

The complete guide to Customer Data Platforms



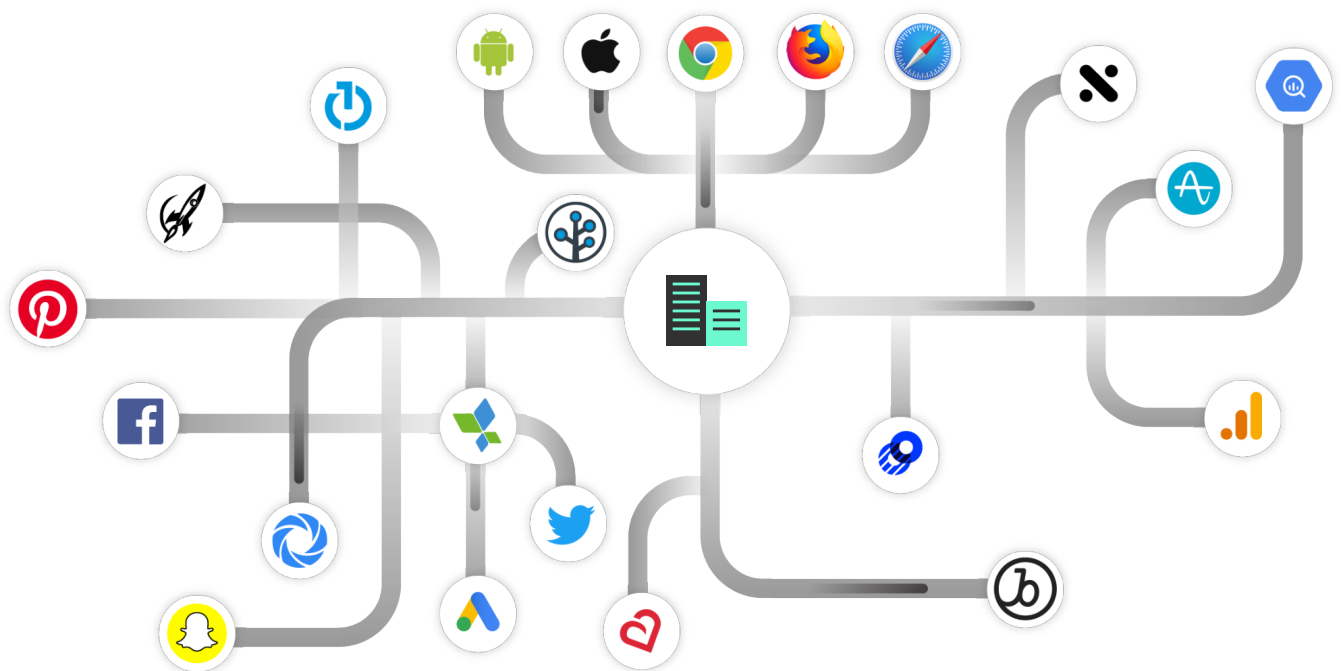


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Overview

We have entered a new era of business, where the competitive advantage for consumer brands is no longer determined by the quality of products and services they offer, but rather by the value that customers get across all engagement touchpoints. Winning brands understand this, and are investing in evolving their digital offerings so that they can better connect with their customers.



But this is easier said than done. Organizations are dealing with more customer data, and as teams look to a variety of technologies to help them collect, manage and use their first-party data, more data silos are being created than ever before.

¹ Market Guide for CDP Platforms Gartner

“Twenty seven percent of respondents to Gartner’s 2019 Marketing Technology survey state that integration between marketing technologies is their biggest impediment to delivering against marketing and business objectives.”

Market Guide for CDP Platforms Gartner

Although new tools open the possibility for greater insight and action, data-dependent initiatives will fail if your current data infrastructure can’t keep pace.

