THE DEFINITIVE GUIDE TO

Customer Data Platforms

TEALIUM®

Table of **Contents**

Owning Your
Data Destiny

Every marketing organization wants to be data-driven—to make the right decisions about where they're investing their time and money to deliver the best customer experience. With data coming in from more channels and formats than ever, there's no shortage of data for marketing professionals to use.

Without the right strategy to handle all of the data coming in from the web, apps, in-store transactions, and call centers, it can all turn into a cacophony of noise.

The billion-dollar question remains: how do marketers take all of the noisy data and turn it into a symphony?

But wait, there's more: add in the complexity of ever-changing privacy regulations (like the California Consumer Privacy Act and General Data Protection Regulation), the loss of third-party cookies for ad tracking, changing consumer habits, and navigating historical societal changes. It's enough to overwhelm even the most seasoned data-driven marketing organizations.

Customer data is the key to every company's future. It is the primary way to understand your customers' attitudes and buying preferences. To own that destiny and to ensure the best experience, you need to be able manage and activate data in real time.

And that's where a Customer Data Platform enters the Martech landscape. To help you make the most out of every drop of data and every tool you use to craft the customer experience:

- **Develop a single view of the customer to improve engagements and increase conversions;**

- **Create a more trustworthy brand by simplifying customer data governance;**

- **Empower multiple teams by unifying data and having one, accurate view of the customer;**

- **Deliver more value through the tech stack you already have.**

The Definitive Guide to Customer Data Platforms is your guide to understanding where to begin with the technology and how to transform your organization to unlock the full power of your customer data.

Special thanks to the team at Code Worldwide and Credera of Omnicom Precision Group who provided invaluable perspectives to help make this guide more definitive than ever.

The Ultimate Guide to CDPs

This guide will answer questions you have about common use cases, how to measure the return-on-investment, what you need to consider for staffing your CDP initiative, and strategies for getting the most out of your technology.

The Customer Data Platform is a transformational technology. We're talking real real-time data-driven marketing, making your brand more trusted through better data governance, less pain for the hardworking data professionals spending long hours batching and processing data, and getting the most out of your current tech stack.

Don't fret, though: deploying a CDP doesn't mean you're uprooting everything in your marketing department; rather, the Customer Data Platform taps into what you're already doing to work alongside your current tech stack. It's about unlocking the data you already have to empower the teams and tools you're already working with to achieve a single view of the customer.

Finding the right CDP means finding the right technology and the right company that will be there to help you create a customer data foundation that will support growth for years to come. We hope that this Definitive Guide provides a view into the "now" of the Customer Data Platform market, as well as to the future defined by a better customer experience.

So, if you're here to become more data-driven, please buckle up and keep your hands inside the vehicle at all times.

Here we go.

From Silos to a Single View

As consumers were given new ways to interact with companies—rather than just in stores—the relationship between brand and consumer fundamentally changed. Consumers could now visit a website and make a decision without ever talking to someone, or they could comparison shop across the globe, increasing the number of companies competing to retain their loyal customers.

The promise of a single view of the customer—the remedy to the fractured customer experience—has been around for as long as e-commerce split the customer experience in two, but attaining it has been a nearly impossible task.

> "
> **With each new touchpoint in the customer journey, a new silo of data is created**—unless companies invest in the data foundation underpinning those tools.

More than any of the technology that came before it, CDPs develop a single, meaningful view of the customer in a timely manner. In the good times and the bad, understanding the customer is a fundamental necessity. CDPs take a holistic approach to the customer experience through data. As more technologies play a role in the customer experience, the more pressing the need for a Customer Data Platform will be. Before CDPs, much of that investment was the time and labor it took to create bespoke solutions—solutions that required lots of love to keep their integrations up and running. Today, building and maintaining the dozens of connections and integrations required to gain a single view of the customer is untenable for most organizations.

Though CDPs are the newer kids on the block, they address the fundamental hurdle to the single view of the customer. With each new touchpoint in the customer journey, a new silo of data is created—unless companies invest in the data foundation underpinning those tools. That's why CDPs are here to stay; they unify the customer journey at the level of data and they deliver long-term value to each of the groups responsible for the parts of that journey.

So, let's dive into what they really are and why they may be right for your company.

INSIGHT

$15 million

The cost of poor data quality on average for companies annually, according to Gartner.

The Benefits of a Customer Data Platform

Deliver a Single View of the Customer

CDPs unify first and third-party data sources to form a comprehensive 360-view of your customer across devices and channels, making that data available to your other tech and across the business.

Tear Down the Data Silos

The value of customer data extends across a business. CDPs give teams the ability to access and leverage customer data across departments accurately and effectively.

Enable Operational Efficiency and Business Agility

CDPs enable businesses to build and connect a tech stack that adapts to the ever-changing consumer behavior with turnkey integrations, saving hours of integration work. Audiences and business rules are set up centrally and can be applied across various technologies saving huge amounts of time and money.

Impact Marketing and Customer Experience

Customers are using more channels and devices than ever before while demanding exceptional and relevant experiences. With a comprehensive set of customer data, CDPs fuel multi and cross-channel marketing with comprehensive, trusted data.

Put the Customer at the Center

In order to enact customer-centered marketing, you must know your customers. CDPs equip you to manage your customer relationships and market with your audience in mind.

> " CDPs unify first and third-party data sources to form a comprehensive 360-view of your customer across devices and channels.

INSIGHT

According to Gartner

processing a single data subject request (to comply with CCPA or GDPR) costs (on average) $1,406 per request, ultimately costing an average of $140k-$275k for every million consumer records on hand.

Our Definition of a Customer Data Platform

The Customer Data Platform industry is an evolving space. There are over 100 vendors with varied offerings: some were purpose-built, some were built through acquisitions, and some are part of larger marketing clouds. That's why you'll find a lot of different definitions of what the technology is, and you'll discover a lot of overlapping value propositions achieved by wildly different means. This has made it challenging for buyers to get a clear sense of the industry.

Oftentimes, the definition of a Customer Data Platform from analysts like Forrester, Gartner, or the CDP Institute have to provide a definition that ends up being the lowest common denominator.

Take, for example, Forrester's definition of a Customer Data Platform: **A CDP centralizes customer data from multiple sources and makes it available to systems of insight and engagement**.

It's an incredibly vague definition, but that's not the analysts' faults; the definition has to be vague in order to accommodate the diversity in the industry.

The CDP Institute, which defines a Customer Data Platform as **"a packaged software that creates a persistent, unified customer database that is accessible to other systems"** suffers from a similar need for vagueness. Why are we spending so much time on the (lack of a) definition for a CDP? Taking a macro approach of the industry shows just how important it is for you and your team to know what you need to achieve with your customer data before you get into requests for proposals and proofs of concepts.

There's a wealth of possibilities that come from unifying customer data in real time, and a simple definition masks that potential.

Based on these definitions, you'd be forgiven for thinking a CDP is merely another type of structured database, and it may tempt crafty IT teams to try to build it in house. So let's talk about what we think a CDP should be.

Here's our definition of a Customer Data Platform: **A CDP is a technology that collects data in a governed way from sources like web, mobile, in store, call center, and IoT, unifies it to create accurate customer profiles in real time, then makes it accessible to and actionable for other tools and technology**.

A Customer Data Platform offers a balance of speed and agility— unifying customer data into profiles in real time— and stability— providing a single source of truth for your customer engagement tools.

At Tealium, we've built what we refer to as a Data-First, vendor-neutral Customer Data Platform. We call it this because it focuses on the data first and foremost (how it is collected, unified, and then accessed through other tools). It is common for organizations to change aspects of their marketing stack, so it's important to evaluate solutions that can collect data from a variety of touch points.

So, what else differentiates a data-first CDP?

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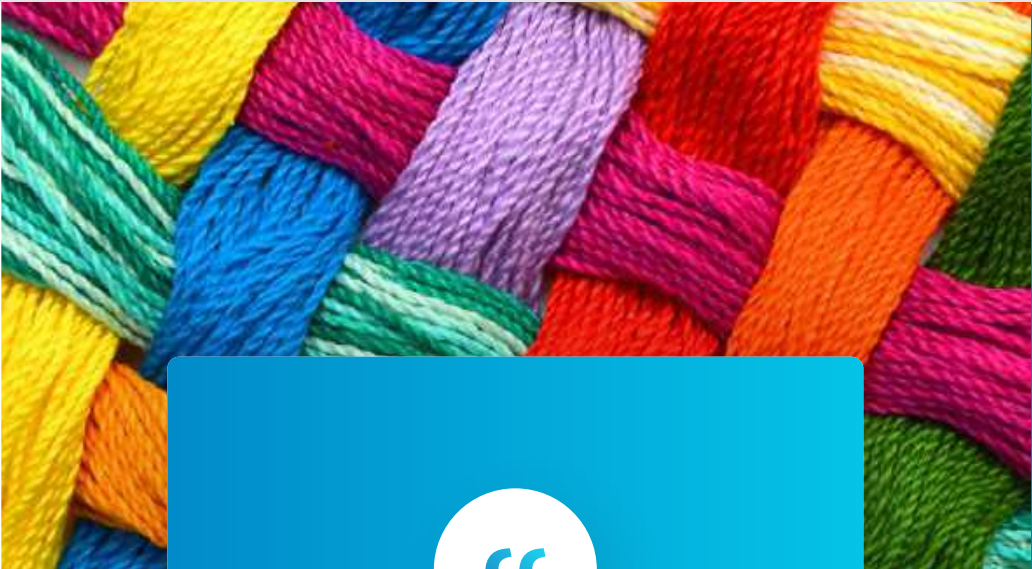
CDP Defined by Tealium

"A CDP is a technology that collects data in a governed way from sources like web, mobile, in store, call center, and IoT, unifies it to create accurate customer profiles in real time, then makes it accessible to and actionable for other tools and technology."

With these functionalities at the core of the Customer Data Platform, companies can create a brand that's more trusted by their customers, develop the agility they need to adapt to new trends and technologies and push their teams to new heights by removing many time-consuming hurdles.

These things don't happen all at once, though; **a CDP allows companies to improve over time as they expand into new use cases and bring together new teams**. Unlike technologies that work in a silo, investing time and effort into a CDP generates more value as your customer profiles and insights become more robust over time.

In the end, what matters is how you define what a Customer Data Platform means for your team and your customers. Throughout the rest of this Guide, we'll help you understand more about what CDPs can help you and your team achieve.

Data-First CDPs Excel in the Following Areas

Vendor-neutral data ingestion

The capability to take in data of any type from any source. Necessary for a single view of the customer that brings the physical and digital worlds together.

Identity resolution

The capability to automatically tie different identifiers from different sessions, channels, and touchpoints together to a single visitor ID. Critical for any single view of the customer initiative.

Real-time functionality

The capability to activate data in real time by automatically triggering campaign modifications or other events. This is important to improve your customer experience initiatives, as it doesn't restrict customer touchpoints to rigid journeys.

Ability to predict outcomes

Machine learning capabilities are the future of marketing technology; having them in your CDP enables all of your customer engagement touchpoints with unified predictive insights, instead of machine learning silos.

Privacy and consent management

The capability to govern the flow of customer data through all of your systems. Critical for regulatory compliance efforts.

Unified audience management

The capability to define audiences from a single place that is then disseminated across the entire tech stack. This is critical for improving the value of your current technology and optimizing marketing spend.

Insights into the
CDP Marketplace

With such a wide variety of CDP offerings available, it can be helpful to understand the experience of others who have already started using a CDP. Tealium sought to understand the CDP market better in a recent research study, the "2020 State of the CDP Report." Here are some of the findings relevant for anyone educating themselves before buying a CDP.

Not all CDPs are made equal

Tealium found that over 50% of organizations said their CDP lacked basic capabilities like the ability to ingest data from any channel. There are many CDP offerings that don't have critical CDP capabilities. It's important for prospective buyers to understand what CDPs can do and what capabilities they need before buying. Never assume parity.

Even happy customers are looking for more

When asked, 86% of respondents admitted to being satisfied with their CDP provider. And yet, over half also admitted that they planned to switch their CDP within the next year. Good enough isn't always good enough, when it comes to critical infrastructure like the CDP.

Better buy-in is necessary

The biggest challenge when it came to implementing a CDP is getting buy-in from other departments. The scope (and value) of a CDP spans from marketing to data/analytics to IT and privacy teams. As we'll discuss later, it's critical for CDP buyers to understand the unique value the technology delivers to different stakeholders to ensure you can get buy-in early on.

Governance and privacy are the future

Tealium found that 21%—the second most popular response—saw improved data governance as the top improvement they'd like to see in their current CDP. Relatedly, 61% believe CDPs will be absolutely essential for complying with data regulations by 2025. Getting control over the flow of customer data across your organization is a crucial, if undervalued, benefit of the CDP.

INSIGHT

Sportsbet

an online betting and entertainment company, saw a 10-15% uplift in reach by integrating their CDP with their CRM.

CDPs Are the Ultimate Technology Team Player

If it's not clear yet, CDPs are not a "standalone" technology. They rely heavily on integrations with numerous technologies to be successful; in turn, they make those technologies more impactful as well. This supergroup of technologies and strategies is what we call the Customer Data Supply Chain; this is how companies tame the tangled web of data silos that make up the customer journey.

As you can see in the diagram entitled "The Customer Data Supply Chain," the Customer Data Platform sits at the center of the supply chain. You're likely doing all of these things already, but with a Customer Data Platform at the center, you can turn what you're doing today into a simple, coordinated strategy with customer data.

The Customer Data Supply Chain

Collect
Server-side
and client-side

Standardize
Data layer

Transform and enrich
Event data

Integrate
APIs and
integration

Activate
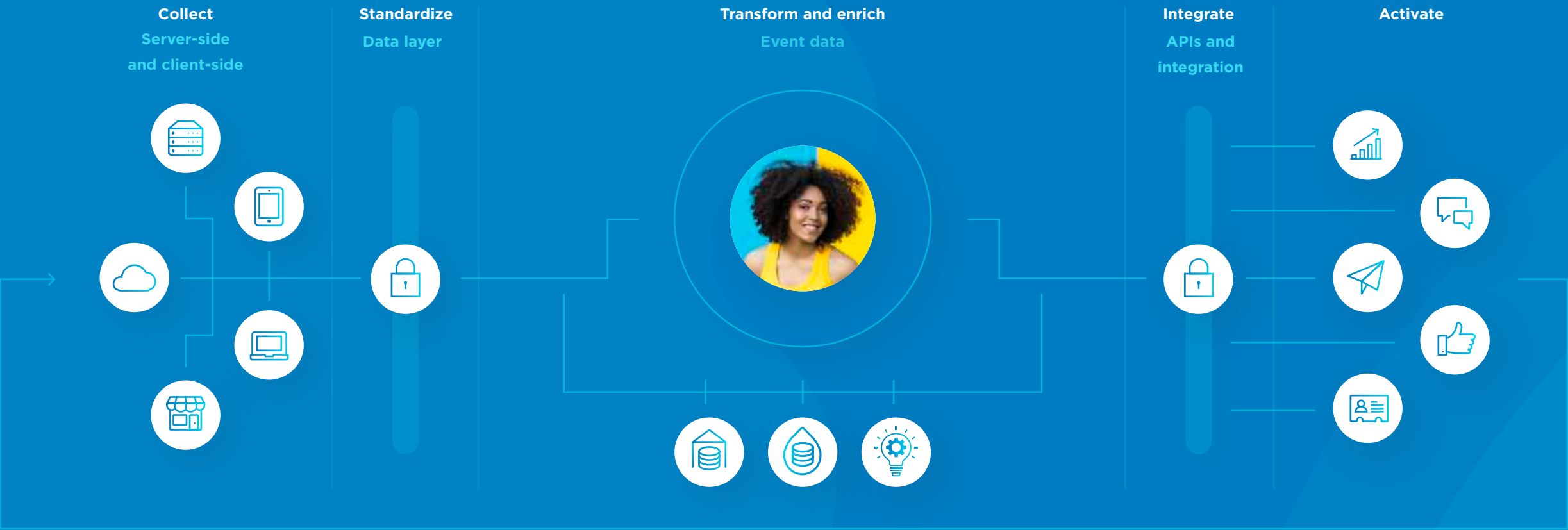
Let's Take a Look at Each Stage Individually

01 Collect

The Customer Data Supply Chain begins with the points of collection because you need to have data to feed into the CDP. This includes your client-side collection (through Tag Management Systems) and server-side collection (APIs); sources can include your website, in-store point-of-sale systems, Customer Record Management systems, call center, in-store, mobile and app data.

02 Standardize

The old adage of "garbage in, garbage out" holds for the Customer Data Platform. Every company needs to have its own business rules to uniformly define the disparate data sources. Many tech vendors provide their own ways to standardize data, but relying on third-party data definitions means your company has less control over your customer data.

03 Transform and enrich

A single piece of data from a single system does not provide a complete picture of the customer; in the transform and enrich stage, all of the data you've collected is brought together and aligned with individual customer profiles. From there, those profiles can be managed through audiences before being distributed to customer experience endpoints. On top of that, any consent preferences tied to the customer profile is integrated at this step, meaning those settings don't need to be established at every activation point.

04 Integrate

Most companies have dozens of tools that make up the customer experience—from Email Service Providers to Facebook. APIs and integrations help turn the Customer Data Platform into a single source of truth for all of these tools, updating them in real time with the same information.

05 Activate

With data standardized, unified in customer profiles, and organized into audiences, companies can activate cross-channel campaigns and power BI tools with confidence. One of the main benefits of activating all of your customer experience endpoints as part of a Customer Data Supply Chain is that the profiles are continuously becoming better. The more engagement you get through your activation channels, the more data you have to collect and inform your individual customer profiles and audiences.

> **"**
>
> **APIs and integrations help turn the Customer Data Platform into a single source of truth.**

The amount of revenue an average company loses due to bad data.

12%

How to Overcome the Top Four Data Quality Practice Challenges, Gartner, 2018

The percent of companies unable to get value from a new system or technology due to data quality problems.

33%

2020 Global Data Management Research, Experian, 2020

Proving the Value of a CDP

Understanding the Customer Data Supply Chain will help you assess your pathway to value with a Customer Data Platform. As you can see in this hypothetical timeline, each stage of the Customer Data Supply Chain needs to be addressed during the proof-of-concept or during deployment.

