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# Customer Data Platform Insights



# **CDP, CMP, DMP:**

Who can still keep track?

# Insights into customer data platforms

Successful marketing is no easy task these days: A growing number of communication channels and resultant customer touchpoints, on one hand, enables targeted customer addressing along the entire customer journey. On the other hand, however, it also impedes proper utilization of the data collected here. In addition, customers' expectations regarding the variety of offers, service, communication etc. continue to rise in a mostly saturated market. Customer experience plays an important role here, because it is decisive in determining whether a prospective individual will turn into a customer, and whether the customer will remain loyal in future. With regard to your own activities as a marketing expert, this essentially means: Re-think or go under!

However, not only the expectations of customers, but also the tool landscape which marketers have to deal with, continue to grow. The problem: The various tools have been developed for a wide range of communication channels, and are usually equipped with highly differentiated functionalities. Accordingly, the collected (customer) data often come from different, separate systems not designed to share this data with other systems. Harmonized customer data, which are indispensable for planning customer experience, are therefore not available.



## The solution: Customer-Data-Platform-Systeme (CDP)

A customer data platform (CDP) is a software which creates a consistent and persistent customer database accessible to other systems. Here, unstructured data obtained from different sources are cleansed and then combined to form a single customer profile. The thus structured data are subsequently made available to other marketing systems for further processing.

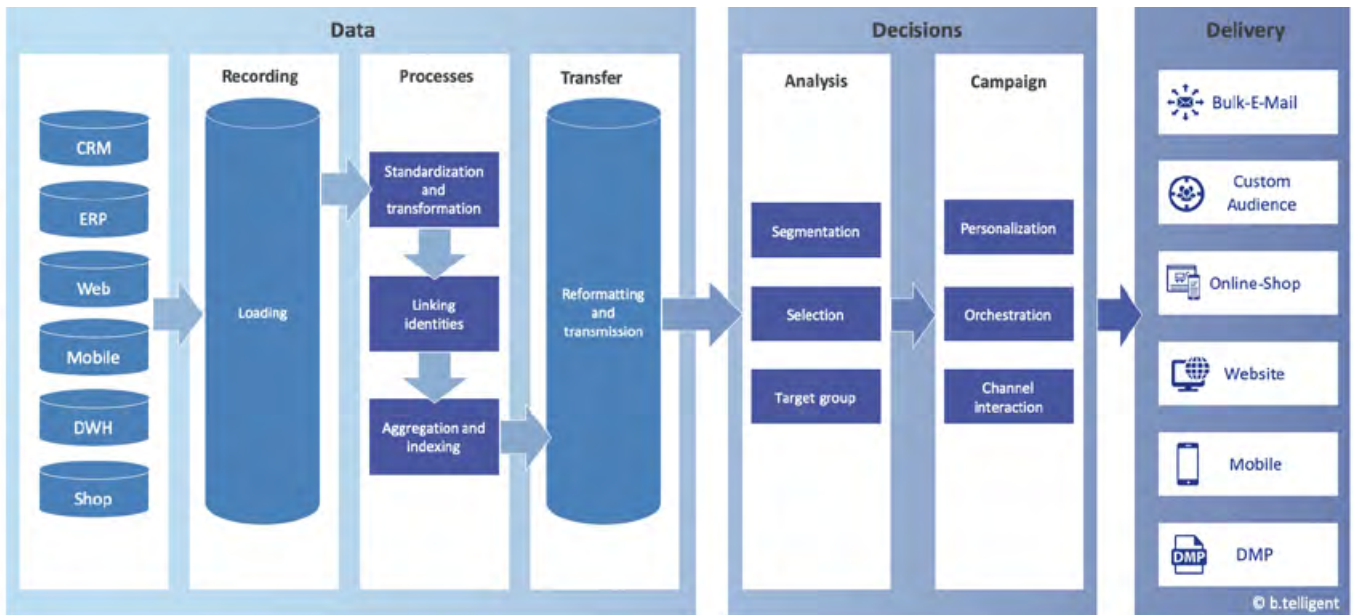


## Characteristics of a CDP

- **Software out of the box:** Standard software usually allowing fast execution. It involves a low implementation effort and costs. CDP solutions are already mature.
- **Persistence:** Customer-centric database allowing a full, 360° degree customer view and integration of all data sources.
- **Availability:** Other systems can access CDP data without problems.
- **Flexibility and independence:** Both in terms of the data model as well as implementation, utilization and further development of CDPs by users (marketers) regardless of in-house BI/IT resources.

