DMP v/s CDP

A Data Management Platform (DMP) is a centralized platform that consolidates data from first, second, and third-party data sources and further allows companies to segment their audience to deliver a targeted display ad experience.
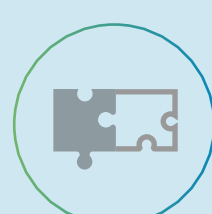
A Customer Data Platform (CDP) is an integrated platform that creates a persistent, unified customer database from multiple sources including DMP data to enable customer modeling and drive customer experience.

Type of Data

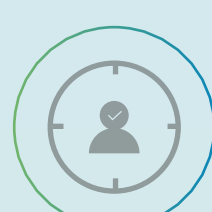Primarily focuses on online first, second, and third-party data

Primarily focuses on both online and offline first, second, and third-party data
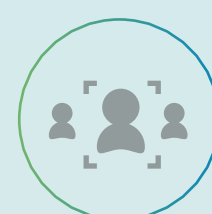
Targets anonymous cookies and not PII (Personally Identifiable Information)
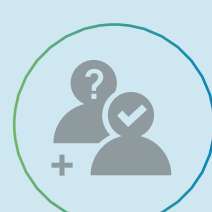
Targets both anonymous cookies and PII

Data Integration and Storage

Temporary storage of user data for only up to 90 days

Persistent storage of user data for long periods of time

Targets a set of users falling into a particular segment

Targets each user individually by creating a single unified view

Creates campaigns for an anonymous set of users

Creates 1:1 personalized campaigns based on each user's journey

Data Capture

A DMP is good at keeping track of a user's online activity

A CDP enhances this feature by analyzing the user's buying propensity and the affinity across all marketing channels

Acquisition and Retention

DMPs are mainly used to acquire and retarget users with similar preferences

CDPs are used to acquire prospects, retain existing customers, and build long-lasting relationships through 1:1 personalization

Conclusion

CDPs and DMPs have an interdependent relationship. For segmenting users better, DMP data can be fed to a CDP to actually enrich its own data. On the other hand, using CDP data within a DMP can help in targeting a particular user audience instead of a random anonymous audience.