Customer Data Platforms (CDPs) present a solution for teams that are frustrated with the limitations of how their current data stack handles customer data management and customer analytics. The purpose of this guide is to help professionals understand what a CDP is, differentiate between vendor types and shape their modern customer data management strategy.

What are Customer Data Platforms, and what types of CDPs are there?

According to the [CDP Institute](#), there are currently well over 120 different companies that offer CDP solutions. Sorting through the noise has been difficult for even the most industry-savvy teams. So, how can you compare CDPs?

We classify the CDP vendors into four types:

01

Infrastructure CDPs

Infrastructure CDPs establish a new foundational data infrastructure layer to help teams move data freely and securely between systems and applications in real time, while managing data quality and protecting consumer privacy. Using embeddable SDKs and APIs, these CDPs collect 1st-party data from multiple customer touch points (Mobile, Web, OTT, POS systems, and more). Data is then cleansed and linked to individual customer profiles before it's sent downstream to best-of-breed advertising, marketing, operational and analytics systems. While adoption of infrastructure CDPs requires initial investment from engineering teams, post-implementation they provide self-serve data routing capabilities to non-technical teams, such as Product, Marketing, Analytics, and Customer Support. Included in these capabilities is the ability to leverage predictive insights to create audience segments. Once built, audience segments can be connected to marketing engagement tools for personalized campaigns.

Example vendors: mParticle, Segment

02 Marketing Clouds

Several of the large multi-suite martech cloud companies have announced a CDP solution within the last 24 months. The cloud offerings aim to introduce a CDP module, as part of an integrated suite, that facilitates profile unification, segmentation and data activation. However, these products typically limit data sources and destinations to the cloud's suite of products, promoting vendor lock-in and discouraging a best-of-breed approach to building your data stack.

Example vendors include Adobe, Salesforce, Microsoft

03 Multi-Channel Marketing Hubs

Multi-channel marketing hubs make up the vast majority of vendors claiming to be CDPs. These providers offer data orchestration capabilities that facilitate marketing initiatives, such as offer management and triggered messages, by sending instructions to multiple downstream solutions from within their interface. Typically, these vendors are heavily reliant on data ingested via batch imports from 3rd-party sources, as opposed to collecting real-time, 1st-party data. This often results in a lack of data quality, as aggregated data can be inaccurate or filled with inconsistencies. These CDPs like to tout features targeted towards marketers, BI analysts, and other "data consumers," such as journey mapping, reporting and nascent machine learning capabilities. Unfortunately, they lack the data foundation required to deliver on these features in an impactful way.

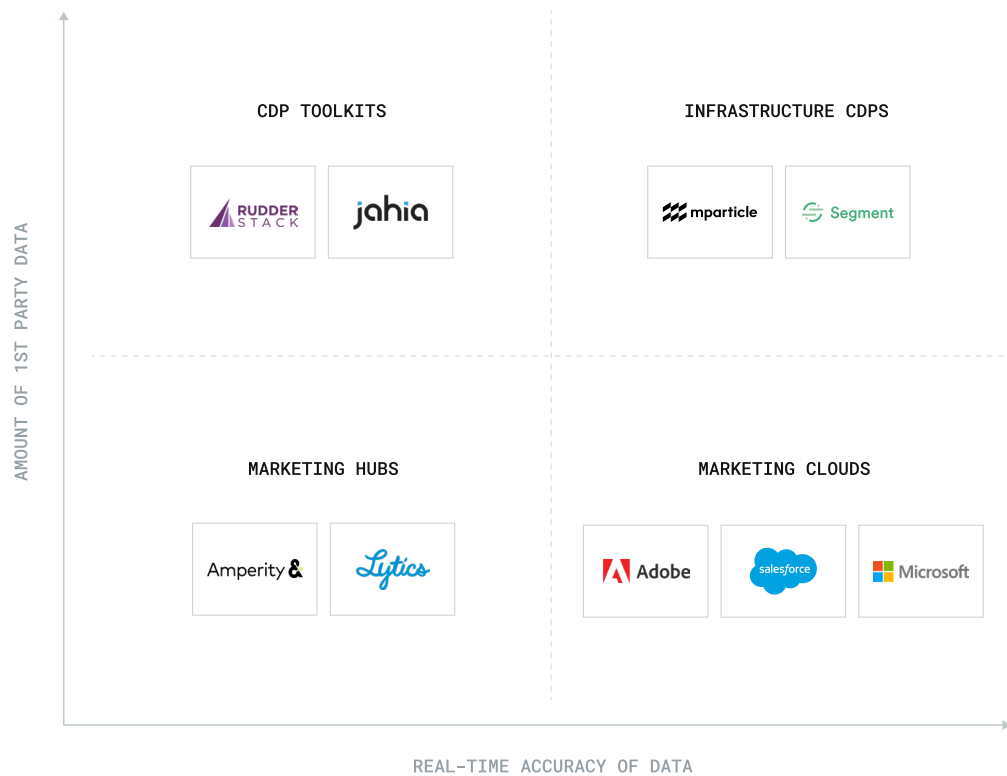
Example vendors: Lytics, Redpoint, Blueconic