# Data, decisions and delivery: How does a customer data platform actually work?

Basically, the (data) processes within a CDP can be divided into three phases: Data, decisions and delivery:



An overview of the three phases' individual processes:

## Data

- Loading of data from a wide range of sources such as ERP, CRM, mobile or e-commerce into the CDP using standard connectors e.g. for ERP systems, web tracking data, databases, and support for batch or API processes
- Standardization and transformation of data to create customer identities
- Creation of further data logic through customer-centric condensing of data
- Relay to the decision phase

## Decisions

- Necessary analyses and selections for target group identification
- Definition and orchestration of workflow-based campaign steps

## Delivery

- Connection of channels (e-mail, mobile, website, online shop, etc.)
- Optional: Connection to a downstream data management platform (DMP)



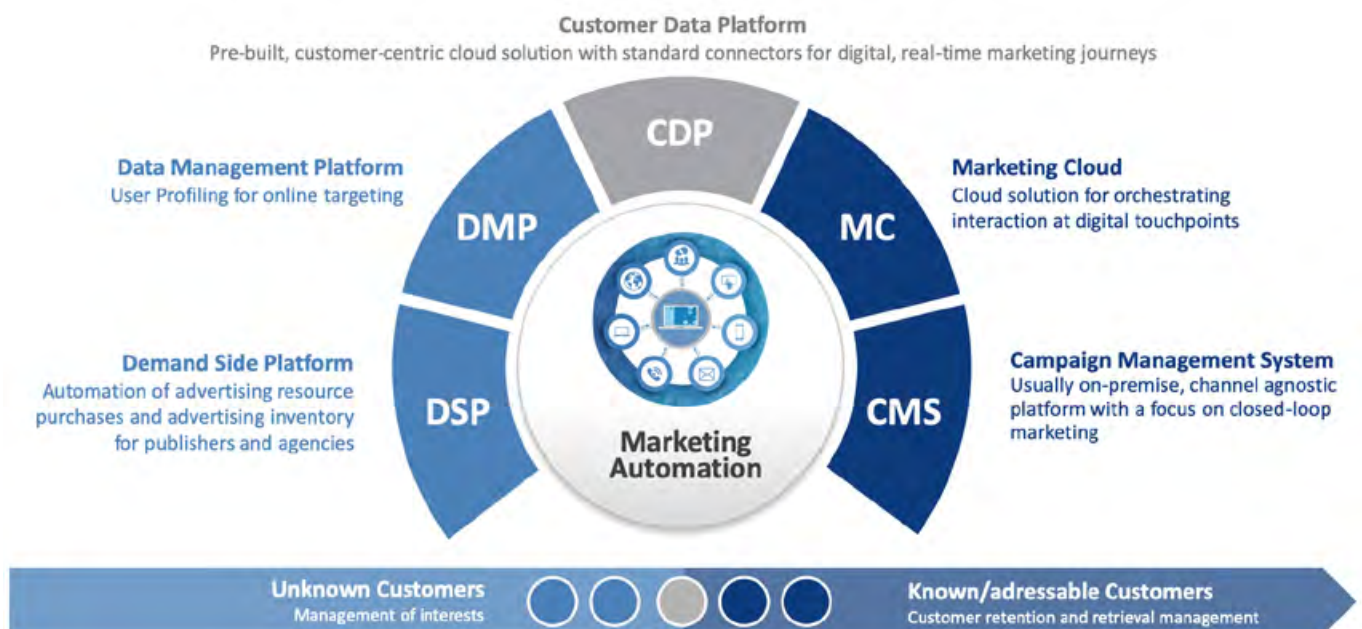
A CDP allows independent establishment of a customer-centric view, and offers a group of real-time functions closely resembling a DMP. These include real-time access and synchronization of cookies, as well as an interface to a demand-side platform (DSP).

### CDP functions in detail

- **General CDP functions:** Storage of raw data, management of persistent data, creation of a 360° view
- **Flexible data loading:** Support for XML, JSON and other formats; schema-free data model
- **Support for identity management:** Persistent customer ID, customer matching according to firmly defined rules, matching according to probabilities such as fuzzy logic etc.
- **Wide-ranging data accessibility:** Access via API or query
- **Personalization of websites:** Support for Javascript tags and cookie management
- **Integration of mobile apps:** Tracking options through own SDKs
- **Use for digital marketing:** API for audience management, cookie synchronization
- **Use for offline marketing:** Address quality management such as checks for postal correctness or duplicates
- **Extended analytics options:** Segmentations and selections, predictive modelling
- **Modern channel interaction:** Multi-step- & multi-channel campaigns, real-time interaction

## When do I need what? A path through the maze of CRM terms

CRM, KMS, CDP, DWH, Data Mart, DMP, CMP: With increasing numbers of new buzzwords such as these, the world of CRM is becoming more and more confusing. To keep track here, you must first clarify for yourself: For which purpose do I need which solution?



**Demand Side Platform:** As a central platform, it helps agencies and publishers find the right advertising spaces for their target groups by enabling purchases of advertising inventory via different offer channels.

**Data Management Platform:** It collects and uses cookies as well as third-party data to recognize an audience in online marketing and address it selectively in real time.