But even before setting up your Data Layer, the pathway begins with the initial use cases your company wants to get out of a Customer Data Platform. Your foundational use cases will help you prove initial return on investment and will set up a foundation for the value-driving use cases to come.

Let's take a look at some of the most common use cases for Customer Data Platforms.

Building towards a CDP launch

Collect	Standardize	Transform and enrich	Integrate	Activate	Iterate and roll out

Product foundations	Enablement	Activation and measurement	Product ownership
✓ Data Layer recommendation provided and installed	✓ Validation and end-to-end testing complete	✓ High-value audiences delivered in synchronization across the business	✓ Ongoing value-driving use cases deployed
✓ Foundational attributes and audiences configured	✓ High-value audience profiling methodology established	✓ Measure results and refine use cases as required	✓ Implement standardized measurement framework
✓ Connectors authenticated and configured	✓ Hands-on training provided to identified product owners	✓ Strategic planning for future use case roll out	✓ Stakeholder showcases to highlight program success

Proven Examples of How to Utilize Your CDP

A critical element of investing in a CDP is understanding and documenting how you plan to use it. Defining use cases upfront will help your organization align around a goal, process, and outcomes. From getting buy-in from executives early on and helping stage proofs-of-concept with outside teams to dividing up responsibilities and delivering quick ROI, your first use cases will shape the perception of your CDP initiative across the organization. There's no single "correct" first use case; where you begin depends on the specific business challenges your company is trying to solve. Understanding the expected outcomes and how you'll get there from an early stage is important for a product with as much potential and flexibility as a Customer Data Platform.

On the next page we show a maturity curve and use cases that are common at each of the stages. Again, your organization may look different - but this is a helpful framework to get started if you need help.

> " **There's no single "correct" first use case; where you begin depends on the specific business challenges your company is trying to solve.** Understanding the expected outcomes and how you'll get there from an early stage is important for a product with as much potential and flexibility as a Customer Data Platform.
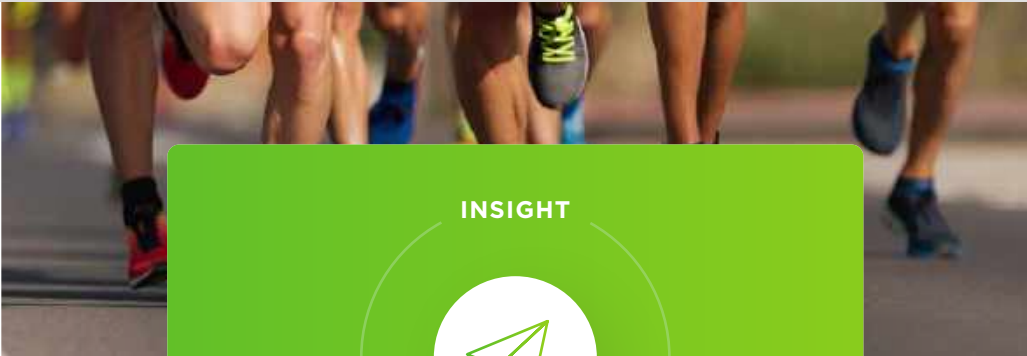
INSIGHT

Epson America's crawl-walk-run approach built upon the shoulders of early successes.

One of their first use cases revolved around an email campaign to remind customers they're low on ink for their printers. With just a timely reminder— no promotions, even— Epson ran a campaign with 7-8x more conversions than normal. Proving ROI here helped set the foundation for future iterations, like running paid search campaigns around shoppers looking for ink.

Nick Huang, Manager, Business Intelligence & Online Commerce, offered this advice to new CDP users looking to build a successful approach to use cases: "As you think about how you want to start your use cases, start with something super simple. And then build upon that to make it more complex and sophisticated."

Crawl, Walk, Run Use Cases for CDPs

Strategic Value

01   60 Days   02   120 Days   03   180 Days   04

Customer Data Maturity
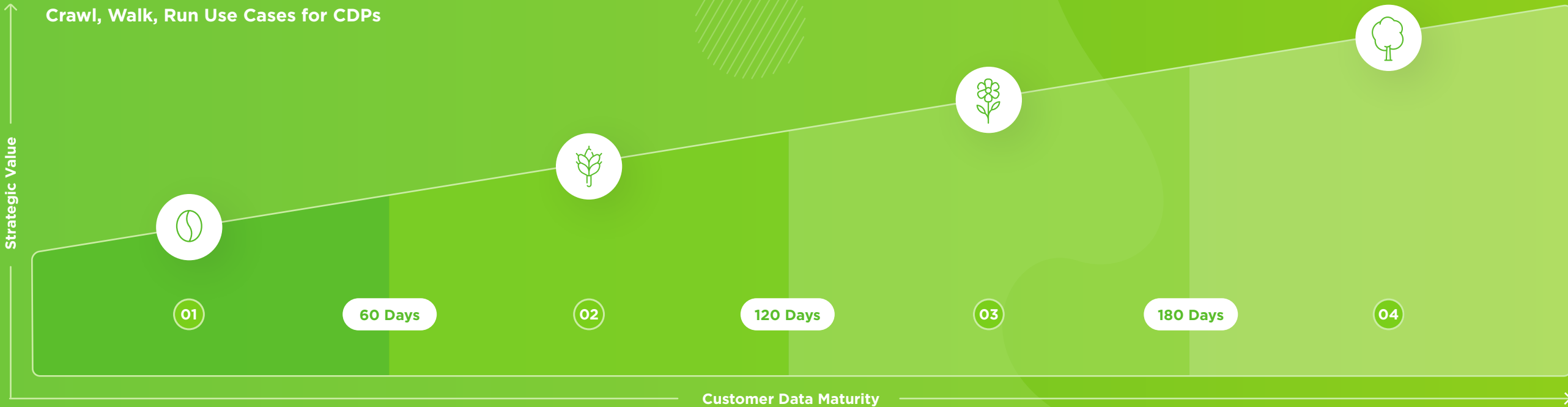
01 ADOPTION

Customer journey stage 1

- Define and integrate data sources
- Data quality specs
- Define core use cases, attributes and audiences
- Define privacy and consent data

02 GROWTH

Customer journey stage 2

- Automate actions using audiences for core use cases
- Expand data sources
- Add file upload, POS data sources
- Expand email, analytics and other integrations

03 OPTIMIZATION

Complete customer journey

- Increase customer data supply chain visibility
- Create a more comprehensive view of the customer
- Orchestrate data across the customer lifecycle
- Distribute regulatory compliance through the supply chain
- Anticipate customer behavior and take proactive actions with machine learning

04 EXPANSION

Scale use cases

- Add more data sources
- Fully automate with business rules
- Expand use of machine learning insights
- Optimize the tech stack
- Focus on future-proofing your customer data

Adoption and
Growth Use Cases

USE CASE 1

Standardize and syndicate data

Defining and owning the data is a critical component for many companies, but keeping up those standards can mean lots of manual tasks. With a CDP, teams can manage the standardization and syndication of customer data from a centralized location that reduces the amount of manual processing required from these teams. Standardizing data by tying your channel-specific data sources (web, mobile, etc.) to a unique visitor ID will allow you to confidently implement downstream actions and build more advanced use cases later on.

The percent of data in organizations that is dark— meaning companies don't know about or use that data.

55%

The State of Dark Data, Splunk, 2019

Operational Efficiency: Standardize and Syndicate Data
Minimize Time Spent on Repetitive Tasks and Lower Technical Barriers

Web data   Mobile app

Data sources

Profiles and audiences
Customer data platform

Matt's profile   Audience creation

Purchase history   VIP

Product interest   Product owner

Location history

CRM record updated   Data lake updated   Segment web analysis   Data sent to custom loc

USE CASE 2

Single view of the customer

Achieving a single view of the customer may seem like a use case that is only really valuable to marketing, but it's key for data and analytics teams to drive timely actions and derive relevant insights throughout the customer journey. As the upstream source of the single view of the customer for your downstream activation technologies, you're removing much of the manual labor that would be required to update each one individually—and doing so in real time.

In this example, you see eight channels benefitting from the insights of the CDP— four systems are taking actions while the other four systems are being updated with insights. The unified profiles in this example are being combined into groups of customers, known as Audiences, that allow for marketers and data analysts to work more intelligently.

The percent revenue increase of hospitality experts Barcelo Hotel Group by using customer-data driven insights from a CDP to improve their marketing campaigns.

37%
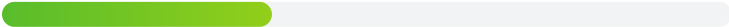
Single View of the Customer: Driving Customer Insights
Generate a Single View of the Customer to Drive Action and Analysis

Web Data   POS   Mobile App

Profiles and Audiences
Customer Data Platform

Unified Profiles

Purchase History

Product Affinity

Favorite Store

Loyalty Level

Audience Creation

Window Shoppers

Repeat Purchasers

Ad Suppressed | Removed from Ads | Segment Analysis | On-Site Personalization | Add to List | Record Updated in POS | Segment Analysis | Record Updated in CRM
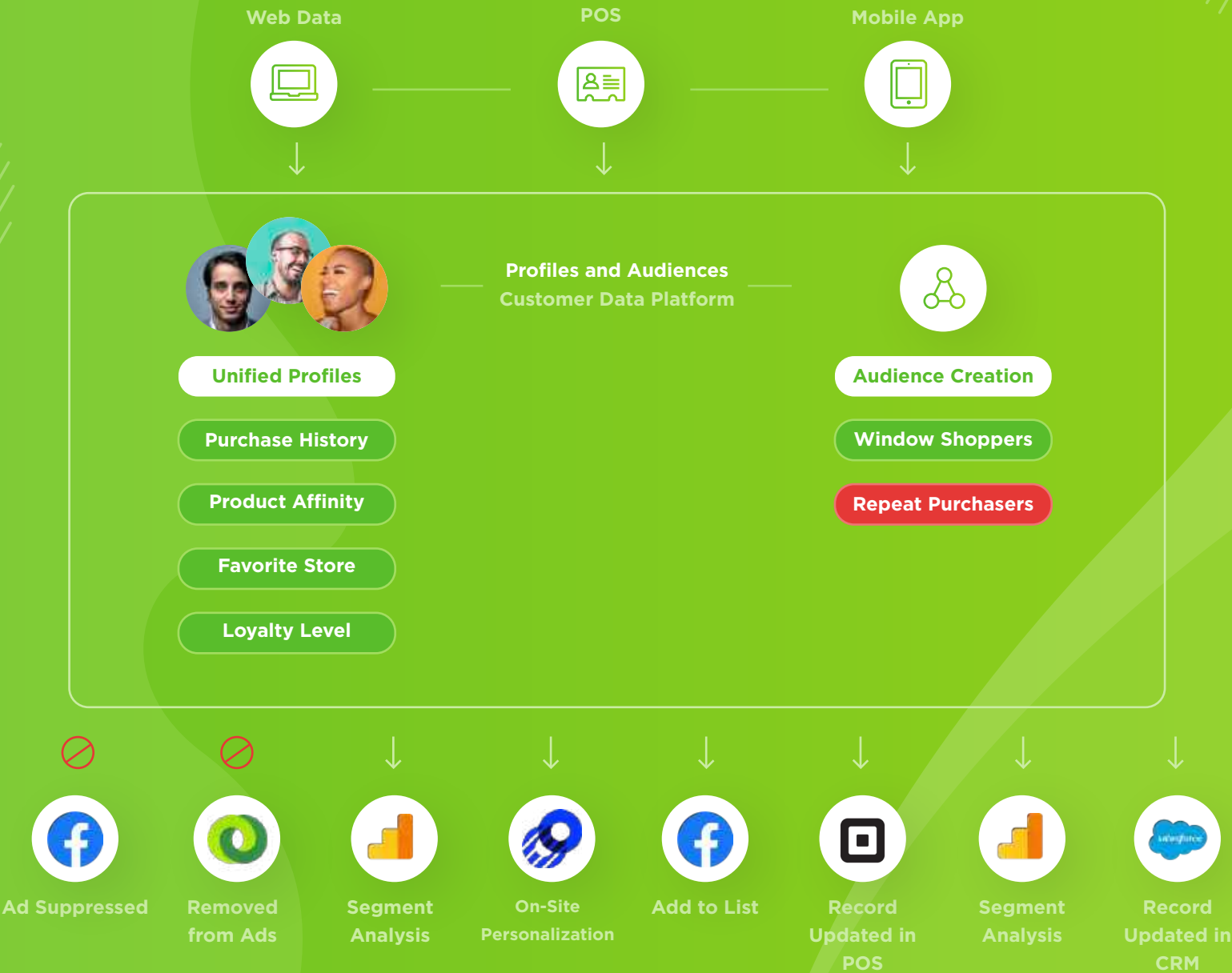
USE CASE 3

Customer acquisition

One of the most powerful ways that marketers use a CDP is for customer acquisition. Specifically, building audience segments using cross-channel data to better target prospects. Customer insights that would normally only exist in one channel—like your mobile data—can now inform other channels to create more personalized ad and content recommendations.

Here we see a slightly more advanced example where the customer profile has data from the website, mobile app and point-of-sale informing the lifetime purchases she's made and insights into her behavior, like what topics she's interested in. In this way, you could trigger an ad tied to past purchases on Facebook, even though Facebook doesn't have data from your point-of-sale system.

For Marketing leaders

Taking control of the customer experience with a CDP presents Marketing leaders with a variety of use cases that will enable

- **Personalization at scale to drive engagement and improve conversion**
- **Drive quality growth across the entire customer journey**
- **Optimize budget and resources**

Two of the broad ways to understand the impact of the CDP on Marketing are through evaluating Customer Acquisition and Audience Suppression use cases.

Customer Acquisition: Cross-Channel Segmentation

Identify and Target New Prospects to Acquire Customers

Web Data

POS

Mobile App

Profiles and Audiences
Customer Data Platform

Janet's Profile

Purchase History

Topics Browsed

Product Favorite

Email Visitor ID

Audience Creation

Beginner Interest

Pro Interest

+

No Purchase

Ad Served

Email Served

Ad Served

Personalization On

USE CASE 4

Cart abandonment campaign

Abandoned cart campaigns are a great way to put your newly acquired customers with unified customer profiles to work by providing relevant offers to your prospective customers and ultimately generating revenue.

A Customer Data Platform that can ingest data from web, mobile, and point-of-sale (in-store) systems, allowing you to identify customers who have abandoned carts online—and triggering the relevant ads or emails—while also suppressing cart abandoners who later make purchases in-store.

Cross-Channel Cart Abandonment Campaign

Identify and Target New Prospects to Acquire Customers

Web Data   POS   Mobile App

Profiles and Audiences
Customer Data Platform

Kayla's Profile   Audience Creation

Items in Cart   Cart Abandoners

Product Favorite

Ad Served   Ad Served   Email Sent   Site Personalized

Optimization Use Cases

USE CASE 1

Lookalike audiences

As data from third-party cookies dries up over the next few years, lookalike audiences based on current customer attributes will be a critical way to find new customers. Companies can define the attributes of their best customers and use that data in an advertising channel like Facebook to find new consumers with similar attributes.

With ad networks offering less reach in the future, creating lookalike audiences based on customer data will allow you to expand the scale of your acquisition program without having to rebuild each audience in every channel.

> "
> **Lookalike audiences based on current customer attributes** will be a critical way to find new customers.

Customer Acquisition: Targeting High Value Lookalike Audiences

Identify and Target New Prospects to Acquire Customers

Web Data   POS   Mobile App

Profiles and Audiences
Customer Data Platform

Janet's Profile   Audience Creation

Lifetime Value   Product 1 VIPs

Loyalty Level   Discount Shoppers

Product 1 Owner   Window Shoppers

Ad Served   Ad Served   Ad Served   Ad Served

USE CASE 2

Location-based marketing

By marrying location data with behavioral data in a CDP, companies can automate actions based on more than product interests. When consumers enter a certain geographic location, such as a store or other point of interest, the right offer can be made in the moment to provide the best possible experience.

When your audiences are created and activation endpoints have been integrated with your CDP, location-based actions can be triggered across multiple channels. In this case, we can trigger a push message, email, website personalization and/or an SMS text message to these audiences, triggered by entering or exiting a physical store.

Personalization can reduce customer acquisition costs by up to 50%.

50%

Despite Recognizing the Importance of Personalization, Marketers Are Still Missing the Mark, Adweek, 2018

Customer Acquisition: Location-Based Marketing
Drive CX and Media Efficiency by Excluding Audiences

Web Data

Mobile App

Data Sources

Profiles and Audiences
Customer Data Platform

Kayla's Profile

Audience Creation

Store Enter/Exit

Women's Shoes Fan

Product Favorite

Women's Clothing Fan

Content Interests

Push/In-app

Email Sent

SMS Sent

Personalization Triggered

USE CASE 3

Honoring consumer consent in every channel

Whether it's GDPR, CCPA, or another privacy regulation, consumers now have many different ways to opt-in and opt-out of data collection, data usage, and contact methods. CDPs aren't responsible for getting consent from your customers (that's what Consent Management Platforms are for), but consent data can be tied into the customer profile to update preferences and act immediately to remove customers from the audiences and channels they've opted out of.

For data and analytics leaders

Data scientists can spend up to 90% of their time wrangling data and cleaning it before getting to apply the models that actually derive valuable insights into the customer experience. With a CDP as part of a vendor-neutral customer data supply chain, these teams can access a single source of real-time, trusted data to create consistent and reliable insights.

CDPs help data and analytics teams discover new insights in data that might have otherwise been missed while spending time data wrangling, and activate those insights throughout the tech stack in less time. Greater confidence in the data opens up more paths to advanced data operations like machine learning.