04 CDP Toolkits

These are ideal for developer-led teams that may want to integrate a CDP into their core application and utilize basic features, such as discovering segments and performing advanced analytics, on top of their 1st party data. Scalability of these solutions is limited to niche features when compared to a solution that can meet multiple enterprise needs across functions. Also, building and maintaining a

CDP in-house tends to increase the total cost of ownership overtime, as any data plumbing necessitates significant help from expensive developer resources.

Example vendors: Rudderstack, Jahia jCustomer.



How do Infrastructure CDPs empower teams across the organization?

Infrastructure CDPs help teams with three core challenges around customer data:



Data Connections

Infrastructure CDPs give you the ability to ingest first-party, individual-level customer data from multiple sources, online and offline (iOS, Android, Web, OTT, CRM, ERP, POS), in real time and without limits on storage and make that data available to all other tools and systems being used by your organization. When tools are swapped out, there is no need to re-code.

Collect

Ingest first-party, individual-level customer data from mobile, web, streaming and other business applications in real-time.

Integrate

Rapidly implement and integrate customer data pipes to coordinate interactions, bi-directional flow of data and functionality across a wide array of platforms.



Data Quality

Infrastructure CDPs help teams ensure that customer data made available to systems and teams is accurate and consistent. Data management, hygiene, and enrichment, as well as identity resolution capabilities, overlay all customer data pipes, resulting in more accurate customer profiles. Profiles are then consolidated at the individual-level for both anonymous visitors and known users, by linking user events, unique identifiers, and attributes. Within an interface, teams can create and manage segments of customers. Segments can then be sent to downstream tools to power personalized customer engagements.

Manage

Feed data pipelines with high quality clean data consistently and stop bad data at the source from polluting downstream systems.

Unify

Consolidate profiles at the person level and connect user attributes to individual identities to build a 360 degree customer view that helps you segment customers into groups.