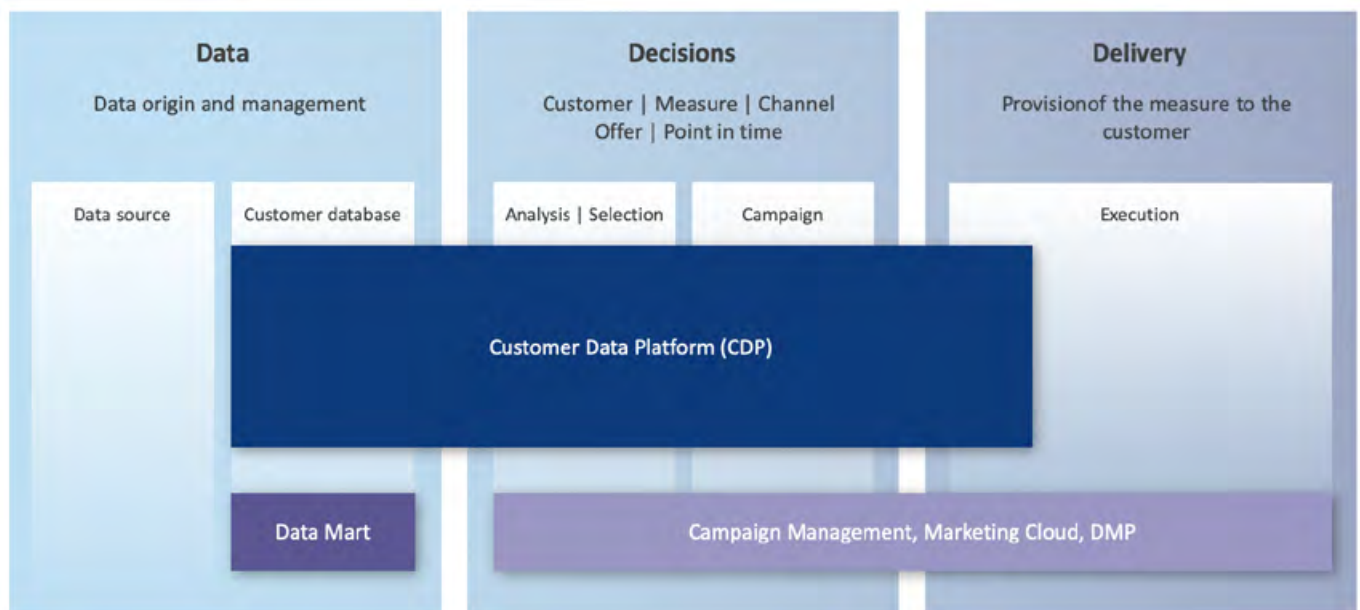
**Customer Data Platform:** It unites the disciplines comprising customer database, analysis/selection and campaign. Through standard connectors and identity matching, it creates the customer perspective necessary for campaigns, produces segments and selects target groups. These target groups then receive offers in multi-step and multi-channel campaigns. A channel to place customized content must be linked, however.

**Marketing Cloud:** The focus here is on orchestrating journeys in native, connected digital channels such as e-mail, mobile, app and website. In-house infrastructure must be connected accordingly to the cloud solution.

**Campaign management system:** It is aimed at employing a CRM closed-loop approach, i.e. from planning through analysis right up to execution and measurement, everything is in a workflow-based, on-premise solution offered on a channel-agnostic basis.

## Data, Decisions, Delivery – which solution covers which phase?

The diagram below provides an overview of which solution is used for which processes:



# CDP vs. campaign management system – when is introduction worthwhile?

At first glance, customer data platforms appear to be a modern, dynamic, streamlined and fresher version of a „classic“ campaign management system. With a customer-centric view which can be easily created, even by marketers, built-in big data technologies, real-time capabilities, and many standard connectors to source systems and interaction channels, a CDP is certainly an alternative worth a second look.

**An examination of the following issues can facilitate your decision:**

- ☐ Can a CDP also cover all our needs and wishes just like our current or planned campaign management solution?
- ☐ Are the CDP's data modelling functionalities sufficient for my purposes?
- ☐ As a marketer, can I independently establish a customer-centric point view and linkage of identities from all source systems?
- ☐ Can I intelligently link rudimentary customer data with other customer data even in the absence of a unique ID?
- ☐ Does the CDP solution meet my minimum requirements for necessary data?
- ☐ Do I also need to use unstructured data?
- ☐ Can the technology used in CDP also cover my planned, possibly very complex data model?
- ☐ Do I have an overview of all systems, tables, data and fields which I would like to connect? If other (possibly proprietary) source systems are added to my data-warehouse source, I need to consider a detailed connection plan in advance.



Have you answered most of these questions with „yes“?