Data Governance: Consent Data

Orchestrate and Honor Customer Data Privacy Preferences

Web Data

Mobile App

Data Sources

Profiles and Audiences
Customer Data Platform

Matt's Profile

Audience Creation

Purchase History

Consent Status
(Opt-Out)

Product Interest

Consent Category
(Email)

Consent Status

Consent Category

Ad Served

Email Served

Segment
Analysis

Personalization
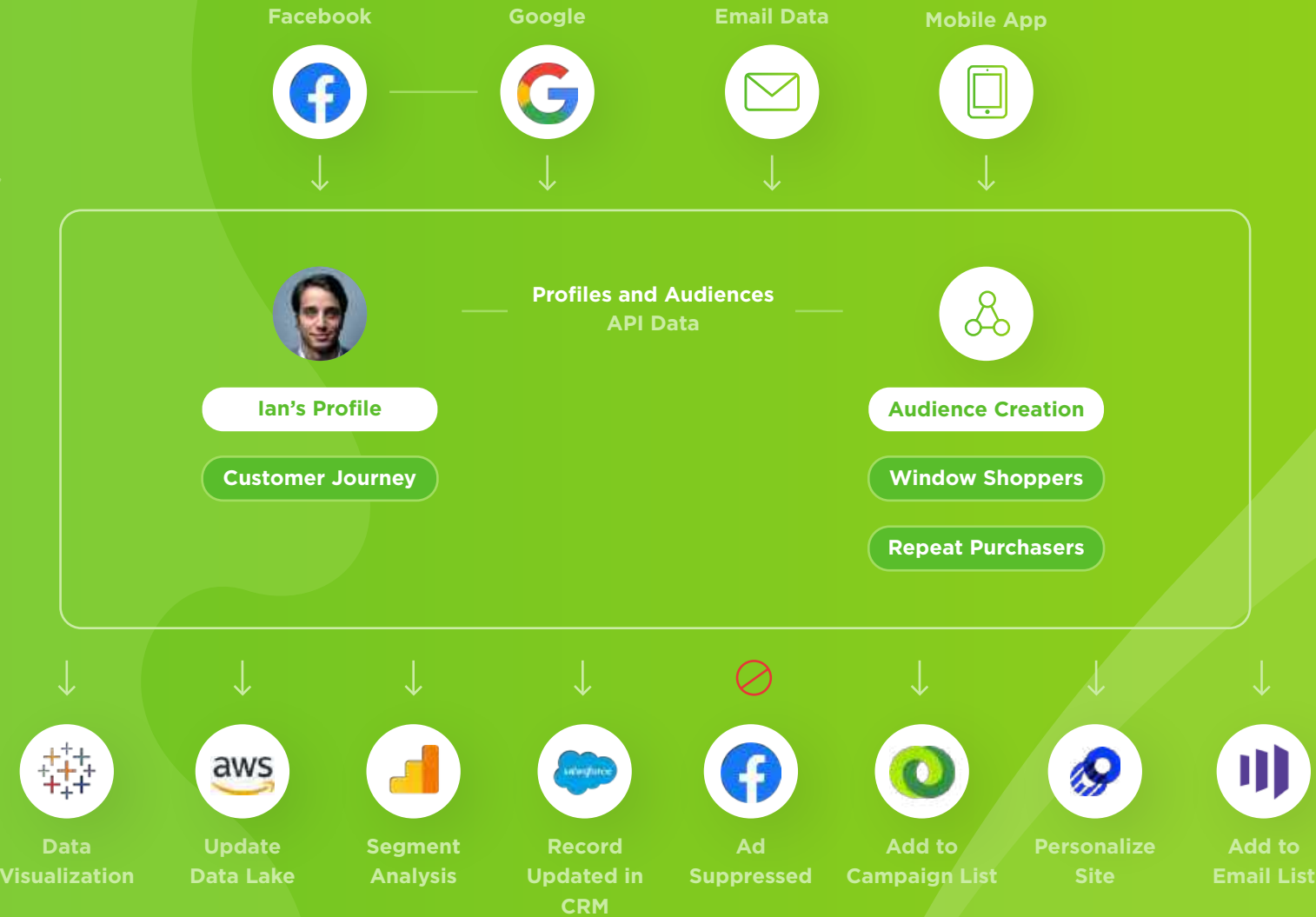Suppressed

Expansion
Use Cases

USE CASE 1

Customer journey attribution

Understanding the role of your many customer touchpoints in converting consumers is critical for CMOs looking to effectively analyze spend efficacy. With your Customer Data Supply Chain set up to collect all of your touchpoints, a real-time picture of the customer can be used to log the order of touchpoints. Once unified in the customer profile, this data can be sent to your BI tools for analysis and your activation points can be updated to suppress channels that are wasting spend.

Customer Journey Analytics and Attribution: Driving Customer Insights
Understand the Sequence of Customer Engagement to Fuel Analysis and Drive Better Results

Facebook   Google   Email Data   Mobile App

Profiles and Audiences
API Data

Ian's Profile

Audience Creation

Customer Journey

Window Shoppers

Repeat Purchasers

Data Visualization   Update Data Lake   Segment Analysis   Record Updated in CRM   Ad Suppressed   Add to Campaign List   Personalize Site   Add to Email List

USE CASE 2

Convert high-value customers with machine learning insights

One of the most challenging parts of Machine Learning initiatives is getting clean, consistent data into these algorithms and gleaning actionable insights out of it. **Clean, unified customer data from a CDP can be used to fuel your data science team's own algorithms, or it can be layered in natively by a CDP that has ML capabilities (like Tealium AudienceStream™ with Tealium Predict ML™) at the point of the customer profile to create predictive audience segments.**

One simple audience segment is "likelihood to make a purchase," allowing you to increase conversions with better ad targeting. To do this, Machine Learning provides a score to customer profiles that are used to create Audiences. Combine that with other attributes such as "VIPs," and you can conserve ad spending by weeding out consumers who are least likely to convert.

Companies using advanced personalization report a $20 return for every $1 spent.

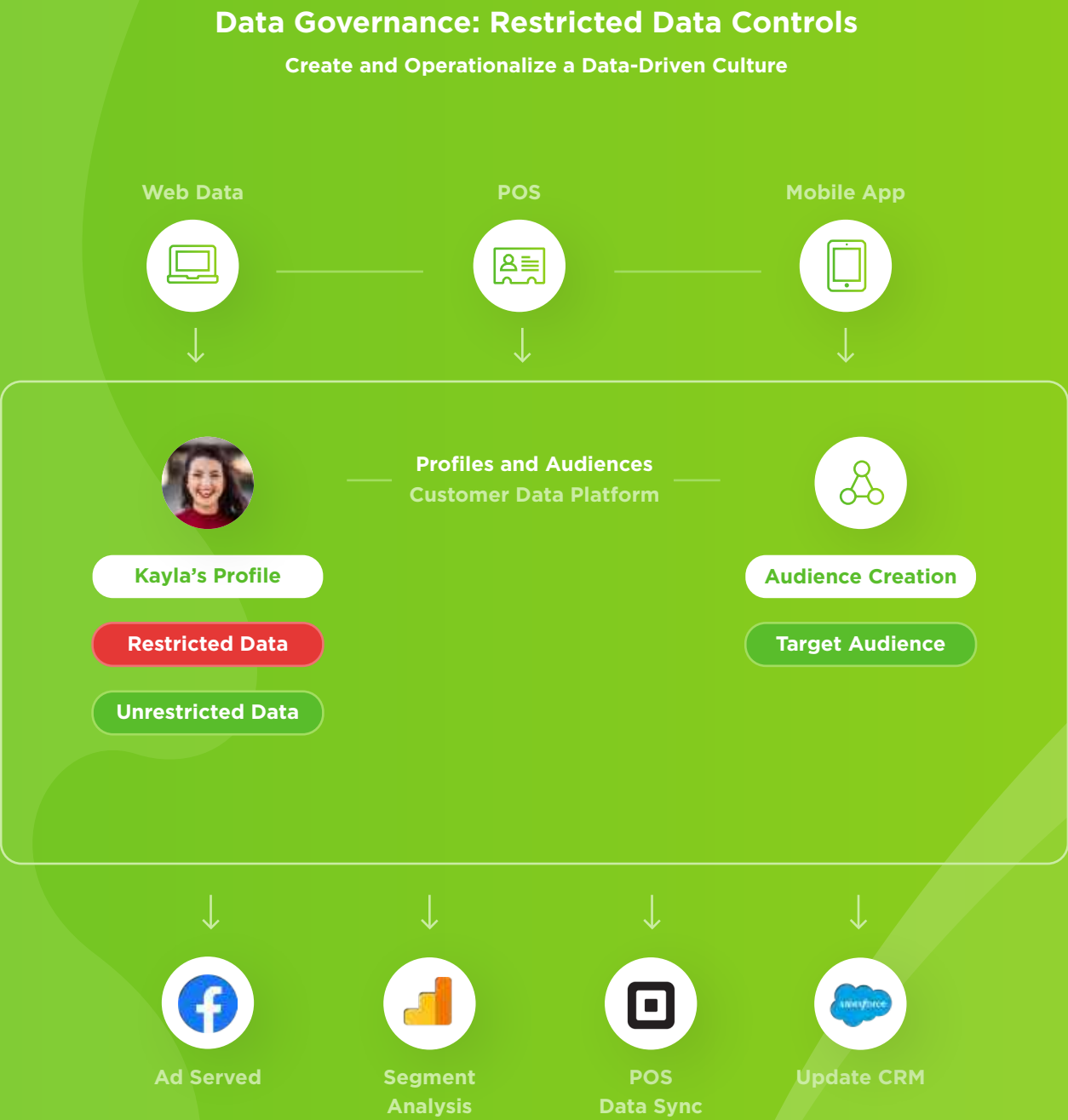**The Value of Personalization Optimization for Retailers,** The Relevancy Group, 2019

Customer Retention: Convert High Value Customers

Identify and Target the Best Existing Customers to Drive Retention and Higher Lifetime Value

Web Data

POS

Mobile App

Profiles and Audiences
Customer Data Platform

Janet's Profile

Lifetime Value

Product Owned

Propensity to Buy

Audience Creation

VIPs
+
High Likelihood to Buy

Ad Served

Ad Served

Ad Served

Ad Served

Managing restricted data

Data governance is critical to any data-driven company culture, and a CDP can play a critical role in keeping restricted data away from activation channels and third-party vendors. As data is being collected, data labels can be used to flag restricted data types (say, for example, a physical address) from being further populated into the customer profile or used in third-party systems. This automated flow gives greater control to data privacy teams and enables governance over the flow of incoming data prior to activation.

For development and tech leaders

The teams responsible for providing a modern, best-of-breed technology stack for the rest of the company want to ensure it is used to its full potential. On top of that, they want to reduce risk to the organization by constantly improving data security and compliance procedures.

Data Governance: Restricted Data Controls
Create and Operationalize a Data-Driven Culture

Web Data   **POS**   **Mobile App**

Profiles and Audiences
Customer Data Platform

Kayla's Profile

Restricted Data

Unrestricted Data

Audience Creation

Target Audience

Ad Served   **Segment Analysis**   **POS Data Sync**   **Update CRM**

CDP STORY

Growing Alongside a CDP:
The Utah Jazz

When the NBA's Utah Jazz started with Tealium three years ago, Jared Geurts, VP of Analytics and Digital Development, couldn't use web data from their own site to run advanced analyses. Now, with a Customer Data Platform as the foundation of their Customer Data Supply Chain, Geurts' team can intelligently use customer data from the entire experience to directly improve the fan experience. Over the years, they've scaled up from easy-wins to more advanced use cases, growing to support more teams who can execute campaigns without constant IT requests.
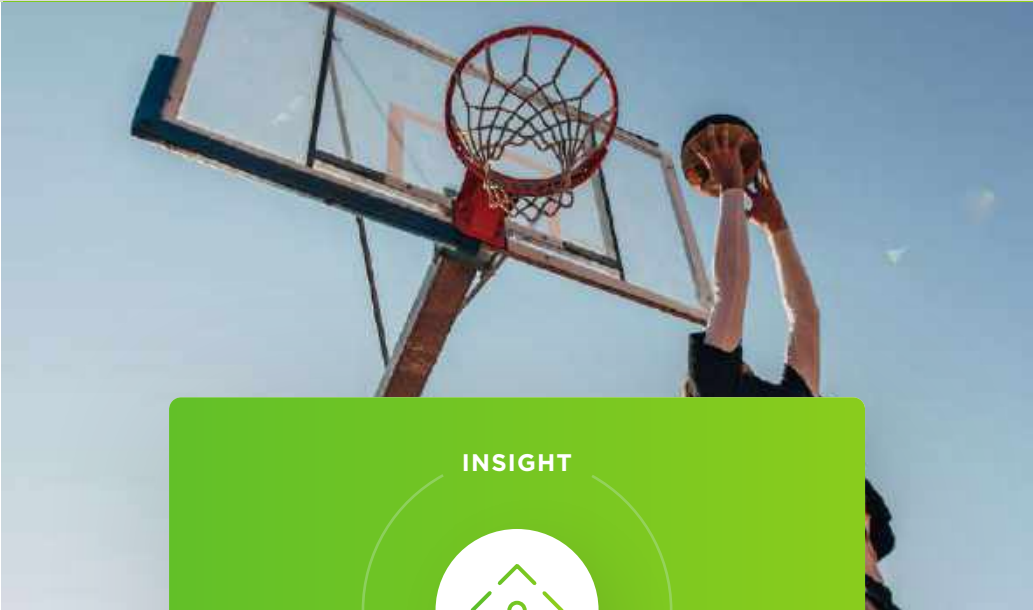
Taking control of the data behind the fan experience

Before Tealium, the Jazz were able to run analytics on their web properties, but those insights remained siloed away from other business units.

By combining a Tag Management System with a Customer Data Platform, the Utah Jazz were able to deploy two use cases that solved fundamental data challenges.

First of all, they could now use first-party data from their fans' web experiences to influence email marketing and sales outreach.

Furthermore, they could now stitch together fan experience data with third-party platforms like Ticketmaster to gain a complete picture of the fan experience across their eight main channels. These changes allowed them to monitor performance and adjust spend in real time and set the stage for many of their future use cases.

> "
> **They could now stitch together fan experience data** with third-party platforms like Ticketmaster to gain a complete picture of the fan experience across their eight main channels.

INSIGHT

Before Tealium

the Jazz were able to run analytics on their web properties, but those insights remained siloed away from other business units. By combining a Tag Management System with a Customer Data Platform, the Utah Jazz were able to deploy two use cases that solved fundamental data challenges.

Scoring with targeted, audience-based experiences

After bringing their fan experience data in-house with a CDP, Geurts' team, together with the Utah Jazz marketing department and partner advertising agency, looked to expand the reach of it through targeted marketing campaigns. At the time, 30-year season ticket holders received the same messaging as first-time fans. With a wealth of info from surveys, ticket sales, ticket scans, and sales reps, they leveraged their CDP to create new audiences for their campaigns.

When compared side-by-side with non-targeted campaigns, the CDP's insights led to a 50% cost reduction, a 30-140% increase in click-through rates depending on the channel, and increased return on ad spending of 62% in just the first season.

Scaling up personalization and unexpected benefits

With all of their fan experience data in their CDP delivering actionable audience segments, Geurts' team sought new use cases to extend the value of their CDP. This has included **abandoned cart campaigns, which generate in excess of $100,000 in revenue each season**; personalizing offers based on historic behavioral data (if a consumer attends games to see the visiting team, they only make offers for those games, for example); and implementing A/B testing based on insights gained from the CDP. **The Jazz even ran simple A/B testing around making ticket recommendations. When visitors read an article with a ticket recommendation on their site, revenue per visitor increased 34% with that one simple change.**

By starting with achievable use cases that set the foundation for later success, the Utah Jazz continue to open up opportunities for improving the fan experience in unexpected ways. With a robust data foundation in place, CX enhancements like upgrading the app experience during the game or revealing cross-sell opportunities across their parent company's multiple venues, are not only realistic but quickly achievable parts of the roadmap.

> " With a robust data foundation in place, **CX enhancements like upgrading the app experience during the game or revealing cross-sell opportunities across their parent company's multiple venues,** are not only realistic but quickly achievable parts of the roadmap.

50% cost reduction
for CDP-driven campaigns

30-140% increase
in click-through rates depending on the channel

62% increase
in return on ad spend

34% increase
in revenue per visitor

$100,000 in revenue
for abandoned cart campaigns per season

Is a CDP
Right for You?

As customer experience continues to evolve and becomes more digitally fragmented, achieving a single view of your customer will only become more difficult. If customer experience matters for your business, in addition to becoming more efficient, and improving revenue - a CDP is probably going to be a helpful addition. Now, a small mom-and-pop store with just a Facebook page aren't going to need (or have the ability to manage) a CDP, but many others—from SMBs to the largest enterprises—can benefit from a CDP.

> **The number one thing to ask yourself is: Do you know who your customer is? If you haven't solved the identity part, all of your advanced use cases are going to fall apart.**
>
> **Armando Rosario,** VP Strategic Programs at Tealium

If customer experience matters

for your business, in addition to becoming more efficient, and improving revenue - a CDP is probably going to be a helpful addition.
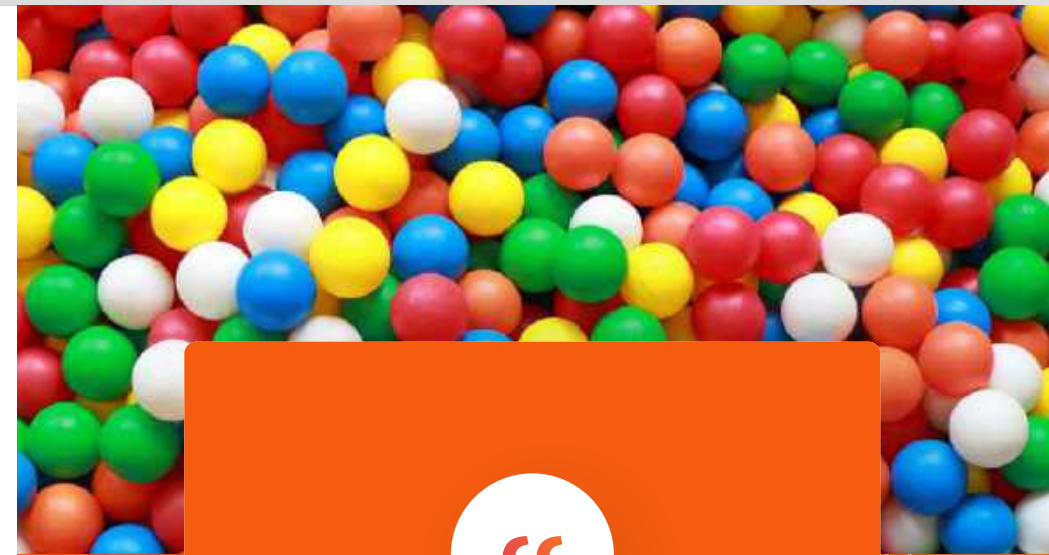
So how do you figure out if a CDP is right for you — and which one's right for you?

01

The business pain/use case

The best place to start when deciding whether you need a CDP is to identify the business challenges you are trying to address.