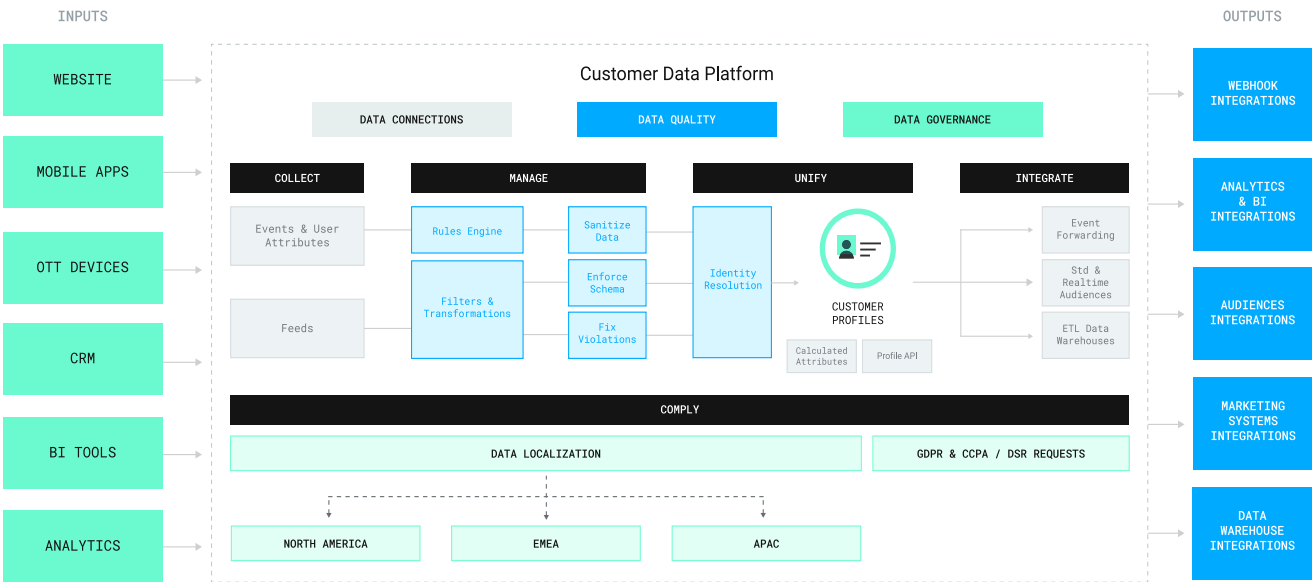


Data Governance

Infrastructure CDPs allow teams to manage user privacy properly by providing control over the use of customer data. By standardizing data at the collection point, CDPs enforce governance and privacy rules before data is distributed to internal and external systems. This not only maximizes the effectiveness of 1st party data, but also allows organizations to fulfill corporate policies and meet compliance requirements of GDPR and CCPA.

Comply

Enforce regulatory standards and protect customer data against modern threats, maintain customer trust, and automate compliance with GDPR, CCPA, and whatever comes next.



How are Infrastructure CDPs different from other platforms?

In the wake of COVID, all consumer brands have had to become digitally native to meet the demands of their consumers. This has fast tracked the need to develop core competencies around collecting and utilizing customer data to enable sophisticated customer engagement strategies. However, despite investments in multitude of platforms over the years, most teams realize that their data stacks have considerable gaps in helping them ensure that customer profile data, transactional events and analytic attributes are available to them in real-time.

In addition, the changing business landscape of privacy regulations across regions, countries, states and industries is forcing organizations to manage customer privacy properly or risk reducing their use of customer data.

“86% of consumers want more transparency over how their personal information is used”

State of the Connected Consumer report by Salesforce

To address these challenges organizations must implement new solutions that can enable real-time data-driven decision making and drive data-powered products.

CRMs

CRMs like Salesforce or Oracle are primarily used for managing customer interactions, business transactions and sales process management. Customer data from Marketing activity comes into the CRMs through data integrations with marketing automation platforms, or by capturing sales activity from sales reps. Customer transactional information is added from financial systems, and customer service activity is pulled from customer support systems. However, a CRM does not consolidate user activity from all these channels into a single customer view, build audiences to segment customers, and nor do they have rich integrations with tools or capabilities to make this data actionable.

Infrastructure CDPs are now becoming the primary data source of every detail known about a customer or prospect and to be able to act on that information in real time.

DMPs

As Infrastructure CDPs and DMPs are both central hubs for customer data, there's a fair amount of conceptual overlap. Specifically, both systems can create audience segments which can connect to other parties for audience targeting / personalization. The central difference between the two platforms is that DMPs are designed to use anonymous cookie data, whereas Infrastructure CDPs use both anonymous and known customer data. For customers which prefer DMP's for their web-based ad tech needs, Infrastructure CDPs can be a powerful complement that enhances and expands the value of the DMP.