Then your enterprise is ready for a **Customer Data Platform!**

# Data, analytics or engagement?

## The major CDP categories

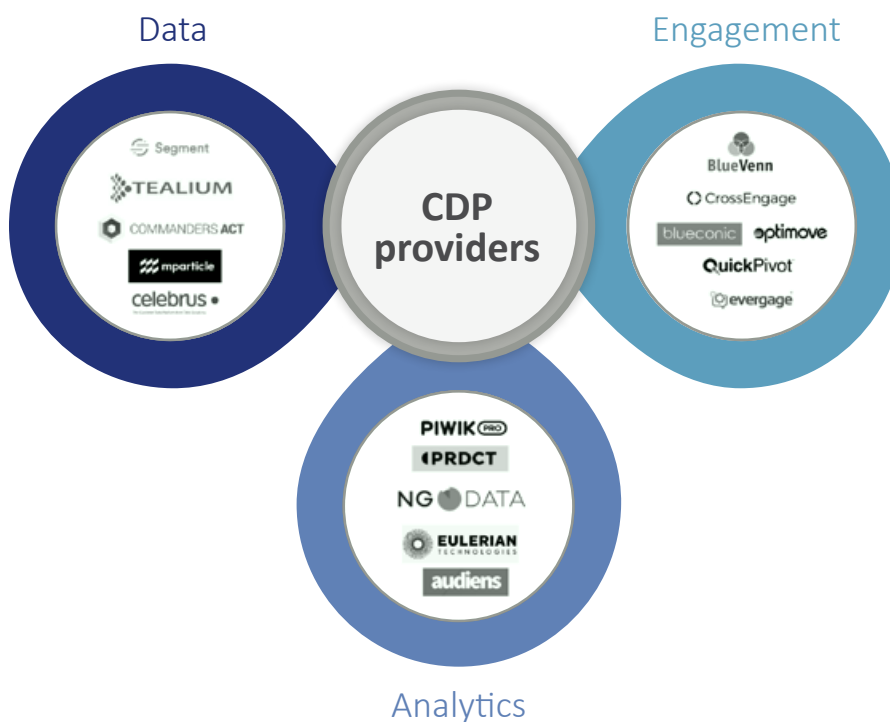
Whereas marketing automation solutions are distinguished by scope – i.e. ranging from a complete solution for the entire company down to individual modules according to the

best-of-breed approach – customer data platforms are categorized on the basis of their key functions:

Data CDP	Analytics CDP	Engagement CDP
<ul style="list-style-type: none"> <li>• Standard connectors</li> <li>• Collection and compilation of data</li> <li>• Standardization</li> <li>• Linking of IDs</li> <li>• 360° view</li> <li>• Establishment of data logic and aggregations</li> <li>• Customer events</li> <li>• Data quality / QA</li> </ul>	<ul style="list-style-type: none"> <li>• Standard connectors</li> <li>• Segmentation</li> <li>• CRM analyses</li> <li>• Visualizations</li> <li>• Descriptive and explorative analyses</li> <li>• Customer profiles</li> <li>• Selection</li> <li>• Next-best product</li> </ul>	<ul style="list-style-type: none"> <li>• Standard connectors</li> <li>• Workflows</li> <li>• Orchestration</li> <li>• A/B tests</li> <li>• Personalization</li> <li>• Frequency capping</li> <li>• Provision to DMP for look-alikes and re-targeting</li> </ul>

As a vendor and technology-independent consulting company, b.telligent always keeps an eye on the market for CDP solutions, and can thus choose the right solution for each

challenge and field of application. The following illustration shows common CDP providers and their categories.



### Evaluation: The solution follows the use case

Use cases should be created if certain parts of a business objective or business model are to be represented in a system. A use case accordingly describes the behaviour of a system or specific function from the user's perspective. To define requirements concerning the functions of a particular CDP and assess these functions, one should know which use cases can be covered by which part of a CDP. The individual CDP types thus also differ significantly in terms of the degree of coverage, depending on the individual use cases.



Depicted below are the three CDP categories as well as individual tools and their evaluation based on use cases.

## Data CDP

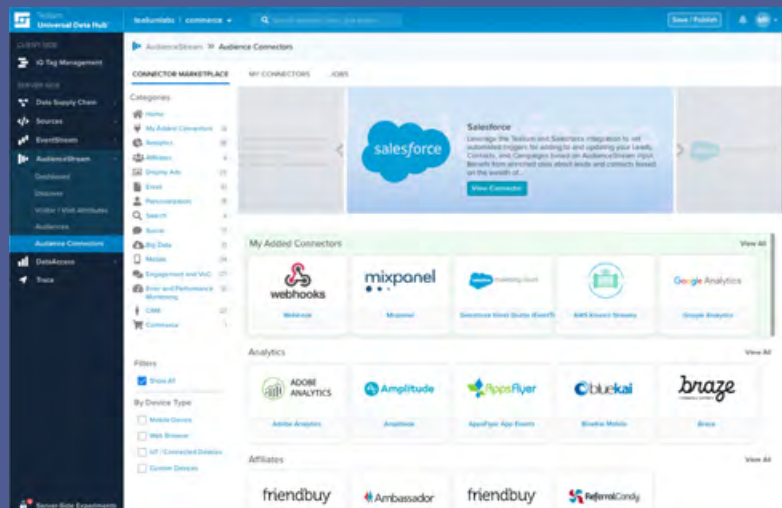
A data CDP in this context is analogous to a customer database, because it ensures data merging, data aggregation, identity matching and data persistence by means of standard connectors within the CDP. The solution should include some functions for diagnostics, backup and monitoring of data quality so that a high data quality can be ensured within the CDP already during integration of data.



### An insight into the tool: Tealium

To integrate individual data sources, for example, tealium's solution provides its own connector marketplace. The most important standard connectors can be accessed here.

Source: Tealium, 2019



### An insight into the tool: Segment

To ensure data quality, for example, Segment's solution includes a data validation report.