If your entire customer experience revolves around the in-store experience, with little emphasis on the online experience, a CDP is likely not going to deliver value. But if you complement your in-person experience with a website, engage with consumers on social media, have a CRM to manage your customer base, or do some targeted advertising, a CDP will bring all of the data behind the customer experience together in order to improve all of those efforts. Clearly understanding the business challenge and the pieces to optimize is critical.

02

Technology and data infrastructure

You want to get the most out of the technologies you've invested in already. However, your technology and data infrastructure probably is underperforming. **According to Gartner, marketing leaders report utilizing only 58% of their Martech stack's potential.** It's little surprise; with so many technologies to keep updated and integrations to manage, marketers are going to let some things fall through the cracks. Technologies aren't being used and silos of data are sitting around.

You'll need a Customer Data Platform that works with all of the customer data-reliant technologies in your stack. But the Martech stack is volatile; look for a futureproofing CDP that is flexible enough to work with what you have today and what you'll have tomorrow. A vendor-neutral CDP not only ensures the longevity of the CDP investment, but also the longevity and productivity of your other Martech investments.

03

Organizational readiness (people/process)

The third is the people or team you have to propel your CDP initiative to success. You will need a strategic, data-driven thinker who "owns" the technology for sure. You'll also need executive buy-in to support this transformative technology. But know that there is no set blueprint for the CDP team you need. Even small teams can deliver huge value with just a single use case.

Just like you need the right team, you need agreement on the goals and processes that are driving your CDP initiative. Understanding where your data maturity is at as an organization can help you determine what a CDP can do for your business.

CHECKLIST

Is a CDP right for you?

> " Your company could benefit from delivering real-time customer experiences to improve personalization efforts, cross-channel campaigns, and governance and privacy initiatives.

01

The basics

✓ You have a business problem and supporting use case(s) that warrants the technology.

✓ Your company uses multiple channels to market to buyers and needs that data to make decisions.

✓ Your company is (or will be) tackling organization-wide challenges like data governance (CCPA, GDPR).

✓ Your company could benefit from delivering real-time customer experiences to improve personalization efforts, cross-channel campaigns, and governance and privacy initiatives.

02

Customer journey

✓ You have a multi-channel customer experience, like in-store plus website, apps, call center, and social media that you need to optimize and ensure is more relevant.

✓ You need to understand the customer journey more than your CRM can provide.

✓ You are looking to achieve personalization and targeted advertising at scale.

03

The team

✓ You have a strategic owner in a Marketing, IT, or data science/related department.

✓ You have executive sponsorship for your CDP initiative.

Nice to Have, but Not Necessary to Start

✓ You have a core team of data-first workers committed to implementing and executing on use cases.

04

The data culture

✓ Your company understands the need to drive business goals from customer data insights.

✓ Your company is supportive of technology and believes the business challenge is a priority.

Nice to Have, but Not Necessary to Start

✓ Your company sees customer data as a strategic asset.

✓ Your company is thinking about the future of data governance and privacy.

Before Starting a CDP Project, Take Stock of Your Capabilities

It's important to understand where your marketing organization and your data maturity stand before starting on a CDP initiative. A Customer Data Platform will do a lot to improve both, but it is important to have a holistic baseline to measure your growth in these areas. We've included a Marketing and Data Maturity self-assessment to help you guide your internal conversations as you prioritize use cases, roles, and responsibilities.

> **"**
>
> **It's important to understand where your marketing organization and your data maturity stand** before starting on a CDP initiative.
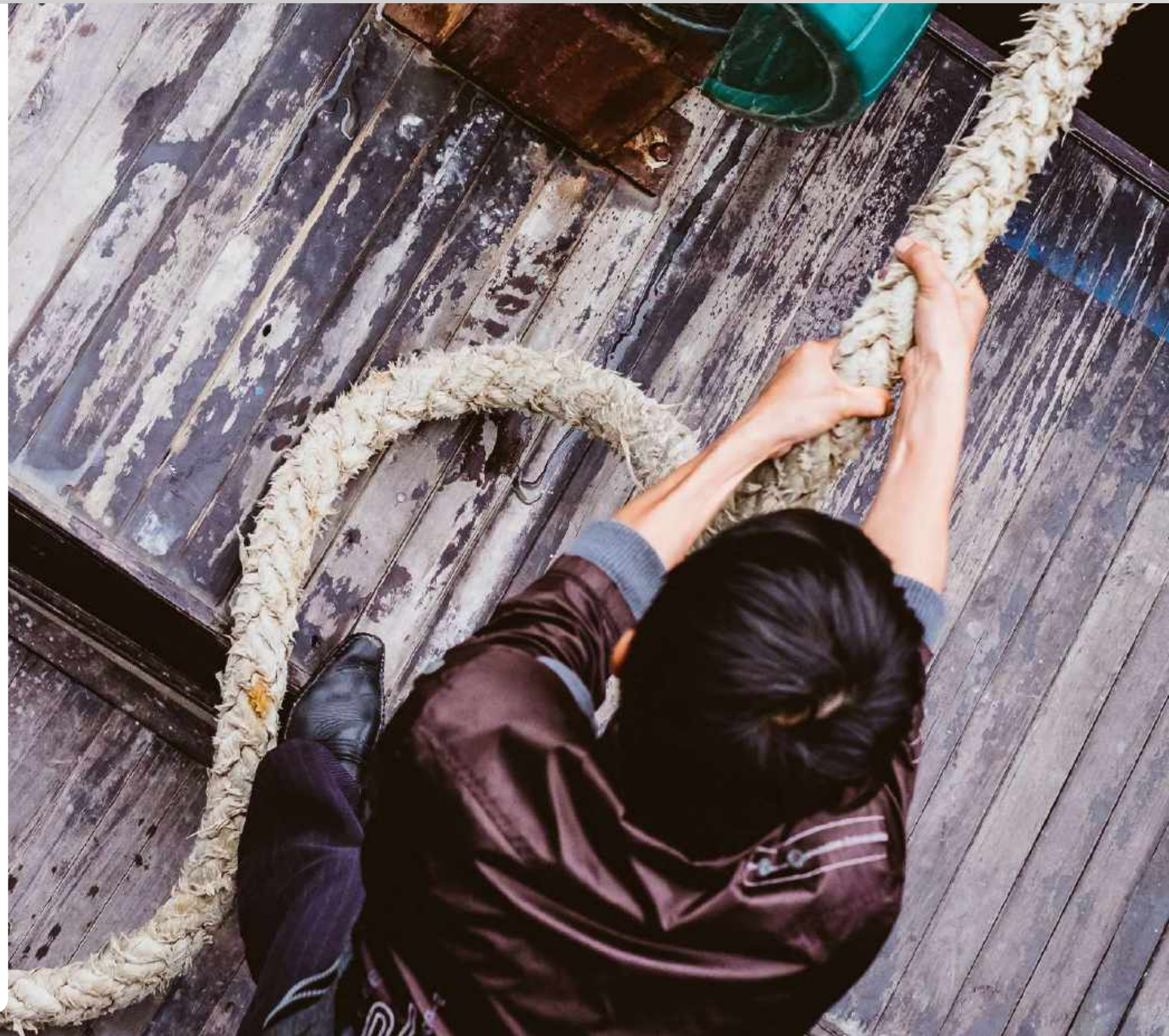
Marketing Maturity Self-Assessment

Marketing is a complex discipline balancing science and art. The following questions are intended to help you understand where your marketing organization's strengths are and where improvements can be made. This will in turn help you determine which use cases will make the biggest, quickest impact.

Rate the following on a scale of 1 to 5, where 1 is "I do not agree" and 5 is "I highly agree"

- ✓ Our organization works well together across marketing disciplines.

- ✓ The digital marketing budget is well justified for every project.

- ✓ Our marketing talent pool is rich and diverse.

- ✓ We have a good understanding of customer's motivations, needs, and goals.

- ✓ We create holistic and high-value data-driven experiences.

- ✓ Customer experiences are coordinated/integrated across channels and business units.

- ✓ We have in-depth personas developed for our target visitors/users/buyers.

- ✓ Developed programs exist to engage current customers and prospective buyers.

- ✓ We have a highly automated, multichannel campaign management capability to drive all programs.

- ✓ We use digital technology to engage buyers and connect commerce experiences across online and offline.

- ✓ Our digital marketing efforts allow us to target our highest value prospects and improve customer lifetime value.

- ✓ Inbound (search, social, and display) and outbound (email, mobile messaging) are utilized to optimize our digital commerce strategy.

- ✓ Organizational departments work together to develop loosely-coupled processes and share best practices to drive change.

- ✓ We use marketing technology/software to automate processes, improve interoperability and time to market.

- ✓ Innovation is a cultural norm — encouraged, rewarded, and continuous — providing a competitive advantage.

- ✓ The organization is recognized as the one to emulate innovation and lead our industry in market-moving ideas.

- ✓ We're very data-centric in everything we do; no new ideas go forward without data/evidence indicating it will work.

Score range	Maturity segment	Characteristic behavior
64-85	Differentiators	Leveraging data to drive customer obsession
43-63	Collaborators	Breaking down traditional silos
21-42	Adopters	Investing in skills and infrastructure
1-21	Skeptics	Just beginning the digital journey

Data Maturity
Self-Assessment

Every organization has a level of data maturity; knowing if your organization's capabilities are stronger or weaker will help determine what use cases are priorities. Is your data governance all over the place? Perhaps managing the distribution of user consent is a top priority. Is your cross-channel communication non-existent? Activating campaigns using unified audiences from the CDP may be first on the docket.

Rate the following on a scale of 1 to 5, where 1 is "I do not agree" and 5 is "I highly agree"

✓ We have the ability to optimize campaigns in real time and have well-defined data ownership policies.

✓ We inform strategic growth options with the intelligence we create from our data collection.

✓ We've achieved business advantage through our custom models and algorithms.

✓ We have robust customer, prospect, and visitor data for personalization and building attribution models.

✓ Continually updated data records feed an analytics engine.

✓ We have a sophisticated team of analytics professionals.

✓ We have real-time data integration to support marketing initiatives.

✓ We can track performance across channels and provide predictive analytics to determine future needs.

✓ Marketing metrics are tracked in real time and correlated with business results to enable campaign optimization.

✓ We use data to develop high-value customer experiences.

✓ We have a mature process to capture and report on transactional and demographic data.

✓ Marketing metrics are established in advance based on previous campaign performance or competitive intelligence.

Score range	Maturity segment	Characteristic behavior
51-60	Predict	Use signals from data to anticipate
41-50	Optimize	Strategy spans customer journey
31-40	Activate	A unified view of customer profile
21-30	Understand	Unified data and supply chain
11-20	Protect	Data governance in place, control over what data is collected and where its sent
1-10	Define	Mapped data management process

Understanding your level of data maturity

A key component of determining your marketing maturity level is to additionally understand where you fall according to the Universal Data Maturity Model.

06. Predict   Use signals from data to anticipate

05. Optimize   Strategy spans customer journey, unified customer profile data available to each channel

04. Activate   Data activated cross-channel, single view of the customer/ unified customer profile
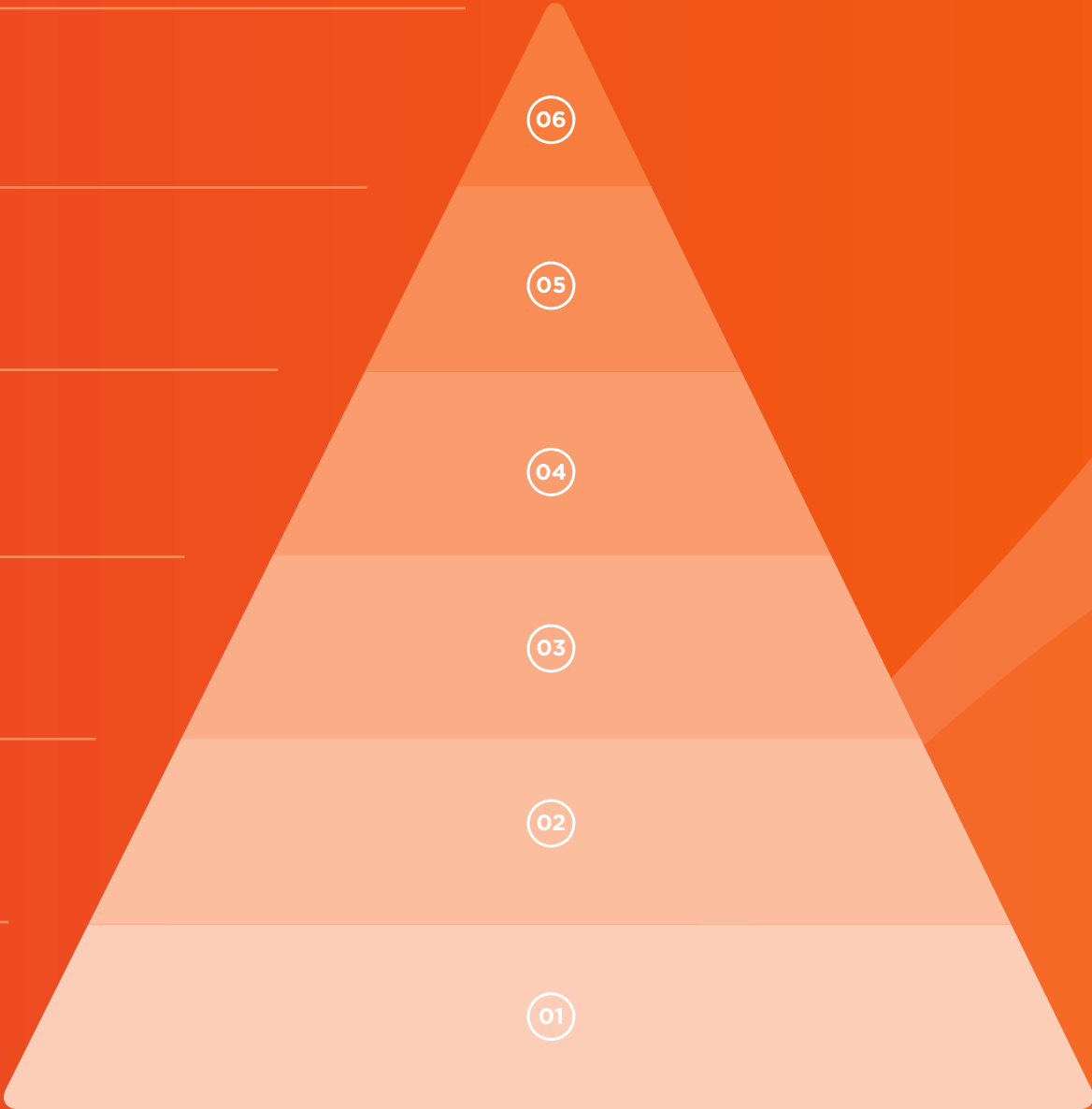
03. Understand   Data unified, data supply chain including BI, Analytics, etc.

02. Protect   Data Governance in place, control over what data is collected and where it is sent

01. Define   Data management mapped, vendor tags launched, integrations defined, data dictionary, etc.

The 5 Key Steps to CDP Success

01 Assemble and align stakeholders

02 Gather information and formulate objectives

03 Determine your segments and ID resolution strategy

04 Define your action plan

05 Monitor progress

STEP 01

Assemble and Align Stakeholders

Assemble the team

You don't need to be Nick Fury to assemble the right, Avengers-level team for implementing and running your Customer Data Platform. A small, focused, core team can achieve just as much as a large team.

This team can take on many forms, everything from an ad-hoc group in smaller companies to Centers of Excellence in Fortune 500 corporations. At the heart of your CDP team, though, are likely your data-first marketers, an emerging group of marketers with foundational skills in data orchestration, automation, and workflow building.

The skillset of the marketer is evolving. Marketers are not just creators now—they're also data-minded, driven by process, testing, and optimization. Whether you're building the team internally or hiring, these skills and habits will be critical markers for your core CDP operators.

Team essentials

01   **Cross-functionality is key**

02   **It's okay for single members to have multiple roles**

03   **External agency and technology partners are always welcome**

> **Data-first:** the quality of valuing data as a primary source for making decisions in business.

> # Marketers
>
> are not just creators now—they're also data-minded, driven by process, testing, and optimization.

Establish cross-functional roles

These roles can be organized into four main groups for your CDP initiative:

01

Data source experts

The roles responsible for the data coming into the CDP.

- **Developers**
- **Solution Architects**
- **Business Intelligence**
- **Data Governance**

02

Channel experts

The people who are responsible for putting the insights coming out of the CDP to work through your various customer experience channels.

- **Channel managers**
- **Strategists**
- **Marketing operations**
- **Experience architects**
- **Data analysts**

03

Customer experts

These roles sit between the Data Source Experts and Channel Experts, they are the people who are responsible for tying customer data to the customer experience to help them understand the impact of programs and the experience of the brand.

- **Customer data and analytics**
- **Data Governance**

> **"**
>
> **Data Source Experts are the stakeholders most commonly left out of early conversations when buying a CDP. Their buy-in is critical to make sure you have a smooth delivery path.**
>
> **Dustin Horning,** Director of Customer Solutions and Delivery, Tealium

"

Channel experts

The people who are responsible for putting the insights coming out of the CDP to work through your various customer experience channels.
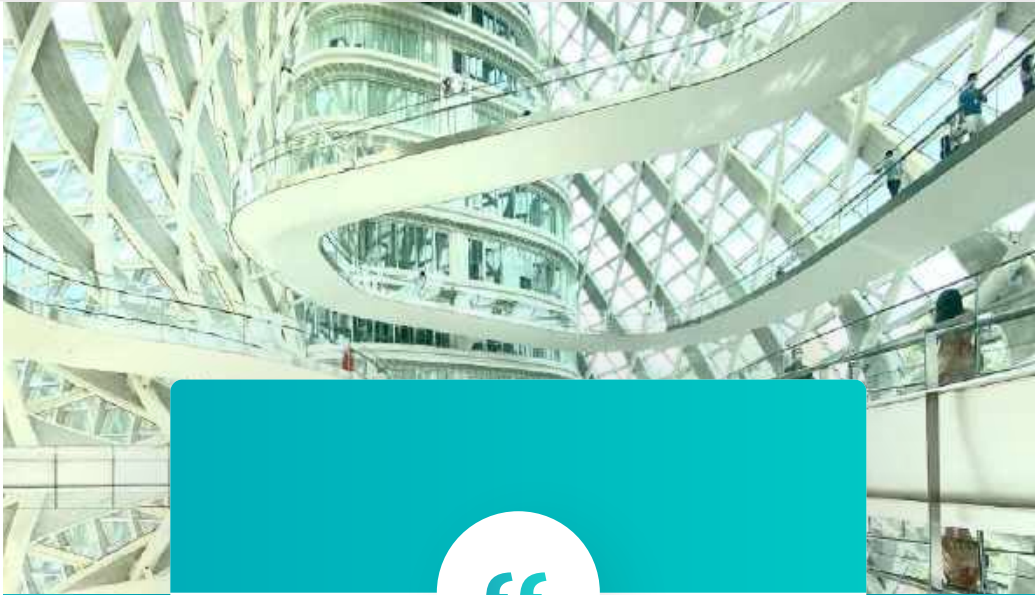
04

Marketing technologists and agency partners

The roles that may help oversee the end-to-end application of the technology or fill in at key points.