With the growing customer privacy demands, the impending death of 3rd party cookies, and anonymous advertising identifiers, the effectiveness of DMPs is diminishing.

MDMs

MDMs are a more mature technology designed to model hierarchical relationships within and across customer entities, particularly in the business-to-business (B2B) realm. For data from customer service and support, commerce, ERP, fulfillment or other systems an MDM solution can be an

effective tool to consolidate customer data. For data from first party data sources such as Web, Mobile, OTT devices and other services Infrastructure CDPs are quicker and better.

The use of both technologies can provide a best-of-breed solution that accentuates the strengths of each technology and provides a great degree of future-proofing.

Data Warehouses

While data warehouses provide a system for long-term data storage and analysis, Infrastructure CDPs provide real-time data connectivity. A valuable use case is to export clean, consistent customer data from your CDP to your data warehouse, where it can then be queried directly for historical analysis. This provides you with automated data exportation, advanced filtering and compliance, and data replays for faster and more stable data warehousing.

Data warehouses enable critical insights, and speed of data collection. You can use an Infrastructure CDP with your data warehouse to improve functionality and take action on business intelligence.

Who uses an Infrastructure CDP?

With the goal of managing the full customer journey, business teams are pursuing platform strategies which provide them with the following capabilities:

- Unified reporting across all customer engagement channels
- Attribute driven personalization
- Holistic view of the customer
- Provide an 'always on' feedback loop
- Increased agility to respond to marketplace events
- Discriminately leverage customer data at every interaction point

By focusing on connectivity, quality, and governance; Infrastructure CDPs are enabling the following teams to execute on a privacy-safe, multi-channel personalization strategy.

Engineering

CDPs help engineers reclaim precious time. With a CDP, engineers can simplify customer data collection by using a single API across platforms and with the help of developer tools improve data quality at compile time. Once data is ingested into a CDP, business users are not dependent on engineers to build integrations as they can use pre-built connectors.

Benefits of a CDP

✓ **Aggregate all of your user and event data**

With minimal code, collect customer data such as clicks and page views from your web, mobile, server, and OTT applications

✓ **Help your apps run faster**

Consolidate your SDK footprint and get rid of any third-party code slowing down your app and impacting user experience.

✓ **Ship your data anywhere**

Automatically export your data to data warehouses such as Amazon Redshift, Google BigQuery, or Snowflake.

✓ **Build using your preferred language**

Get started with the platform of your choice using SDKs for iOS, Android, Web, and cross-platform frameworks such as ReactNative, Cordova, Xamarin, and Unity.

KPIs for success

1. Clean code leads to less bugs
2. Improve app performance
3. Reclaim engineering time

Marketing

With CDPs, Marketers can drive growth faster by improving conversion, retention, and time-to-monetization with high-quality customer data, available wherever they need it.

Benefits of a CDP



Access unified customer profiles

Get a complete, accurate view of every customer, across every touchpoint. Reconcile anonymous users with known IDs to build a unified customer profile.



Centralize audience segmentation

Segment your users into real-time audiences and target them with contextualized messaging. Deliver consistent, personalized experiences across every channel with integrations to popular customer engagement platforms like Facebook, Google, Adobe Campaign Manager, Braze, and Iterable, impacting user experience.



Connect data to tools instantly

Connect high-quality customer data to any of our 300+ integrations without a line of code, eliminating vendor SDK implementation and maintenance requirements.



Extend your audience reach

Connect your CDP with data connectivity platforms such as Liveramp to increase your audience integrations with leading measurement and media partners. Cordova, Xamarin, and Unity.

KPIs for success

1. Improve the overall ROI of marketing campaigns
2. Grow top of mind awareness with more unique visits to your website
3. Launch new customer experiences with new tools rapidly



C-Level

With a CDP, you get a single vendor solution which reduces management cost and complexity, increases efficiency across functions and helps you leverage customer data across your whole business.