Source: Segment, 2019

Data Validation Report			
TRACKING PLAN		SOURCES	
Events and Properties	Web	IOS	Android
Order Completed	✓	✓	⚠ View Violations
checkout_id	✓	✓	⚠ View Violations
order_id	⊗ Not Seen (required)	✓	✓
shipping	✓	⊗ Not Seen (optional)	✓

# Checklist:

## Does a data CDP fit into my desired architecture?

### A view of the source systems to be connected:

- ☐ Do I have many source systems which I can connect to my data CDP using standard connectors?
- ☐ Can I relatively easily merge customer data with a customer number which remains identical everywhere?

→ If you answer yes to both questions, a data CDP could be your first choice.

### There are two ways to form a 360° customer view:

#### 1. Formation of the 360° degree customer view without data warehouse or data mart:

- ☐ I have to do without a connection to the data warehouse or data mart, and therefore need to reproduce my 360° customer view in a different way.

→ A combination of data and engagement CDP could then be an interesting option.

#### 2. Formation of the 360° degree customer view inside data warehouse or data mart:

- ☐ Would I like to realize certain options such as creation of a golden record, consolidation of customer data from different sources, or data persistence in a dedicated, upstream data warehouse or data mart?

→ Though standard connectors can no longer be used here, data modelling and consolidation can be flexibly achieved via modern ETL tools in a data mart.

## Use Cases



Merging of customer information from multiple data sources, including data from websites, as well as ERP and CRM data



Creation of a golden record (consolidation of all customer data to form a harmonized data set in the system) for the purpose of 1-1 personalization



Matching of cross-system customer identities



Implementation of data cleansing and standardization of different data formats during import



Identification of triggers

# Analytics CDP

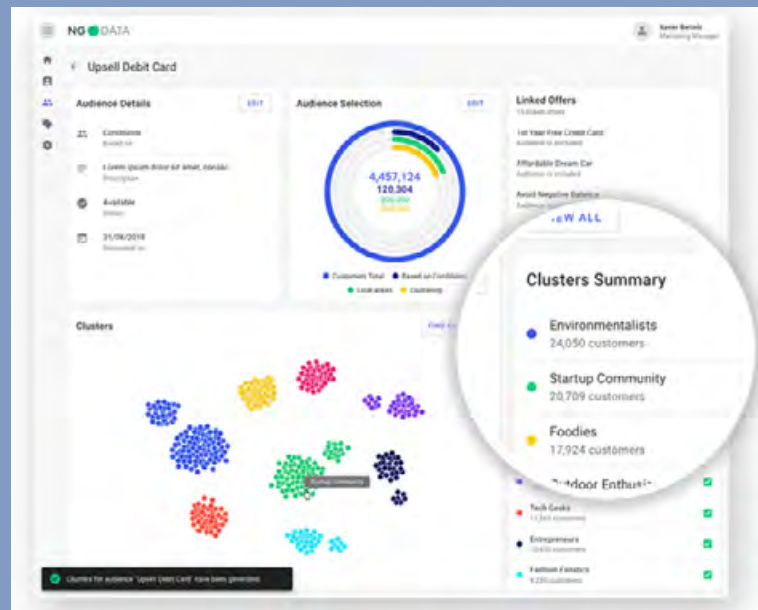
An analytics CDP firstly enriches the CDP's internal customer database with segmentation information and customer profiles, and creates scores. Secondly, an analytics CDP uses data and information, partly with the help of artificial intelligence, to perform selections and determine target groups for the purpose of subsequent utilization in downstream journeys. State-of-the-art representations of analyses and key figures round off the image of a modern analytics CDP.



## An insight into the tool: NG Data

In NG Data's solution, special dashboards provide information on the audience's structure.

Source: NG Data, 2019



# Use Cases



Preparation of a next-best offer per customer



Analysis of the performance of paid search expressions



Creation of precisely matched customer profiles, segments or personas for selective addressing via e-mail



Identification of customers exhibiting a high risk of departure, and assignment of the relevant audience to a campaign



Analysis of campaign conversion (responses such as orders)

# Engagement CDP

An engagement CDP unites the disciplines comprising customer database, analysis/selection and campaign. Through standard connectors and identity matching, it creates the customer perspective necessary for campaigns, produces segments and selects target groups. These target groups then receive specific offers in multi-step and multi-channel campaigns. A campaign CDP thus focuses on orchestration of customer journeys.

## QuickPivot™

### An insight into the tool: QUICKpivot

In Quickpivot's engagement CDP, customer journeys are created and visualized using so-called "donuts".