Your team may have different titles, or come from different locations, but their roles each deal in part with the key functionality of the CDP: who's curating the data to develop the single view of the customer, who's deriving insights and actions from that data, who's responsible for the integrations that hold it all together?

Beyond your core team members, there will be many stakeholders and executive sponsors that need to be aware of the impact of the CDP. Any team that has a hand in data orchestration—i.e. any team responsible for a tool your CDP will integrate with—will need to be in the loop. Your executive sponsors will be critical for enforcing the new processes from the top-down.

You need a team of collaborative, forward-thinking, and hard-working professionals.

> "
>
> **Your executive sponsors will be critical for enforcing the new processes from the top-down.**

Teams will vary by company and industry and may include a combination of the following roles:

Customer experience leader: The program lead - has the seniority to get top-level executive buy-in and the ability to direct marketing, operational, and IT efforts.

Experience architect: A User Experience (UX) designer with strong Customer Experience (CX) acumen, who designs and may even govern the CX through connected digital channels.

Paid media manager: Develops, maintains, and optimizes paid media campaigns.

Email marketing manager: Develops, maintains, and optimizes your Email Service Provider (ESP). May include season campaigns, drip campaigns, and other triggered email communications.

Content marketer: Works closely with your digital strategist, experience architect, and other team members to create all content for your site.

Social media marketing manager: Designs and controls the social image of your company and maintains your social presence. Responsible for paid social and earned social media.

Digital strategist: Develops cross-channel digital strategies. Responsible for developing business cases for your marketing initiatives.

Marketing technologist: A newer role that works alongside a digital strategist to implement and optimize marketing tactics. Ideally requires hands-on experience in website optimization, analytics, marketing automation, or e-commerce.

Marketing operations: Measures and optimizes marketing efforts. Technical knowledge and an excellent understanding of marketing tactics are required.

Analytics/BI/data analyst: Provides insights into customer journeys and intent, as well as channel and campaign performance.

Project manager: Balances timeframes, marketing needs, and organization's capabilities to build and adhere to optimal implementation timelines.

Development/engineering: Implements and updates web or application code to facilitate tracking and personalization.

Agency partners: Partners may fill many of the roles listed on this page or may be involved with various aspects including the management of specific marketing technology and software development.

Real world examples of a CDP team

COMPANY 01

Company Profile

Large, Multi-brand E-commerce Retailer

CDP goals

- Improve marketing campaigns
- Create a single view of the customer
- Real-time audience segmentation
- Removing data silos to enable better personalization

Team structure for an e-commerce retail company

Steering committee
Marketing, e-commerce, IT, legal/compliance, credit, business intelligence

Marketing

E-commerce
CDP owner

Customer marketing

IT

New customer acquisition

E-commerce analysts
CDP users

Compliance/Legal

Tag management team

Business intelligence

Activation channels

> **Before buying our Customer Data Platform, we formed a steering committee from all the departments it might impact.** It's been really helpful to have all of these groups know how to speak the CDP 'lingo,' even the ones who aren't involved in day-to-day operations, because it streamlines related projects and requests with everyone on the same page.
>
> **Ben Thompson,** Director of E-commerce Analytics and Tag Management

COMPANY 02

Company Profile

Small E-commerce Retailer

CDP goals

- Improving digital marketing initiatives
- Cross-sell and upsell retargeting
- Personalized emails
- Managing a multi-brand architecture

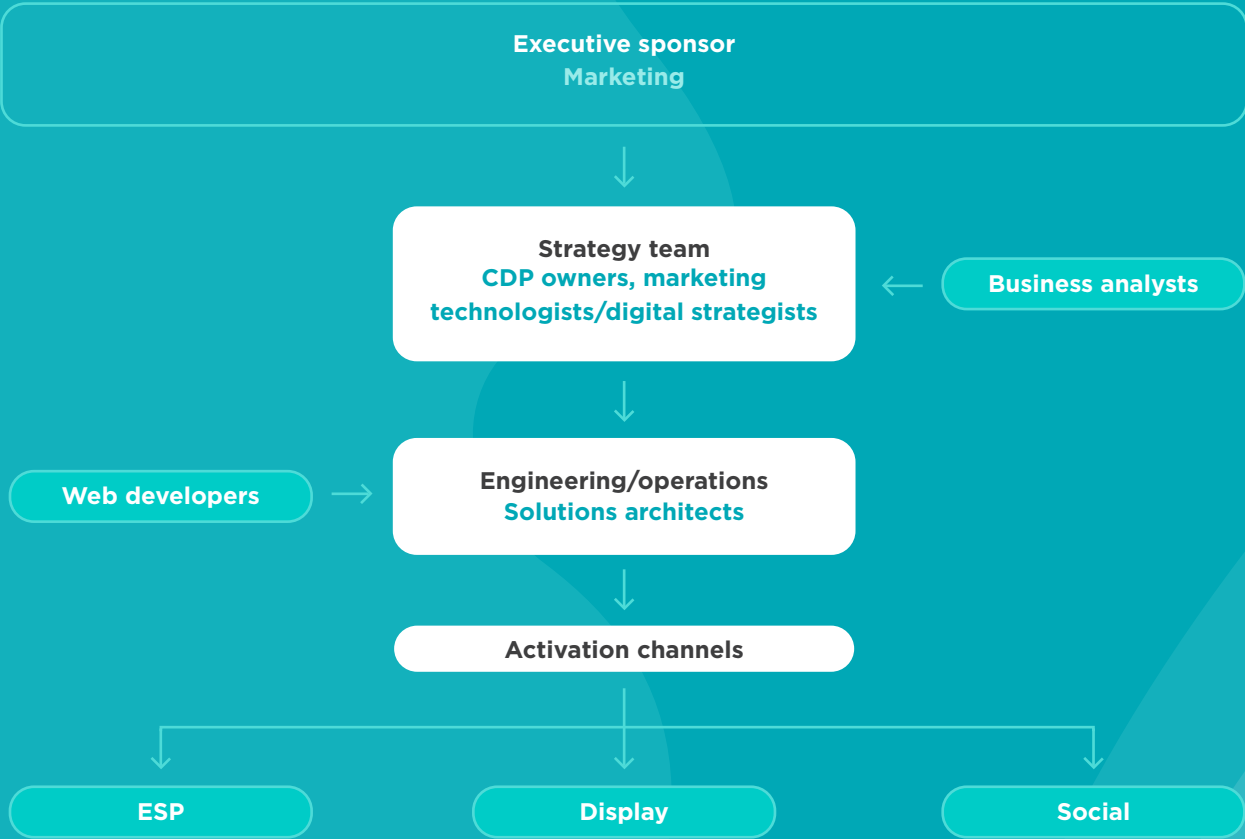## COMPANY 03

Name

Enterprise-level Technology Company

CDP goals

- On-site personalization
- Cross-channel attribution
- Improved customer journey mapping

Team structure for small e-commerce retailer

Digital data implementation → **Marketing operations manager CDP owner** → **Activation channels Web/email**

Team structure for enterprise-level technology company

Executive sponsor Marketing

↓

Business analysts ← **Strategy team CDP owners, marketing technologists/digital strategists**

↓

Web developers → **Engineering/operations Solutions architects**

↓

Activation channels

ESP   **Display**   **Social**

Different teams for different size companies

Depending on the size of your company and the number of resources you're able to devote to the CDP initiative, the teams can look very different.

Enterprise

Enterprise architecture can be complex. Depending on the vision for the CDP, technology can impact many different business units. If a single view of the customer (SVOC) across the organization is the guiding vision, the team will need to reflect a course for scaling the SVOC enterprise-wide. **Take retail: you may have to include merchandising, retail planning, e-commerce, and mobile teams in the CDP discussion from the start, as their operations will be impacted by the CDP's insights.** Then, as you expand the scope of the SVOC further into the customer journey, you may need to loop in customer success and retention teams.

An enterprise company will likely benefit from a Center of Excellence to coordinate this complexity and to ensure the same standards are being enforced with customer data across the organization, but not having a Center of Excellence shouldn't keep you from deploying. The right time to deploy your CDP is when you have a use for it.

Mid-market and small businesses

Smaller organizations may not have the resources to staff a dedicated Center of Excellence. One person may wear multiple hats. But, by focusing on staffing to meet the fundamentals (CX strategy, data collection, configuring the data layer, measuring impact, managing integrations), SMBs can deliver a lot of value in a short amount of time. Once the fundamental roles are operational, other stakeholders like paid and owned media can be empowered as well.

The key for smaller organizations is to build the team and establish use cases that maximize quick value while also enabling future growth and scalability. That's why governance is a critical component of the CDP and should be prioritized when constructing a team. **Establishing good rules, definitions, and processes will make scaling up to meet increased demand possible and make it easier to take on new use cases.**

> **The key for smaller organizations is to build the team and establish use cases that maximize quick value** while also enabling future growth and scalability.
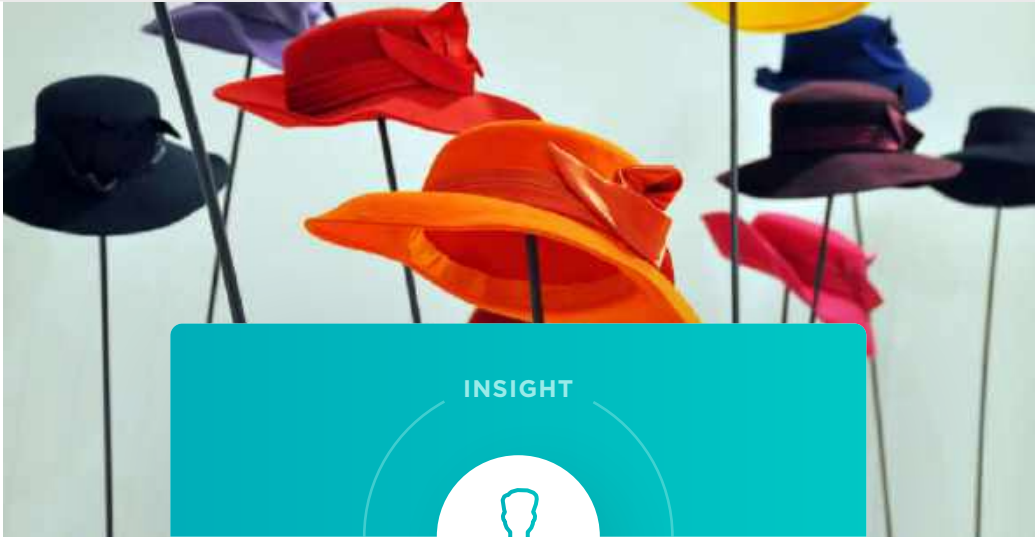
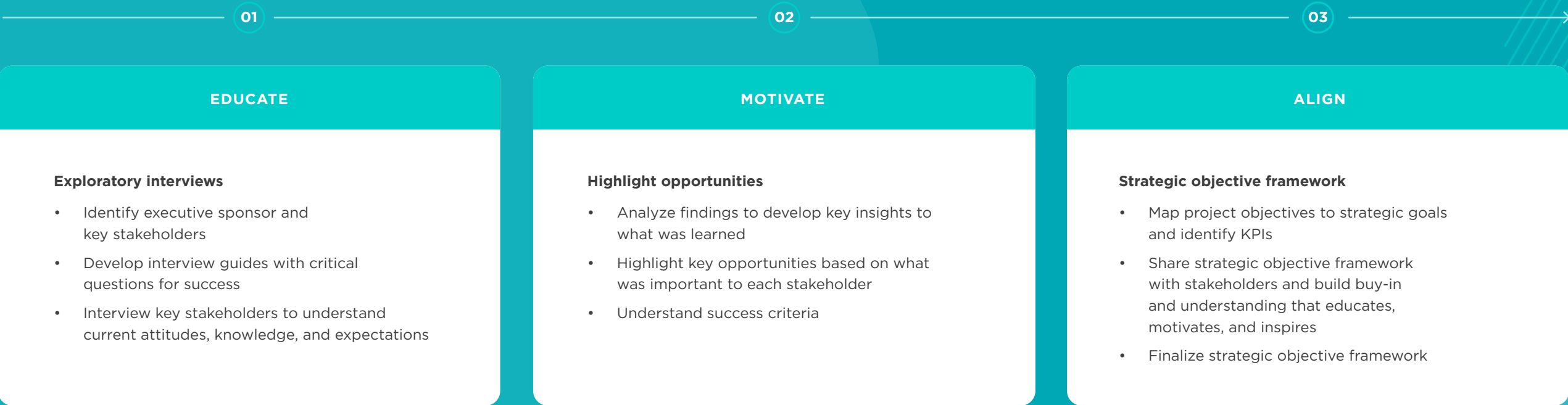**INSIGHT**

One person may wear multiple hats

But, by focusing on staffing to meet the fundamentals (CX strategy, data collection, configuring the data layer, measuring impact, managing integrations), SMBs can deliver a lot of value in a short amount of time

Aligning key stakeholders

Any CDP initiative requires stakeholders from multiple departments, and getting these groups aligned early will make purchasing and implementing a CDP initiative much, much easier down the line.

It is important to educate, motivate, and align your key stakeholders. This is a group that should include an executive sponsor, IT leaders, and the marketing department to start breaking down communication silos that may exist. Input should also be gathered from customer service, store operations, sales, and other operational support teams. **Alignment starts by educating and motivating through exploratory interviews to get input and have a unified understanding of strategic objectives, challenges, constraints, competitive imperatives, as well as current and planned capabilities.** From here you can map project objectives to strategic goals to gain stakeholder alignment.

01 ——————————————— 02 ——————————————— 03 ———→

EDUCATE

Exploratory interviews

- Identify executive sponsor and key stakeholders

- Develop interview guides with critical questions for success

- Interview key stakeholders to understand current attitudes, knowledge, and expectations

MOTIVATE

Highlight opportunities

- Analyze findings to develop key insights to what was learned

- Highlight key opportunities based on what was important to each stakeholder

- Understand success criteria

ALIGN

Strategic objective framework

- Map project objectives to strategic goals and identify KPIs

- Share strategic objective framework with stakeholders and build buy-in and understanding that educates, motivates, and inspires

- Finalize strategic objective framework

Identify owners

As you get started you will need to determine the roles and responsibilities of project participants. These roles may evolve throughout the journey and not all stakeholders will be needed at each step. There is not a "correct" role that should own the CDP; what matters is that roles for tasks are clearly defined early on.

These tasks include:

- Determine the overall digital strategy
- Align content and experiences with overall digital strategy
- Implement and manage tactics and timeframes
- Analyze, test, and recommend optimizations of tactics

Set up a core team

Once you've identified owners of the various tasks, you can assemble the core team that will be responsible throughout the rest of the process. Setting up this team early not only makes everyone feel more comfortable with the resulting purchase (if that's where you're at), it lets you hit the ground running.

> "
>
> **There is not a "correct" role that should own the CDP; what matters is that roles for tasks are clearly defined early on.**

Gather Information and Formulate Objectives

Formulating your strategy

A strong digital strategy should serve as a long-term roadmap for the entire organization. As such, it may overlap with a strategic plan or similar document already in use by your organization.

Work with stakeholders to define the objectives of your organization and identify where these relate to a marketing activity or customer interaction. Objectives may speak to differentiation or strategic vision and should be two-to-four-year goals. These plans should be focused on business goals and growth, not just the impact on technology.

Don't lose sight of the short-term victories, though, in your long-term planning. Introductory use cases should deliver quick value and ROI as well.

Sample objectives

- Customer satisfaction
- Profitability
- Productivity
- Growth
- Innovation

Strategic objective framework

What are your organization's top objectives and upon which of those do you believe can have the most measurable and irrefutable impact? This could be a mission statement, an ethos that guides the entire company, or simply a well-known market imperative. Work with your cross-functional team to brainstorm digital goals that will advance your strategic initiatives.

This framework or a framework that is similar will help you show the executive team exactly how unified marketing will drive strategic objectives and help the business succeed.

> "
> **A strong digital strategy should serve as a long-term roadmap for the entire organization.**

A key tip before you get started

Understand how the success of a CDP implementation will be measured in your organization. What should you benchmark now to illustrate improvements over time? It is critical to define and get buy-in on a success definition - then you can set up the right aspects to measure over time.

Sources of information

Many organizations often overlook their legacy databases and systems that are not interconnected with the marketing group. Work with your IT stakeholders to discover what existing systems and proprietary information can assist in your objectives or serve in measuring success. Also, consider systems and information on the extreme ends of the marketing funnel.

Common examples of internal data sources include:

- Website data
- Mobile apps
- Learning management systems
- Customer relationship management tools
- Order management systems
- Customer support systems
- Call center systems
- ERP systems
- Accounting and internal reporting systems

A brief guide to data types

There's no shortage of data for you to get into your Customer Data Platform; CDPs shine because they help you enrich customer profiles with the first-and-zero party data customers give to you through engagements, while up-leveling the value of second and third-party data. See the table on the next page to understand how each of these types of data relates to each other and—as is becoming increasingly important—your privacy initiatives.

> **There's no shortage of data for you to get into your Customer Data Platform; CDPs shine because they help you enrich customer profiles.**

INSIGHT

By using audiences

they built using a Customer Data Platform, retail group Gap, Inc. moved from a one-size-fits-all website to 87 different data-driven experiences.