Benefits of a CDP

- ✓ **Data-driven Decision Making**
Easily feed customer data collected with a single API into 100's of cross-functional tools such as product analytics, A/B testing, and data warehouses to drive decision making.
- ✓ **Reliable Data For Analytics**
Feed data pipelines that collectively provide business timely competitive intelligence or operational wisdom.
- ✓ **Improve Customer Experiences**
Reduce customer frustration by targeting them correctly with your marketing effort and improved customer service.
- ✓ **Safeguard Your Customers Privacy**
Fulfill corporate policies and meet compliance requirements including GDPR and CCPA.
- ✓ **Enforce Data Privacy**
Control which users or programs should only have access to customer data that is necessary to perform a particular task.

KPIs for success

1. Top line growth
2. Reduce program costs
3. Mitigate user privacy and security risks



How mParticle is used as foundational data infrastructure to deliver winning customer experiences

A robust, organization-wide customer data management strategy requires iteratively executing a repeatable set of steps to assess, implement and rapidly integrate each customer-data-related initiative.

From a customer data management perspective, this means understanding not just what data moves, but how it moves, how it can be updated, how it's quality can be improved and how it affects operational tasks such as enforcing regulatory compliance.



Burger King wanted to introduce their mobile app to the masses, and aimed to do so by launching an innovative, cross-channel campaign. The result was their award-winning whopper detour campaign, in which they offered 1 cent whoppers via push notification to any customers within 600 feet of a McDonald's restaurant. Executing the campaign required connecting customer location data from Radar, one-to-one push notifications with Braze, digital checkouts with Tillster and more, all in real time. Ultimately, the campaign drove 6 million app downloads and a 300% increase in mobile order value. [Learn more](#)

300%

INCREASE IN MOBILE
ORDER VALUE

venmo

Venmo's Product and Marketing teams are adept at using customer data to deliver better experiences. That said, the company's developers were constantly being pulled away from their core initiatives to support Product and Marketing data requests – event implementations across iOS and Android, third-party code maintenance, and data wrangling across tools and systems. Venmo's engineering and analytics lead implemented mParticle to simplify data collection, manage data quality, and connect data to multiple tools and warehouses. The Product and Marketing teams were able to get access to high quality customer data when and where they needed it, and engineering was able to return to a modelling exercise that had been put on hold, the result of which drove a 30% increase in engagement. [Learn more](#)

30%

INCREASE IN
ENGAGEMENT

jetBlue®

As JetBlue's Chief Digital and Technology Officer, Eash Sundaram, put's it, JetBlue view themselves as a "customer service company that happens to fly planes." To turn that cultural statement into action, the team has been focused on leveraging technology to deliver superior digital experiences. When building their mobile app, JetBlue wanted to keep their code efficient, streamline event collection, and save developer hours wherever they could. Simplifying their data infrastructure and shortening their dev cycles with mParticle, the JetBlue team was able to drive 887,000 app downloads and generate a 4.9 star rating in the iOS app store. [Learn more](#)

887k

APP DOWNLOADS

Learn how to modernize your customer data infrastructure with mParticle

Modern data challenges are upon us, and they require modern data solutions. Data privacy regulations are here and continually evolving, and customers will no longer put up with personalized experiences that are accurate ‘most of the time’.

While Product Managers, Growth Marketers and C-levels need access to clean customer data to do their jobs, it’s not sustainable for developers to continue sacrificing core engineering initiatives so that they can spend their time wrangling data across disparate systems.

mParticle’s Customer Data Platform provides teams across the organization with real-time access to high quality customer data so that they can manage regulatory compliance and drive better customer experiences. With simplified tracking code and reduced vendor overhead, engineers can return to core development, assured that business teams have the data they need to drive growth.

To learn more, you can try out the mParticle platform demo [here](#).

We love questions and feedback

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