Source: Quickpivot, 2019

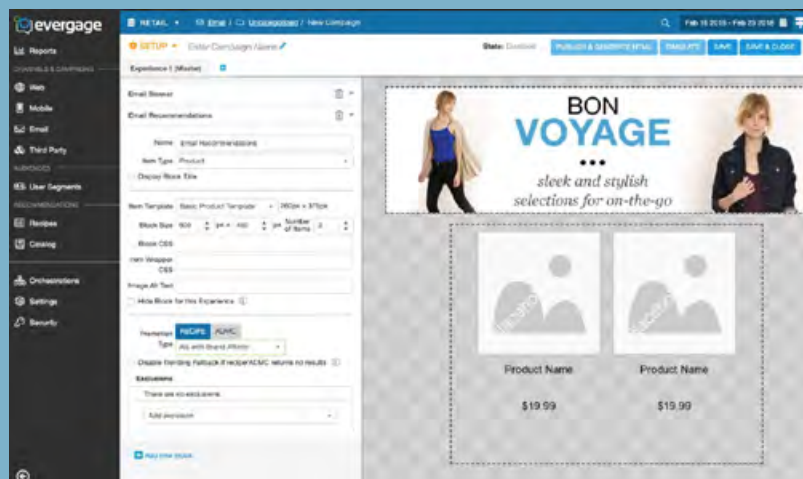


## evergage®

### An insight into the tool: evergage

In Evergage's CDP solution, e-mail personalization, for example, is modelled directly without any diversions.

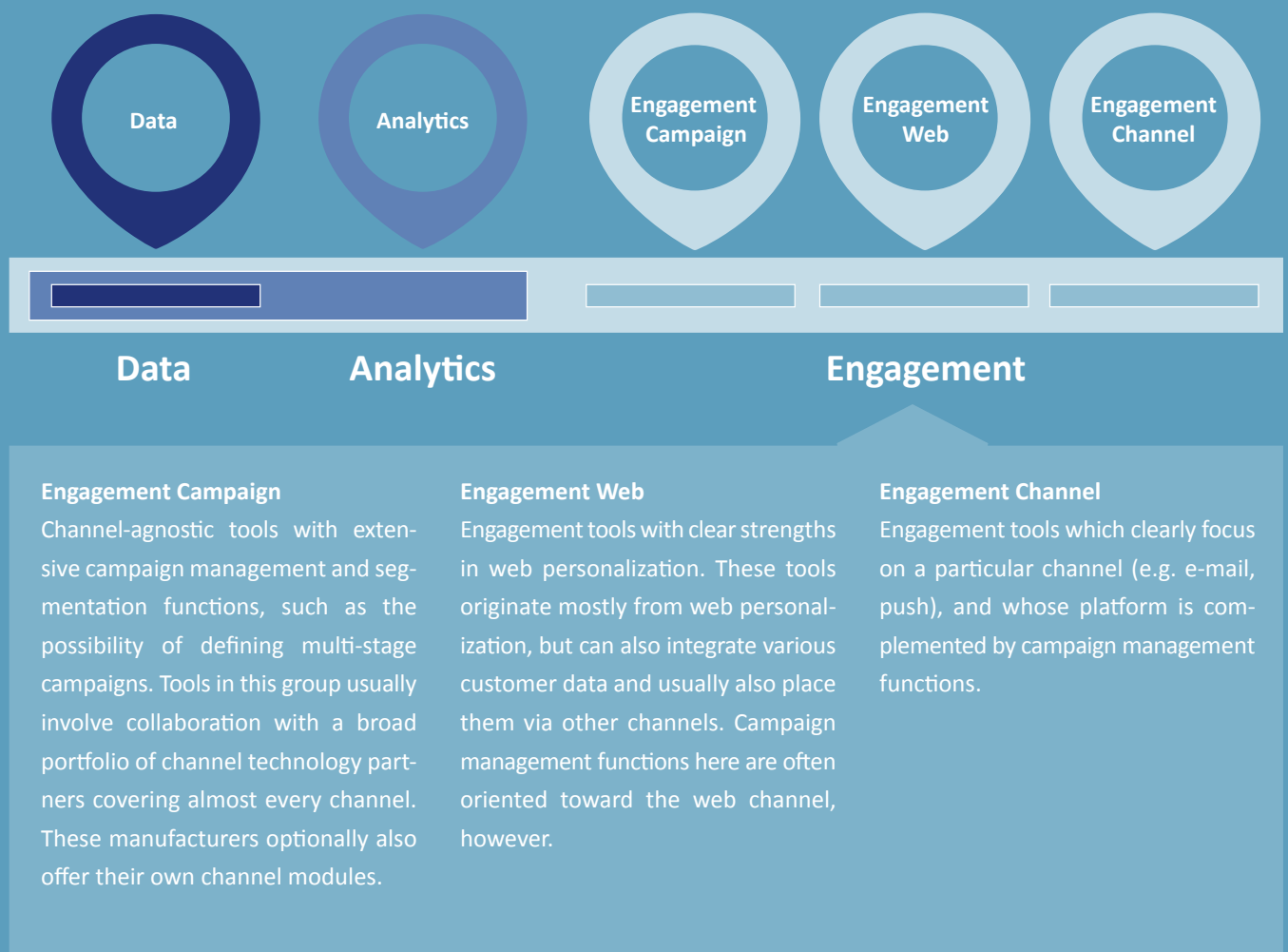
Source: Segment, 2019



## Which functions in digital channels does an engagement CDP offer out-of-the-box?

Some engagement CDP vendors offer very sophisticated personalization functions intended for the touchpoints comprising web, mobile app and e-mail, and ensuring effective engagement of customers at these touchpoints.