Data type	What is it?	Why do I need it?	Examples
Zero-party data			
Identity data customers want you to have	The good stuff (with a side of consent)! This is the data customers give to your company in exchange for a better experience or enhanced benefits.	In a post-GDPR world, companies need more permission to engage in personalization. Having your customers authenticate— i.e. login— and share data with you amplifies the value of your first-party data and helps you maximize a data-driven CX strategy.	• Personal information • Potentially sensitive data (political opinions, for example) • Intentional behaviors • Preferences
First-party data			
Behavioral data used to enrich identity data	More of the good stuff. This is the data your company gathers from consumers interacting directly with your brand that helps enrich the identity data you've collected.	First-party data is the backbone of understanding the customer experience. With first-party data, you can analyze how consumers interact with your brand to improve the experience and deliver better engagement holistically and individually.	• Behaviors or actions from your website, app, product • Email or SMS interactions • Purchase history
Second-party data			
Behavioral data shared between companies	Not commonly used, this is the data other companies collect from consumers interacting directly with their brand. Depending on the regulation, second-party data may be considered "sold" data and subject to regulations like third-party data (see: CCPA).	You might not (often second-party data is only used in limited verticals like car manufacturers). If you work with trusted partners, it may make sense to extend your audiences and create synergistic experiences. Trade shows and webinars are two ways to accomplish this.	• Behaviors or actions from another company's website, app, product • Email or SMS interactions • Purchase history
Third-party data			
Identity and behavior data you have to buy	Data collected by an organization that doesn't have any direct link to the customer. Usually, the data is collected by data aggregators for the express purpose of selling it to other companies.	What was once the backbone of advertising and marketing is diminishing in value, but when used carefully it can provide targeted data to improve your campaigns. May cost you more than what you pay upfront.	• Demographics • Behavioral • Contextual

Understanding process and dependencies

Once you understand all your business goals and the possible sources of data, you'll next need to understand the processes and dependencies within your organization. This audit of how your teams and information systems interact will help you better evaluate how and where your Customer Data Platform will have an impact.

As you strive towards a single view of the customer, understanding the current state will help ensure that silos of data aren't being overlooked from being included in the customer profile. Furthermore, it will also help you identify areas that are potential data privacy liabilities.

> "
>
> **As you strive towards a single view of the customer, understanding the current state will help ensure that silos of data aren't being overlooked from being included in the customer profile.**

STEP 03

Determine Your Segments and ID Resolution Strategy

Segmentation and targeting

The value of the Customer Data Platform lies in its ability to create personalized marketing strategies at scale and with speed. Segmenting users and targeting groups according to similar demographics, firmographics, affinities, online behavior, or perceived value to your organization allows marketers to do both of these things.

Some ways to segment your customers into audiences include:

- VIPs
- Cart abandoners
- Big spenders
- Discount shoppers
- Lapsed customers
- Blog fans
- Appointment schedulers
- Marketing qualified leads
- Free trial subscribers

Having clearly-defined audiences early in the process of your CDP initiative helps set the scope of your project and makes it easier to deploy them for your foundational use cases, such as customer acquisition.

User identification strategy

There are often many ways that individuals can be identified by your company—from anonymous third-party identifiers to first-party identifiers like email addresses — but this multitude of identifications can create a fragmented customer experience. A Customer Data Platform is designed to unify known IDs into a single customer view.

By uncovering all of the ways used to identify customers along the journey, you can reveal the extent of the CX fragmentation.

> " **The value of the Customer Data Platform lies in** *its ability to create personalized marketing strategies at scale and with speed.*

01

Identify all known IDs

Create a list of all first and third-party identifiers used. These can be email addresses, CRM IDs, Display Cookie IDs, Lead IDs, Loyalty IDs, etc.

02

Determine where each is revealed

Next, list out where each ID is revealed. Does the ID only exist in your CRM, eCommerce platform, or POS system? Is the ID only conveyed on the web?

03

Verify where they overlap

List out which of your IDs are used across multiple areas of your business. As an example, email may exist in your CRM, website, and ESP.

04

Understand the impact

Knowing how users are identified during the customer journey helps you understand how fragmented your marketing attempts can be. This information will also help guide you toward a unified customer marketing strategy.
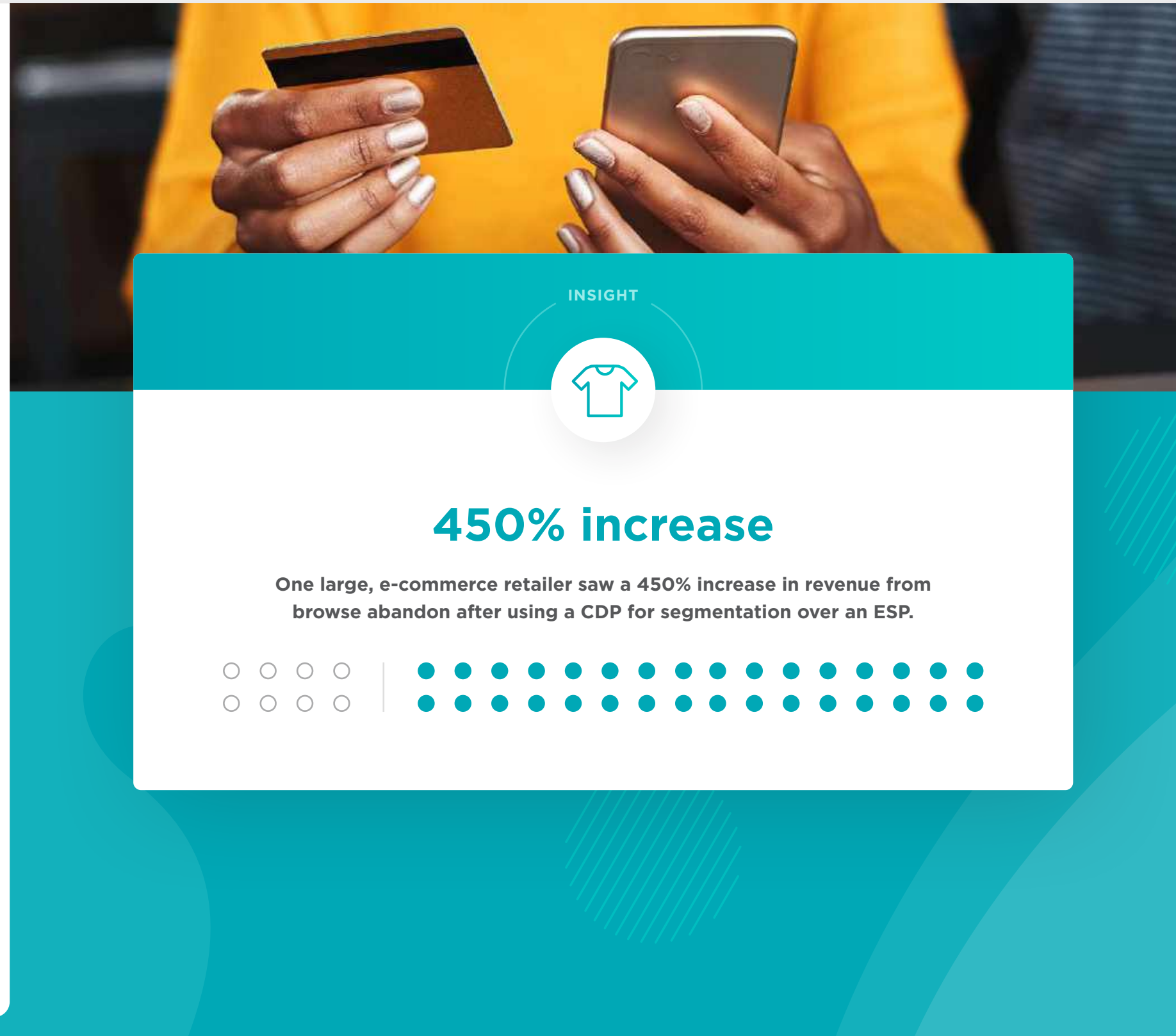
Channels and integrations

The inputs and outputs of your Customer Data Platform need to be identified. What tools are included in your Martech stack?

How are these integrated into the customer journey?

- Email Platforms
- Display Ad Networks
- Search Vendors
- CRM System
- Social Media
- Personalization Vendors
- Analytics and BI Tools
- Machine Learning

Creative needs

As you start to conceptualize your strategies across the customer journey, it's important to also think about the creative (site content, ad placements, other graphics and media) requirements for execution. As an example, if you have a multi-channel cart abandoner retargeting strategy, how many creative resources are required? What additional time and budget does that add to your plan?

INSIGHT

450% increase

One large, e-commerce retailer saw a 450% increase in revenue from browse abandon after using a CDP for segmentation over an ESP.

Resources and budgetary constraints

When formulating your objectives, we've established that it is important to get stakeholder backing, mapping out the strategy, technology and creative content needs; but what also needs to be considered is the monetary support. After outlining the use cases you plan to pursue and the channels in which you plan to take action, start to consider the potential fiscal impact and be sure you're able to fit your objectives into your larger marketing budget.

The types of questions you might start asking yourself include:

- Will I need to allocate additional spend for display platforms?

- Do I need to increase the contracted email volumes with my ESP?

- Do I want to start A/B testing my current display vendor vs. a new vendor?

- Can the time spent using my Customer Data Platform be attributed to CAPEX or will it hit overhead costs?

> "
>
> **Consider the potential fiscal impact** and be sure you're able to fit your objectives into your larger marketing budget.

INSIGHT

90%

nib Health Funds used a CDP to drive 90% more qualified leads through better personalization.

STEP 04

Define Your Action Plan

Set roadmapping expectations

By this point, you should have a good idea of how your teams, tools, and strategies will be impacted by deploying a Customer Data Platform. But that change isn't going to happen overnight. The CDP initiative's stakeholders need to come together and set expectations.

The simplest approach is to assess the level of effort vs. impact of each prospective strategy. In most cases, it is best to prioritize the projects and use cases that have the highest impact with very little resistance. Keep in mind that many other factors will likely need to be considered, such as the executive sponsor's expectations and the capabilities of the team.

Your roadmap should give you a clear direction of where to start and what your future plans hold. It's expected that the roadmap will evolve as you learn and grow as a team.

Roadmapping essentials

- Define roadmap and set expectations
- Prioritize objectives and timing - set baseline measurements to ensure you can measure success
- Clearly define roles and responsibilities
- Allow roadmap to evolve with your team

Prioritize objectives and timing

Staying focused on the business objectives—like digital transformation to improve the customer experience or meeting the requirements of customer data regulations—will help determine the timing of your projects. Work alongside your CDP vendor or a trusted agency partner to create a timeline for your company's initiative.

Whether you've created a roadmap based on your organization's needs or set the timetable according to the degree of difficulty, creating a timeline for your deployment will help you manage the changes in roles and responsibilities for your cross-functional team(s) throughout. And, if you've done a good job during the exploratory and documentary steps, there should be few surprises to derail your plan.
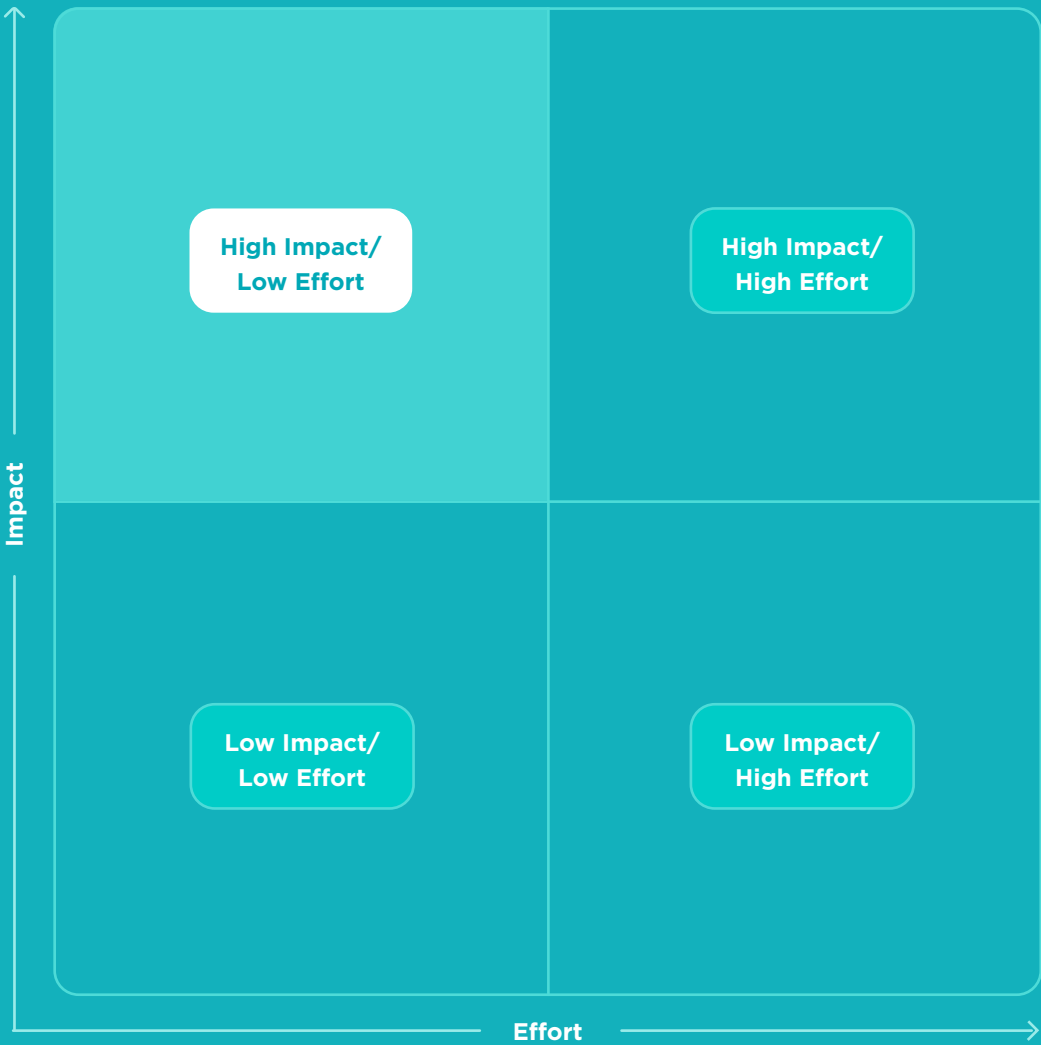
> "
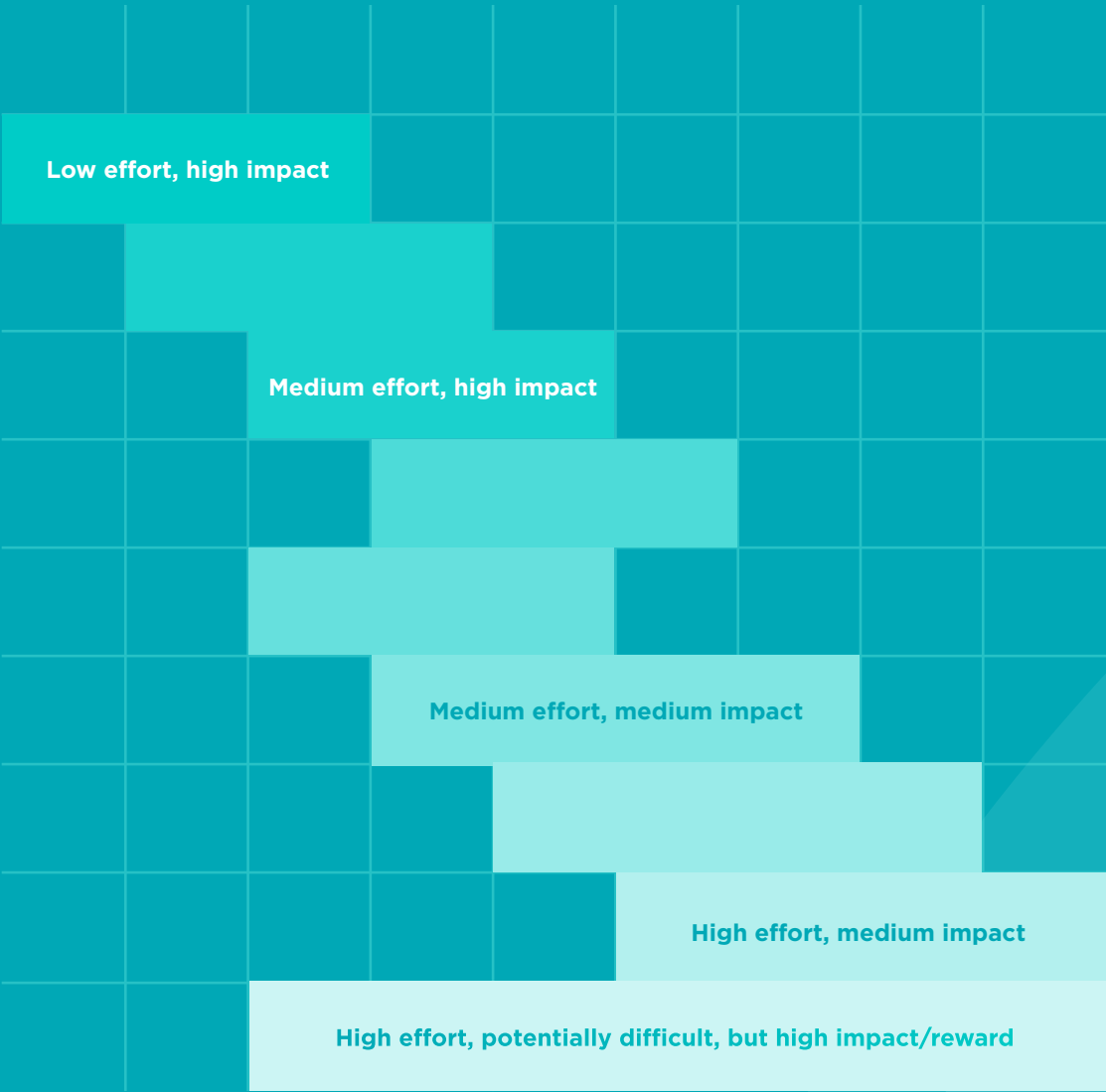> **Staying focused on the business objectives will help determine the timing of your projects.**

> "
> ## Assess
> the level of effort vs. impact of each prospective strategy.

Set Roadmapping Expectations

Impact

High Impact/ Low Effort

High Impact/ High Effort

Low Impact/ Low Effort

Low Impact/ High Effort

Effort

Creating a Roadmap and Timing

Low effort, high impact

Medium effort, high impact

Medium effort, medium impact

High effort, medium impact

High effort, potentially difficult, but high impact/reward

Define roles and responsibilities

It is important to have clearly defined roles and responsibilities set with the team before executing your action plan. All involved parties should be aligned on roadmap assignments as well as deadlines.

