, make a trip to your top vendors' offices and see how they operate day to day.

5. **Talk to their clients.** Ask for client references and check them. Case studies are important, but find out what clients have to say off the record about their experiences with the technology, customer service and educational resources available through their CDP.

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8   *83% of marketers who exceeded revenue goals were using personalization.*
9   *Data-driven companies are six times more likely to be profitable than the competition.*

At Lytics, we know there's a learning curve with any new technology. That's why in addition to personalized customer service and a robust services program, we also have an online learning platform where both marketers and developers can better understand the technology, how to use it and what it's capable of.

6. **Evaluate services and customer service reputations.** If you need an expert consult, a workshop for your team or simply stellar customer service, which vendors go the extra mile? Do they partner well with leading consultancies and strategic services firms? Do they provide online learning resources for your team? Don't forget that anytime you're implementing something new, there's probably going to be a learning curve. If you think you might need a little extra support, make sure you choose a vendor that provides it.

Lytics was named Best Overall CDP and Highest Customer Satisfaction in The Relevancy Ring's recent CDP Buyers' Guide[10].

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10   *Lytics takes top spot in The Relevancy Ring CDP Buyers' Guide.*

So, Now You've Got a CDP... What Comes Next?

75% OF COMPANIES who use data-driven marketing see increased engagement[11]. Businesses with data-driven strategies generate five to eight times as much ROI as businesses without[12]. And 87% of retailers agree that cross-channel marketing is critical to success[13].

CDPs support all of the above, but choosing and implementing one is just the beginning. To see big marketing wins, you'll need to spend time integrating the CDP into your business processes, learn how to best use your business' data and start building up your campaigns.

As with the proverbial question of how to eat an elephant, this means taking on big changes one bite at a time.

SET YOURSELF UP FOR QUICK WINS

Breaking down silos, importing data, educating teams on how to use your new CDP and making changes to marketing processes can take time. But that doesn't mean you can't set yourself up for quick wins along the way.

If you choose a best-in-breed CDP, quick wins should happen in 60 days or less. For Lytics customers, this often means combining customer data from the web with Facebook or Google's powerful targeting features to increase conversions and decrease cost per conversion—often exponentially.

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11   *75% of companies see increased engagement when they use data-driven marketing.*
12   *Data-driven strategies generate five to eight times more revenue.*
13   *Omni-channel marketing is critical to success according to 87% of retailers.*

CASE STUDY

Quick Wins With Facebook Marketing

Facebook's robust targeting abilities are already popular with marketers. But when you add first-party customer data through Lytics, the results can be staggering.

One Lytics client—a large pet food brand—used Lytics data to target people who'd recently done searches about puppy adoption and who were, according to Lytics behavioral scores, highly engaged with the brand. **The Facebook ads served to this audience were three times as likely to convert as the same ads pre-Lytics. Even better, the cost per conversion dropped by 90%.**

See how Lytics works with Facebook

SET YOURSELF UP FOR LONG-TERM SUCCESS

Quick wins are important for business growth, morale and proof of value, but the real power of a CDP lies in its long-term potential—especially if you've chosen a CDP with built-in machine-learning and AI capabilities.

Over time, as your system gathers more data and tracks the behavior of more customers, it gets smarter. Behavioral scores are honed. More users are identified. And your team will have the time to put multiple campaigns in place and tweak them as needed along the way.

Quick wins build momentum, but the real value of a CDP is its long-term potential to support future (bigger) wins and real customer personalization. Companies like Netflix, one of today's leaders in personalization, got there by focusing on large-scale personalization, not quick wins.

Setting yourself up for long-term success means understanding that many of the long-term benefits of a CDP will gain momentum as you build campaigns, clean your data, align your teams and get to know the system you've chosen.

LET THE EXPERTS HELP

With any new endeavor or technology, there's always a learning curve. But if you choose a CDP known for its services and customer service, your learning curve should be a shorter one.

Ask for help when you need it. Take advantage of training programs, workshops and online education programs. Read case studies and learn from those who've already succeeded. And don't hesitate to ask your vendor questions not only about the technology but also best practices.

How Does Lytics Stack Up?

ACCORDING TO the Relevancy Ring CDP Buyer's Guide, Lytics is the best overall CDP on the market. The researchers loved us for our integrated user profiles, our natural language processing (which helps you identify content affinities and serve the right content to the right users), our extensive partner network and our data science tools.

We also ranked highest for customer satisfaction. Probably because we not only provide the technology you need to truly unify data and personalize marketing, but we're also committed to providing services and customer service that supports that technology.

If you're shopping for a CDP, we'd love to answer your questions and give you a demo. Schedule online today.

Check our your Lytics profile:
Lytics.com/Profile

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