We have therefore performed a further subdivision of engagement CDPs:



## Use Cases



Automated determination of the winner of an A/B test using machine learning



Placement of personalized messages and offers on mobile devices



Creation of optimized cross- and up-selling campaigns based on click-data



Communication of web visitors to a data management platform (DMP) for the purpose of re-targeting



Optimization of content during web interaction

# Evaluation as a success factor

At last: The starting shot for digitization strategy has been fired, and marketing is meant to be an important component of this strategy. In the course of implementation, a decision was made to use a customer data platform (CDP) to form a 360° customer view and automate marketing journeys in a real-time environment. This decision, in addition to an investment which is not small, has significantly influenced marketing processes and areas (online, e-mail, e-commerce and CRM) at an enterprise. Silos on the data side and of an organizational nature must finally be broken

up; with immediate effect, the customer is considered comprehensively. A structured CDP selection process (evaluation) is needed to carefully choose an appropriate solution.

But how does one best proceed during evaluation? What requires detailed attention? What are the potential pitfalls? And how to reach a decision also supported by all others concerned?

## How to proceed during evaluation?

At the core of an evaluation are demonstration workshops with selected CDP providers. Like a good project, these workshops should be properly structured and prepared. For this purpose, the process should ideally be divided into four parts:

1. Preparation

2. Implementation

3. Post-processing

4. Decision-making

## 1. Preparation

During the preparatory phase, the following should be borne in mind and given sufficient time for preparation:

### Putting together a project team

Needed here are a project manager and a team for planning and accompanying the entire evaluation process. The project team's participants should ideally come from the areas of online and e-mail marketing, CRM, e-commerce, business intelligence (BI) and information technology (IT).

### Creation of a requirement catalogue

This catalogue contains appropriately prioritized technical and specialized requirements. The requirement catalogue should ideally be checked by a third party.

### Use Cases

This is where I represent my business model: Do I have an online store? Via which channels do customers place orders? Which triggers come into consideration within a journey?



Simple representation of a typical, new customer's journey or reproduction of a birthday mailing is not enough here.

#### Creation of evaluation criteria

According to which factors do I want to evaluate the different vendors after the demo?

The following evaluation dimensions, for example, can serve as a basis:



#### Channel connection

How many different channels can I connect to the tool?



#### Data storage

How are data stored?  
How quickly and easily can they be imported / exported?



#### AI & analytics

How can I evaluate data?  
Are algorithms available for support?



#### Campaign automation & personalization

How can (multi-stage) campaigns be created and implemented?



#### Location & Support

Herkunft der Firma, Sprache und Verfügbarkeit des Supports

## 2. Implementation

After preparations for the provider workshops have been completed and the providers have received the corresponding agenda, we can now proceed with the most interesting part of the evaluation: Holding the demonstration workshops with the CDP providers.

#### General conditions

All CDP providers are assigned the same general conditions, i.e., the same group of participants, the same agenda, the same chronological sequence and time frame, and the possibility to represent their pricing and support services.

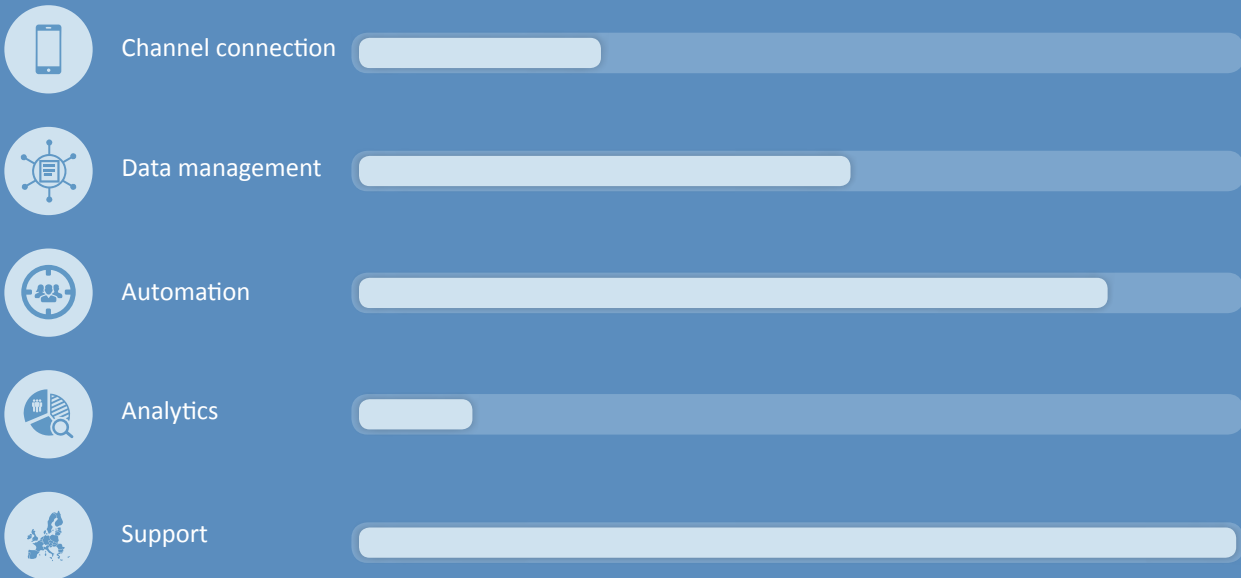
#### Show, don't tell

Receive a demonstration of how the requirement is actually fulfilled. The challenge includes identifying any workarounds inside the use case, something not always evident at first glance.