Tasks should be delegated to team members based on subject matter expertise. Misalignment of project responsibilities can lead to confusion, misinformation, and ultimately project delays.

Team communication is key especially when agency partners are involved. Keeping all parties informed of updates and changes will help your project run smoothly and efficiently.

We recommend using the RACI method. For these cross-functional teams and initiatives, the RACI method provides a simple framework for delegating roles and responsibilities.

> **It is important to have clearly defined roles and responsibilities set with the team before executing your action plan.** All involved parties should be aligned on roadmap assignments as well as deadlines. Tasks should be delegated to team members based on subject matter expertise.

RACI

R

Responsible

Does the work to complete the task.

A

Accountable

Delegates work and is the last one to review the task or deliverable before it's deemed complete.

C

Consulted

Key stakeholder who should be included in key decisions or activities.

I

Informed

Person(s) kept in the loop as things progress.

STEP 05

Measure and Monitor Progress

The importance of measurement

You must define success and set tangible, measurable goals. If you can't measure it, you won't know how impactful the effort was nor how to improve.

This is an ongoing process of defining targets, measurements, and establishing the necessary reporting and monitoring to ensure success. Your measurable objectives should be reviewed and monitored in timely, planned increments, in reports agreed upon by management.

Considerations for an effective measurement culture include:

- Reporting tools and platforms to use
- Appropriate resource allocation
- Periodical check-ins
- Qualitative feedback from recipients of the reporting/measurements

> " **If your personalization efforts can improve email open rates by 10%, that can drive 2% more site visits and deliver .5% more conversions.**

INSIGHT

Measurement takes careful planning

CDPs affect many, if not all, of your customer experience channels and touchpoints. Measuring all of these takes careful planning and diligence. Take, for example, the steps it takes to measure the effects of email personalization using CDP insights.

If your personalization efforts can improve email open rates by 10%, that can drive 2% more site visits and deliver .5% more conversions. When you calculate the average price point per conversion and the margin per sale you can understand the impact of the CDP in a given channel. Once you do that across all your channels, you can see the cumulative revenue-generating impact of CDP technology.

Monitoring progress and optimizing

Monitoring and reporting must be a continual process in order to have long-term success and achieve optimal performance. Along with the correct resource allocation and periodic check-ins, adjusting your roadmap and timing will be essential in meeting stakeholder expectations and maintaining their continued support.

Adjust and optimize

Monitor and collect data

Interpret performance

Report and analyze
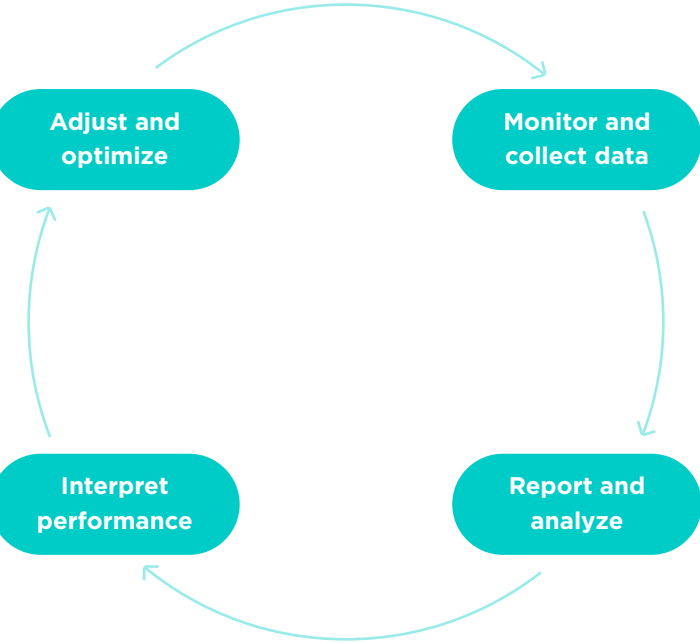
Data requirements

Business requirements for Key Performance Indicators (KPIs) must be defined by stakeholders and management prior to starting a reporting initiative. Identify the source for each measurement to clearly report KPIs and determine the data extraction process that will be required. Prior to utilizing the data for reporting, the data quality must be inspected by your subject matter experts to confirm data accuracy.

Below are recommended questions that should be answered during the data requirement discussion:

- What KPIs do you want to measure? Is each KPI clearly defined and are the data elements easily available to calculate the KPI?

- What are the primary data sources for analysis? Does the data need to be aggregated or blended from various sources?

- Do you have access to all of the data required to report on these KPIs? If not, is there a plan in place?

- Is the data in the correct format for reporting, or will data transformations be required?

- Are there data quality checks in place to confirm the accuracy of data used to calculate KPIs?

Common metrics to measure CDP success

01

ROI (Return on investment)

Are your CDP-triggered campaigns delivering more revenue than before? Are you saving money by cutting down on IT requests for integration help? Measuring the monetary impact of revenue growth, retention, and efficiencies helps generate the return on investment.

02

TCO (Total cost of ownership)

You know how much the startup costs are for licensing and implementation, but ongoing costs like customizations and operational costs like training and support need to also be calculated to understand the true cost of ownership.

03

BCR (Benefit — cost ratio)

Does your ROI outweigh the costs?

04

IRR (Internal rate of return)

IRR helps companies figure out when the project will break even. The right use cases to start can shorten the time to break even. With IRR you calculate the actual return provided by the project's cash flows, then compare that rate of return with your company's hurdle rate (how much it mandates that investments return).

05

TTV (Time to value)

The speed with which value is realized from a new technology. Long set-up and onboarding times reduce TTV, making the window to break even and become profitable with a new technology smaller.

06

NPV (Net present value)

Another way to figure out the break even point of your CDP project. NPV is calculated as the difference between the present value of cash inflows and the present value of cash outflows over a period of time.

Reporting tools and platforms

In many cases, successful KPI reporting will include the use of extract-transform-load (ETL) processes to combine data sources. Relational databases for efficient query performance and interactive dashboard reporting are important for a successful KPI monitoring program.

Below are a few questions to answer prior to selecting reporting tools:

- What reporting tools are already being used within your organization? Are all departments accessing their reports through a single platform, or will your KPIs need to be displayed across multiple vendors?

- Do your reporting tasks require data blending prior to dashboard creation?

- Do you already have a data warehouse set-up to store current and historical metrics?

ROI tip #1

Make sure you have baseline measurements in place for your Key Performance Indicators to show a before and after view of your CDP's effect. If you don't have baseline measurements, you can use an A/B approach to show the performance differential.

Schedule of measurement

Depending on the KPIs that you are measuring, the schedule of measurement will vary for each experiment or campaign. It is important to have a clearly defined timeline for reporting. For example, if a seasonal campaign is running on your site, the measurements might be collected from October through December. **It is important to check-in on the measurements collected to verify that all data elements are captured accurately and on-time; weekly checks of the results may be useful throughout the experiment or campaign.**

If the reporting is a long-term initiative, for example tracking cart abandonment per month, it might be necessary to collect the data each day and store the monthly aggregate totals in a data warehouse for trended analytics.

In general, it is valuable to know early in the process if the reporting database needs to support real-time, daily, weekly, monthly, or yearly summary metrics. Also, if there is a start and stop date based on the time of year (seasonality) it is helpful to have these details confirmed prior to starting the reporting project.

Qualitative assessment

Meeting with business users to review the progress of the KPI monitoring is important to confirm that the data collection is providing value.

There may be adjustments in the reporting that could be identified if initial sample data is presented in a draft dashboard and reviewed prior to the final dashboard being released to the team.

These iterations will help prevent surprises in the final reporting and help to start discussions across departments about how the reporting will be used to guide business decisions.

> "
>
> **It is valuable to know early in the process if the reporting database needs to support real-time, daily, weekly, monthly, or yearly summary metrics.**

Putting it all together

When the final reports are published and the KPIs are available, your cross-functional teams must be able to take action on the data. Your team should be able to identify if the objectives of the reporting have been met with the dashboards available; they should also be prepared to make adjustments to future experiments/campaigns based on the results. Reviewing the results with your executives and marketing teams can help guide internal action items and next steps for reporting.

Below are a few questions to answer at this stage in the process:

- Do the qualitative and quantitative outcomes support each other?

- Are the objectives being met with the resulting KPIs?

- Are you maturing according to the marketing and data models?

CHECKLIST

Are you ready to track your CDP's ROI?

01

The groundwork

✓ You have historical data around the performance of your activation channels to compare with post-CDP implementation performance

✓ You have dialed-in your attribution models

✓ You have done the research before buying and have expected ROI targets

02

The next steps

✓ You've developed focused use cases with clear objectives

✓ You're maximizing your CDP by integrating all of your customer datasets

✓ You have identified gaps in the customer experience that need to be addressed and measured

✓ You're measuring the amount of IT and Data hours and requests associated with handling, preparing, and integrating data sources with the CDP to compare to previous technology workflows

03

Advanced ROI steps

✓ You're tracking the impact of the single view of the customer on your data governance efforts and ability to respond to consumer data privacy requests

✓ You're developing next-step use cases to build on the success of your early use cases

✓ You're extending the use of your CDP insights into other departments, like the customer service call center, and can attribute increases in metrics, like customer satisfaction

"

Your team should be able to identify if the objectives of the reporting have been met with the dashboards available...

Tips for Buying a Customer Data Platform

Buying a CDP is a lot like buying any other technology— you need to start with the use cases first, then you have to build the business case, evaluate the vendors, go through procurement, and lastly, move on to implementation and enablement.

However, the current marketplace is filled with confusion and misinformation. With so many vendors offering such a wide variety of capabilities and approaches (seriously, scroll through the directory listing on the CDP Institute's website), buyers are put in an unfortunate position of narrowing these choices down on their own. If you have a trusted agency partner, they can help you narrow down the vendors for your shortlist, plus help you validate those vendors while taking stock of your own organization's needs and capabilities.

The wrinkles in the CDP buying process happen in two ways:

01   **The first is the challenge of the RFP.**

02   **The second is the need for perhaps more buy-in than normal (which we'll get to in a minute).**

> ## With so many vendors
>
> **offering such a wide variety of capabilities and approaches, buyers are put in an unfortunate position of narrowing these choices down on their own.**

Getting Buy-In with a Foundational Use Case

When Ben Thompson, a Director of Ecommerce Analytics and Tag Management at an online retailer, first got started with a CDP, he faced internal resistance from several directions. The IT team wanted to build an alternative solution. The Business Intelligence team wanted to control customer data. Marketing and campaign operations felt threatened.

To help quell fears and prove the cross-functional value of the Customer Data Platform, Thompson and his team sought out one killer use case to start out with.

TThey found it by looking for a team that was struggling to achieve a goal because of technical limitations. That use case was being able to tie a single-use promotion code to a single user in real time.

To limit coupon codes from going wild on the internet, the E-commerce team uses their CDP to tie these codes to individual profiles. They deploy the code through their

Email Service Provider by grouping audiences together; for example, the code can be triggered for customer profiles that have just abandoned their cart. Now, the customer can come back to complete the purchase without the code running wild.

> "
>
> **'This use case alone,' Thompson said, 'brought many people onto the CDP bandwagon, as it's something they've wanted for a very long time.'**

Nailing the RFP

A successful RFP will help you gather information about a new technology, define and prioritize requirements from the perspective of customer use cases, and enable you to compare vendors on an equal footing. With CDPs, one of the best unique practices we encourage is undergoing a Martech Assessment.

A Martech Assessment can be done internally or with an agency partner to provide a neutral, third-party view. **The Martech Assessment is designed to find the gaps in your current Martech stack. With a technology as plugged in to your Martech as the CDP, this assessment will help reveal what critical integrations you'll need to validate in your vendor selection process.**

The Martech Assessment will also show you what CDP-like capabilities you have already and enable better proof-of-concepts and a stronger implementation strategy. Since there are many technologies that ostensibly do parts of what a CDP can do, you'll need a clear plan for how these technologies will work together without duplicating operations or creating shadow data silos.

When it comes to a CDP like Tealium AudienceStream, there are six critical areas you'll want to explore in your RFP. Within each of these areas are dozens of questions to understand the philosophical and technical aspects of each vendor.

01 Vendor details

02 Data management (including integration capabilities)

03 Action engine

04 Audience creation

05 Support, onboarding and training

06 Pricing

Tips for creating the best RFP

01 Avoid generic and yes/no questions

02 Use a scale (like 1 to 5) to provide more nuanced evaluations and comparisons

03 Make sure your questions are relevant to your circumstances and use cases

Use specifics like "How does this CDP integrate with "X" tool I use?"
If you don't know the use cases, you don't know the specific questions you need to answer

04 Delve deeper into the areas that matter most to your use cases

05 Do the work beforehand to understand how a CDP applies to your business

06 Ask questions specific to your industry to understand the vendor's experience and expertise with those use cases and technologies

07 Go beyond your own industry to understand what companies are doing with a CDP—don't limit yourself to your competition's playbook

Getting Buy-In at the C-Level

One of the most challenging parts of buying a CDP can be getting buy-in across the organization. Since the CDP is (or should be) a long-term investment, many executive stakeholders will need to sign off in some form.

Here's how to approach getting buy-in from each of the most common executive stakeholders.

CEO

Your CEO cares about the macro-level impacts of the CDP. How does this technology impact your company's strategic business goals? In particular for public companies, how will the CDP help the company meet the benchmarks for success presented to the stakeholders?

Present the short-term impact and the long-term vision for the CDP as it aligns with the short-term needs and long-term goals of the company.

Understand the metrics they need to see to evaluate success

- Bottom line metrics for positive business growth (Marketing and Sales Qualified Leads) and revenue (Gross Profit and Average Gross Margin)

CMO

The Chief Marketing Officer is first-and-foremost concerned with understanding the customer. What compels people to engage, and why do they keep coming back? As more CMOs look to make decisions based on customer insights, the CDP can play a central role in their strategic vision.

Build a business case for the CMO around personalization, engagement, or to solve challenges like third-party cookie loss, and as a bonus, show how the CDP can improve the technology they've already invested in.

Understand the metrics they need to see to evaluate success

- Customer Growth (Marketing/Sales Qualified Leads and Lead Conversion)

- Customer Loyalty (Customer Lifetime Value)

- Marketing Efficiencies (Customer Acquisition Cost, Marketing Technology Utilization and Marketing Return on Investment)

CTO

Technology is often seen as a cost-center. The CTO will want to understand the Total Cost of Ownership (TCO) and the long-term implications of the CDP to the larger tech ecosystem.

Show how the CDP can bring better standards to many tools by providing a SVOC and unified audience management and make work more efficient by lightening the load on IT as common data management processes become automated.

Understand the metrics they need to see to evaluate success

- Bottom Line Impact (Return on IT Investment)

- Operational Efficiencies (Total Cost of Ownership, Time to Value, Utilization of Key IT Managed Resources, Staffing Efficiencies)

- Security and Risk Mitigation (Number of Incidents, Cost Per Incident and Resolution Time)

CIO

With new privacy regulations to deal with and the deprecation of third-party cookies, the CIO is dealing with a lot right now. They'll want to understand the impact of the CDP on the data and the data architecture, plus how it can help them adapt to the changing data landscape.

Build a case for the CDP playing a critical role in data governance—in particular, its ability to help your organization scale as more data than ever is generated in your systems. Plus, CDPs help make all of that data actionable.

Understand the metrics they need to see to evaluate success

- Data Quality and Efficiencies (Frequency of Data Collection, Time to Analysis)

- Security and Risk Mitigation (Number of Incidents, Cost Per Incident and Resolution Time)

- Bottom Line Impact (Return on IT Investment)

- Operational Efficiencies (Total Cost of Ownership, Time to Value, Staffing Efficiencies)

CFO

With marketing budgets being tightened, the CFO is increasingly playing a role in purchase of Martech. With so much money having been spent on Martech, you'll need to be able to quantify marketing activities to show ROI.

Show the value of the CDP on your revenue generation and cost savings, but also show how it can help make the temperamental process of attribution into a more exact science. They'll thank you for better showing them the financial impact of technology and teams beyond the CDP directly.

Understand the metrics they need to see to evaluate success

- Bottom line metrics for positive business growth (Marketing and Sales Qualified Leads) and revenue (Gross Profit and Average Gross Margin)

- Marketing Efficiencies (Customer Acquisition Cost, Marketing Technology Utilization and Marketing Return on Investment)

Creating Cross-Functional Buy-In During the Purchase Process

Of course, you'll need buy-in from more than the executive level. The collaboration between the Data, Customer, and Channel experts in your organization will need to start from the beginning.

How you collaborate depends on the data maturity of the organization. You don't need to jump straight to a Center of Excellence, but a certain level of collaboration is still necessary.

However, working across departments can be a big stumbling block during the purchase process, the implementation phase, and during operation.

Take, for example, a large retailer who was going through the CDP selection process. The IT department was the owner of the CDP, but marketing benefited. There was an

> " How you collaborate **depends on the data maturity of the organization.**

underlying tension from the beginning because both groups had different goals with the CDP. They needed to take a step back and work with their agency partner, Credera, to gain alignment across stakeholders.

They did this by:

- Facilitating workshops between the parties, split up into three key groups: top-of-funnel marketing (i.e. paid media acquisition), middle-of-the-funnel marketing (i.e. CRM stakeholders), and IT stakeholders. This enabled them to get clear views of each group's priorities.

- **Workshopping key use cases, governance, roles and responsibilities for the build** and run state in order to establish what a minimally viable product looked like versus the ideal state.

- Creating a plan for cross-functional collaboration that guided the vendor selection process and established the post-sale roadmap.

Getting this buy-in and agreement is critical before purchasing a CDP. Since a CDP can mean so many things to so many different stakeholders, the cross-functional stakeholder or team responsible for it needs a single, clear vision (with executive sponsorship) that will move the purchase process and implementation forward. This helps ensure the future success of your CDP.

> "
> ## Getting this buy-in and agreement
>
> **is critical before purchasing a CDP. Since a CDP can mean so many things to so many different stakeholders, the cross-functional stakeholder or team responsible for it needs a single, clear vision (with executive sponsorship) that will move the purchase process and implementation forward.**

The Future of CDPs

So, what does the future hold for the Customer Data Platform— and, thus, for the companies who invest in this technology?