### Analysis of results

Visually compare your workshops: Are all requirements from the CDP requirement catalogue covered?

Did the provider respond to all our questions? Did the provider submit a specific pricing, and is it also oriented toward the future (three years / five years)?



## 3. Post-processing

For post-processing of pitch events, all information must then be checked for completeness:

### Gaps in information

Is something still missing, e.g. parameters concerning prices, customer references, further technical information? Are issues still open?

### Comparison of workshop results

Which solution is strong in data integration, but shows weaknesses in channel integration? Which tool is supposedly economical, but might be expensive to integrate?

### Full cost consideration

Are all acquisition costs truly considered? To do this, compare costs over periods of one, three, and five years.

- External costs such as license costs, set-up, extra costs for additional modules, e-mail costs, storage costs, etc.
- Internal costs of IT and own staff involved in implementation

### PoC (proof of concept) / demo environment

Implementation of a PoC with two selected providers can substantially help underpin a first decision. Important: It is necessary to define a target to be attained in the PoC.

## 4. Decision-making

A decision about final selection of a CDP is not easy, especially because each CDP has its own strengths and weaknesses some functions appear to neutralize each other in the solution's big picture. It is therefore all the more important not to be deluded by first impressions of a lower price or a modern interface. The decision should consider all aspects, whether prices, the CDP provider's performance, the functional scope, presentation of the use cases at the event, the roadmap or the quality of the answers to the questions in the workshop.

Is this the right partner to work with in the coming three or five years? Is it certain that the solution will continue to progress with one's own business model, i.e. is the CDP's short- and medium-term roadmap also compatible with our own long-term goals?

Comparability of all information is crucial for the decision to have a firm basis.

## The evaluation process is decisive

Introducing a CDP might be an expensive indulgence if it later turns out that the wrong solution was selected due to errors in the evaluation process. These errors can be avoided if the evaluation process for selecting a CDP is implemented in a structured and sound manner with the proper lead time. Preparation of the demonstration workshops is certainly the most important part here. The quality of the requirement catalogue and use cases here decides how

meticulously the CDP is selected. Once you have made a shortlist, a targeted PoC can serve to underpin decisions, or overturn them in unfavourable cases. The PoC should therefore always be implemented with two providers, firstly to ensure comparability, and secondly to make a plan B available should the PoC fail with the provider selected first.



## Prepared for the future

Even if you first have to orientate yourself in the platform jungle: Customer data platforms prove a major facilitation for marketers. They are not a short-lived trend, but offer a powerful alternative to other marketing automation tools.

With the help of the appropriate CDP, you can obtain the 360° view of your customers and access your data at any time from other systems too. The high quality standards of all providers guarantee support and regular updating of your platform.

Which CDP solution is right for your business depends entirely on requirements and the existent tool landscape. The now very large market of specialized and highly efficient customer data platform providers offers the right solution for almost every requirement profile. We at b.telligent look forward to assisting you in evaluation, implementation and successful utilization. As an independent BI consultancy, we not only know all CDP providers and their advantages in detail – we also draw on a wealth of experience from our customer projects in a wide range of sectors. You are thus in full control when choosing your provider.

Depending on the use cases for which you need your CDP, we advise you to select the provider according to the appropriate category: A data, analytics or engagement CDP. In the last case, we recommend a further differentiation between campaign, web and channel – this allows you narrow down the provider market in accordance with your needs, and maximize your benefit from the selected tool. Your most important task on the way to using a CDP is therefore: Find out precisely what your needs are. What must be technically implemented? Who will use your CDP later, and to what extent? What are your goals now – and what will they be in the years to come?

We look forward to assisting you in this decision-making process – independently and competently.







## About b.telligent

b.telligent is a technology-independent consultancy specializing in business intelligence, customer relationship management, data warehouse, big data and data science. With over 180 employees at six locations in Germany and Switzerland, b.telligent supports companies in all phases, starting with strategy, proceeding through analysis, design and implementation, right up to operations and solution advancement. The focus here is on optimizing business processes as well as customer and supplier relations. More than 300 customers here include leaders from the sectors of telecommunications, financial services, trade and industry. brandeins Wissen has once again distinguished b.telligent as one of Germany's best consultancies in 2019 in the category "Data Analytics & Big Data".

More information on [btelligent.com](https://btelligent.com).



### Your contact

Laurentius Malter

Head of Competence Center Customer Intelligence

[Laurentius.malter@btelligent.com](mailto:Laurentius.malter@btelligent.com)

## b.telligent

Walter-Gropius-Straße 17  
80807 München

[info@btelligent.com](mailto:info@btelligent.com)

Tel: +49 89 122 281 110

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