Perhaps the most exciting thing to come for the CDP industry is that CDPs will become the de facto standard. By this we mean CDPs are so transformational that, like other cornerstones of the Martech stack, they will be an expected element for many companies in the years to come. Right now, there are people still trying to figure out what the technology is— hopefully this guide has helped in that. Many people still see CDPs as a replacement for a DMP, a personalization tool, or a customer journey tool, but we're already seeing a shift towards buyers becoming more sophisticated and the technology becoming a standard line item in budgets. In the near future, having a CDP as a foundational part of your technology stack will be no more unique than having a CRM or CMS.

But that doesn't mean that you should wait to kick off your CDP initiative. Now is the time to act.

Let's talk about the top reasons that CDPs are no longer just nice-to-have.

The Transformation of Third-Party Cookies

The death of the cookie has been coming for years, but when Chrome ends third-party cookies in 2022, digital marketing will be changed forever. Advertisers are losing the ability to track consumers across multiple domains and measure the ROI of ad spend. It's a win for consumer privacy but will limit the effectiveness of current-day digital marketing strategies that don't use a CDP.

With a CDP in your tech stack, you'll have the flexibility to meet the rapid tech and consumer changes around the death of the third-party cookie. Currently, CDPs help provide a more complete view of the data coming from and going into your ad tech. But in the third-party cookie-less future, you'll want to acquire your current customers in your paid media channels— that is, finding lookalikes. As there will be a lower volume of consumers in these channels, it will raise the bid costs. A CDP can help you find better lookalikes to raise conversion rates in this top-of-funnel channel.
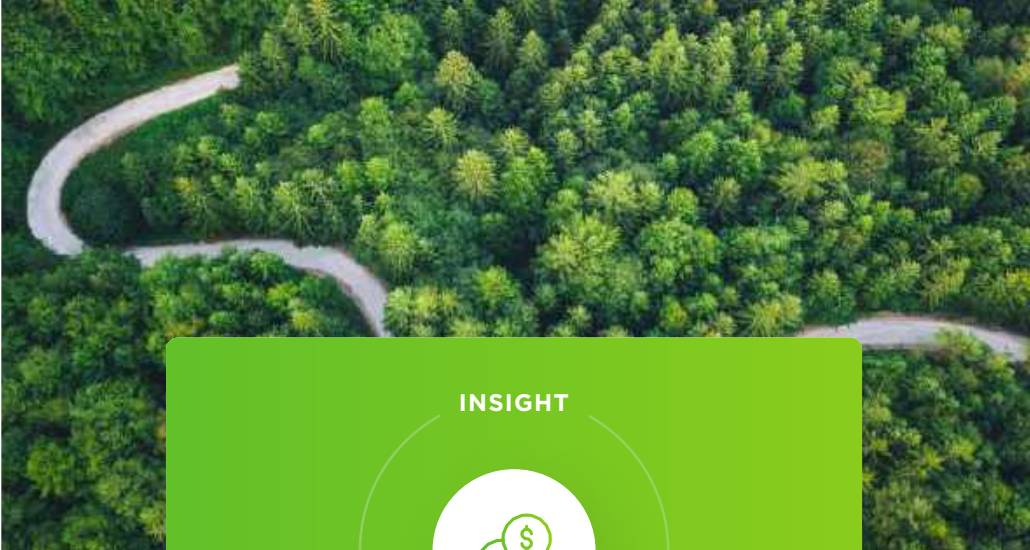
INSIGHT

30%

Today's personalization leaders have found proven ways to drive up to a 30% increase in marketing-spend efficiency by deploying product recommendations and triggered communications.

The future of personalization—and how to get ready for it, McKinsey, 2019

The Emergence of Machine Learning

The era of machine learning is upon us. If you're not on the path to machine learning insights, you're falling behind your competitors.

As more companies invest in powerful analytical models, the value of those models will depend on the integrity of the data being fed into them. Machine learning will be used to predict behaviors and deliver best-possible next interactions. CDPs will (and some like Tealium AudienceStream™ already do) come with machine learning built-in, allowing marketers to make use of predictive insights with minimal added effort. But beyond built-in models, CDPs will democratize the building of machine learning models by providing an accurate and reliable data foundation to build upon.

> "
>
> **Companies will need to be more explicit with how data is used...**

Privacy and Trust Are Becoming Powerful Differentiators

The consumer backlash against bad actors with data has been fierce the last few years. Companies will need to be more explicit with how data is used, and they'll need to be better at providing a value exchange. In other words, companies need to instill trust in their customers and make it worth their while to hand over that information. Whether it's financial incentives like discounts, exclusive offers for "members," or better personalized experiences, the value of privacy to consumers can't be overstated.

With the introduction of the California Consumer Privacy Act giving consumers privacy standards like the right to be forgotten, the single view of the customer enabled by a CDP gives you a key point of reference to handle those requests. Think of it as a broker to understand where all of that customer data is being held. As consumers start to put these rights to use, brands that value trust and privacy will prioritize the ability to respond to these requests quickly and professionally.

The Power
of Owning Data

Most businesses are just waking up to the power of the data they already have. When combined with the changes to privacy regulations, companies are increasingly looking to take control of their data.

Some are already moving in this direction by only working with media agencies and technologies that allow them to own their data in-house. A combination of data-savvy CMOs and CIOs, along with the evolution of data privacy laws, will drive more companies to look to CDPs as a critical component in the initiative to own their data.

That may mean some changes to the CDP industry. Right now, the SaaS model doesn't always lend itself to vendor neutrality or data ownership. Avoiding vendor lock-in will be key for foundational technologies like the CDP, and simple APIs won't be enough.

Companies are already feeling the pressure of big Marketing Clouds that want to own everything. While these may be more of a one-way street, CDPs will diverge to develop an interchange that allows for companies to own their data even more fully — perhaps an open data and schema will become standard for the CDP industry?

Conclusion

At their core, CDPs help instill trust in the data companies use to interact with their customers across the entire customer journey. Organizations buying a CDP today are doing so with an eye towards this future; but industry leaders are making this future happen today.

The CDP enables companies to future-proof their customer data by continuing to focus on the fundamentals — real-time customer data insights, robust data quality and governance, and strong integrations with the rest of the tech stack. At the same time, they can turn their eye towards questions that

spur evolution in the organization: how can this clean data enable other initiatives like machine learning, augmented reality, or data privacy compliance?

We hope this guide has helped inspire a new vision for your Customer Data Platform initiative, or given you some clarity into the world of CDPs. **There's a lot of potential in the technology, and we're excited to see what it can unlock for your company, your customers, and your career.**

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> **The CDP enables companies to future-proof their customer data and create a best-of-breed tech stack by continuing to focus on the fundamentals — real-time customer data insights, robust data quality and governance, and strong integrations with the rest of the tech stack.**

See a CDP in Action
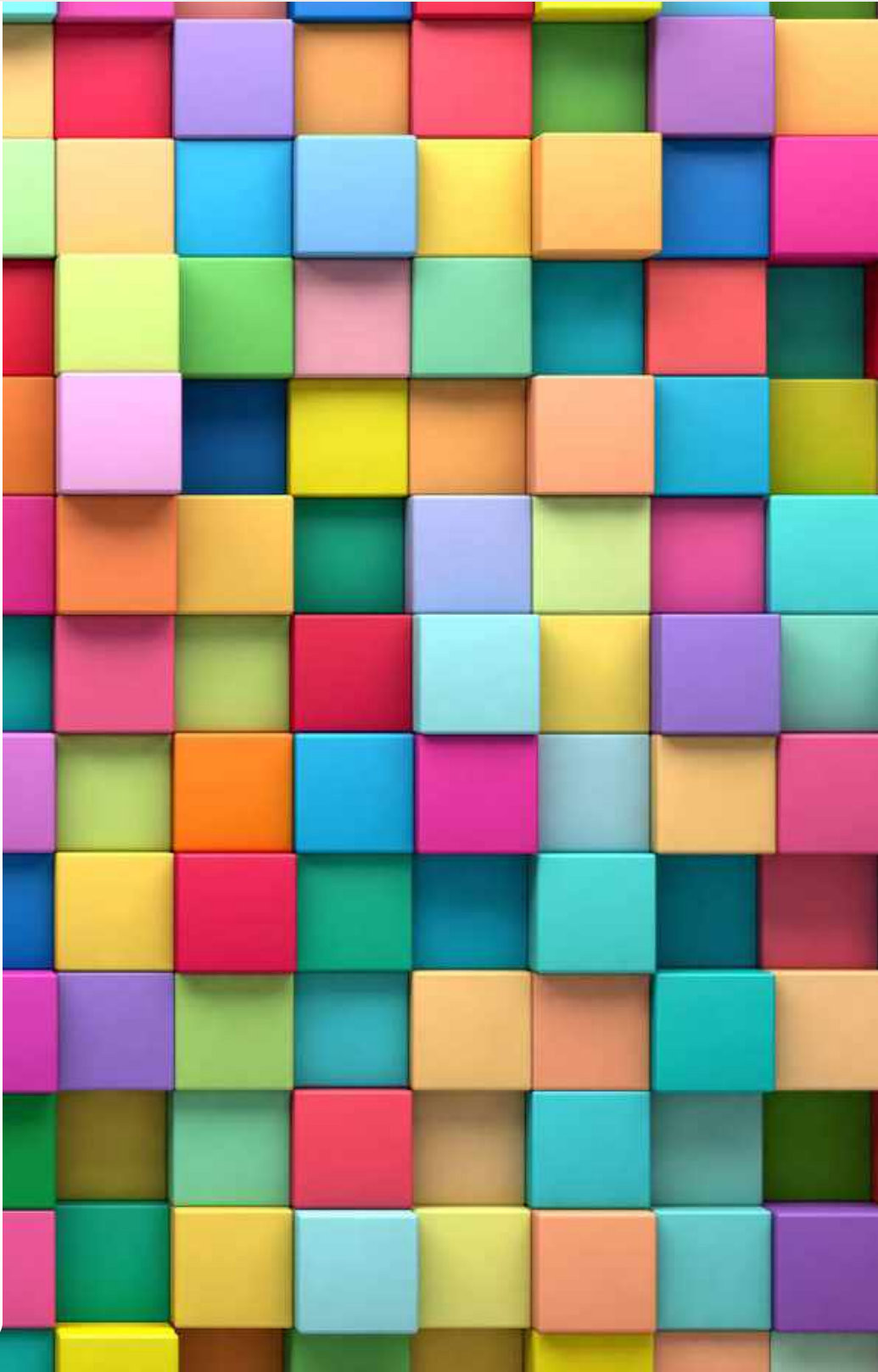
Glossary of Common CDP Project Terms

Many of these definitions come from the CDP Institute. Visit their site for more resources.

Adtech
any system used to support advertising activities; in particular, systems that work with digital media

Application Program Interface (API)
a method for communicating between systems (or between components of the same system) that makes requests ("calls") for the other system to send data or take an action (cf Webhook)

Artificial Intelligence
computer processes that mimic human thought processes

Attributes
attributes allow you to define the important characteristics that represent a visitor's habits, preferences, actions, and engagement with your brand

Attribution
the process of estimating the revenue (or other measure) caused by a particular marketing contact (or other interaction with a customer)

Audiences
a group of visitor profiles that share a set of attribute conditions. The more

conditions you use to create an audience, the more specific your audience. Audiences are used to trigger actions.

Batch Processing
processing a set of data that is accumulated over time and fed into the system at once, such as a file containing all transactions during the previous day. This precludes immediate response to events reflected in the data, such as someone visiting a website

Behavioral Data
data describing individual actions, such as purchases, web page views, and customer service calls; one person be associated with many behaviors of the same type

California Consumer Protection Act (CCPA)
a California regulation that restricts how personal data is collected and used; it gives individuals rights to reject commercial use of their data

Client-side Tracking
delivery of data is commonly accomplished through tags, one of the most popular ways to transmit data from web pages. This type of tracking involves the user's browser (client) directly

sending data to a server. The method is used for collecting and sharing data from your website to your marketing technology vendors and is referred to as tag management

Consent Management
the process of collecting, classifying, retaining, accessing, and updating individual consent for data use under privacy regulations

Consent Management System/Platform
software that manages the consent management process. May be a stand-alone system or part of a larger product such as a CDP

Customer Data Platform
a CDP is a technology that collects data in a governed way from sources like web, mobile, in store, call center, and IoT sources, unifies it to create accurate customer profiles in real time, then makes it accessible to and actionable for other tools and technology

Customer Data Supply Chain
the collection of tools and strategies that handle customer data standardization and collection, vendor integration

and optimization, omnichannel profile enrichment, campaign action triggers, and data management for business intelligence teams

Data Activation
making use of data; specifically, sharing customer data with systems that will use it for analytics, personalization, or marketing campaigns

Data Cleansing
the process of making data more usable through error correction, standardization, transformations, and other processes. Exact steps will depend on the intended purpose.

Data Enrichment
the process of adding new information to customer data, most often by importing third-party data and appending it to existing customer profiles

Data Governance
the process of controlling how data is collected and used in a system, with particular focus on ensuring data quality

Data Standardization
the process of placing data in a consistent

format so that all instances of the same item are the same; can be achieved through rules or a standardized data layer

Data Transformation
the process of converting data from one format to another. Enables disparate data to be combined.

Data Warehouse
a collection of data copied from company systems, reorganized and often summarized for analysis

Display Advertising
web advertising that appears on website or social media pages and is purchased by contract or by bidding on impressions. May be targeted by web sites or by individuals.

First-Party Cookie
a web browser cookie set by the domain of the website that sets the cookie

First-Party Data
personal data that an organization has acquired directly from an individual

General Data Protection Regulation
a European Union regulation that restricts

how personal data is collected, used, and protected; it gives individuals rights to consent, review, and demand deletion of personal data

Geofencing
targeting of marketing and advertising messages based on the recipient's passage into or out of a specific physical location, such as entry to a retail store. Sometimes used in combination with data known about an individual.

Geotargeting
targeting of marketing and advertising messages based on the recipient's location, often in combination with other data known about the individual.

Ideal Customer Profile
the set of personal data associated with a company's best customers. Used to define targets for sales and marketing efforts.

Identity Resolution
refers to the various ways that customers can engage with your brand anonymously, then associating that behavior back to a known customer. Most sites and apps attempt to keep track of unknown users,

such as using cookies, until the user identifies themselves, via logging in or completing a purchase. (for example)

Identity Stitching
the process of connecting a personal identifier to an individual through an intermediary personal identifier (e.g., new device linked to an email address provided by a customer; the device is associated with the customer even though the customer has not herself reported the connection).

Ingestion
the process of gathering data from one system and loading it into another

Intent Data
data that indicates how likely a person is to purchase a particular product. Generally based on behaviors such as store visits, social media comments, and consumption of related web content.

Key Performance Indicator
a measure that correlates with achievement of specific business goals. Separate KPIs are often defined for each business project or objective.

Machine Learning
automated processes that build predictive models with little human assistance

Multi-Channel Marketing
a marketing program where separate campaigns run in different channels (email, web, etc.)

Next Best Action
the treatment that a business believes will produce the most desirable result for an individual customer; typically based on a combination of rules and predictive analytics; requires specification of the measure that is desired

Offline Data
data collected by physical interaction such as retail purchases, local events, shipments, etc.

Omnichannel Marketing
a marketing program where the same campaign lets customers interact in whichever channels they choose

Owned Media
marketing messages delivered through a company's own channels, such as email or website

Paid Media
marketing messages that are purchased, such as paid advertising

Persistent ID
a personal identifier that does not change over time and thus can be used as a permanent "master" ID. It is linked to other personal identifiers which may change (e.g. postal address).

Personalization
creating communications that are tailored to a specific individual based on data about that individual

Personally Identifiable Information (PII)
information that can be used to identify a specific individual; same as personal identifier

Real Time
responding to an event so quickly that there is no perceptible delay; may refer to the speed of data ingestion, access or decisions

Second-Party Data
personal data that an organization has acquired through a direct relationship with

the organization that collected it as first-party data

Server-side Tracking
server-side data management, also known as cloud delivery, is when a pixel or tag sends data into your web server (or a different type of server), then your web server passes that data to the destination system/server. This data could be used by a marketing automation platform, analytics provider, personalization tool or another type of execution system.

Single View of the Customer
an aggregated, holistic view of the data an organization retains on its customers discernible at the individual level

Structured Data
data that is presented and stored in a fixed format where each element is in a specified location, such as the columns of a relational database table or the fields of a data file

Tag Management System
a technology that makes it simple for users to implement, manage, and maintain tags on their digital properties with an easy to use web interface.

Third-Party Data
personal data that an organization has acquired through a marketplace relationship with an organization that acquired it directly or indirectly

Unstructured Data
data that is presented and stored in a format where the elements are not defined, such as a block of text, video, or audio files

Use Case
a description of the steps that an agent takes to complete a business task. Used to illustrate the capabilities a system needs to support a task and to illustrate the tasks a system may support.

Visitor Stitching
when a CDP automatically combines the attributes from related profiles from different channels into a new master profile that replaces the others

Zero-Party Data
any data that a customer proactively and deliberately shares, such as privacy or contact preferences

TEALIUM

We Connect Data So You Can Connect With Your Customers

Tag Management • API Hub • Customer Data Platform and Machine Learning • Data Management

Tealium connects customer data– spanning web, mobile, offline, and IoT devices— so brands can connect with their customers. Tealium's turnkey integration ecosystem supports over 1,200 client-side and server-side vendors and technologies, empowering brands to create a unified, real-time customer data infrastructure. The Tealium Customer Data Hub encompasses tag management, an API hub, a customer data platform with machine learning, and data management solutions that make customer data more valuable, actionable, and secure. More than 1,000 businesses worldwide trust Tealium to power their customer data strategies.

For more information, visit www.tealium.com.

Omnicom Precision Marketing Group (OPMG) aligns Omnicom's global digital, data, and CRM capabilities to deliver precisely targeted and meaningful customer experiences at scale. Using its universal framework of connected data, connected intelligence, and connected experiences, OPMG provides services that include data-driven product/service design, technology strategy and implementation, CRM / loyalty strategy and activation, econometric and attribution modeling, technical and business consulting and digital experience design and development. At the core of delivering these services is Omni, an advanced technology platform that combines a powerful cultural insights engine with massively scaled data insights from the first-, second- and third-party sources, including several proprietary Omnicom data partnerships.

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