

CDP BUYING GUIDE

HOW TO CREATE THE PERFECT CUSTOMER DATA PLATFORM

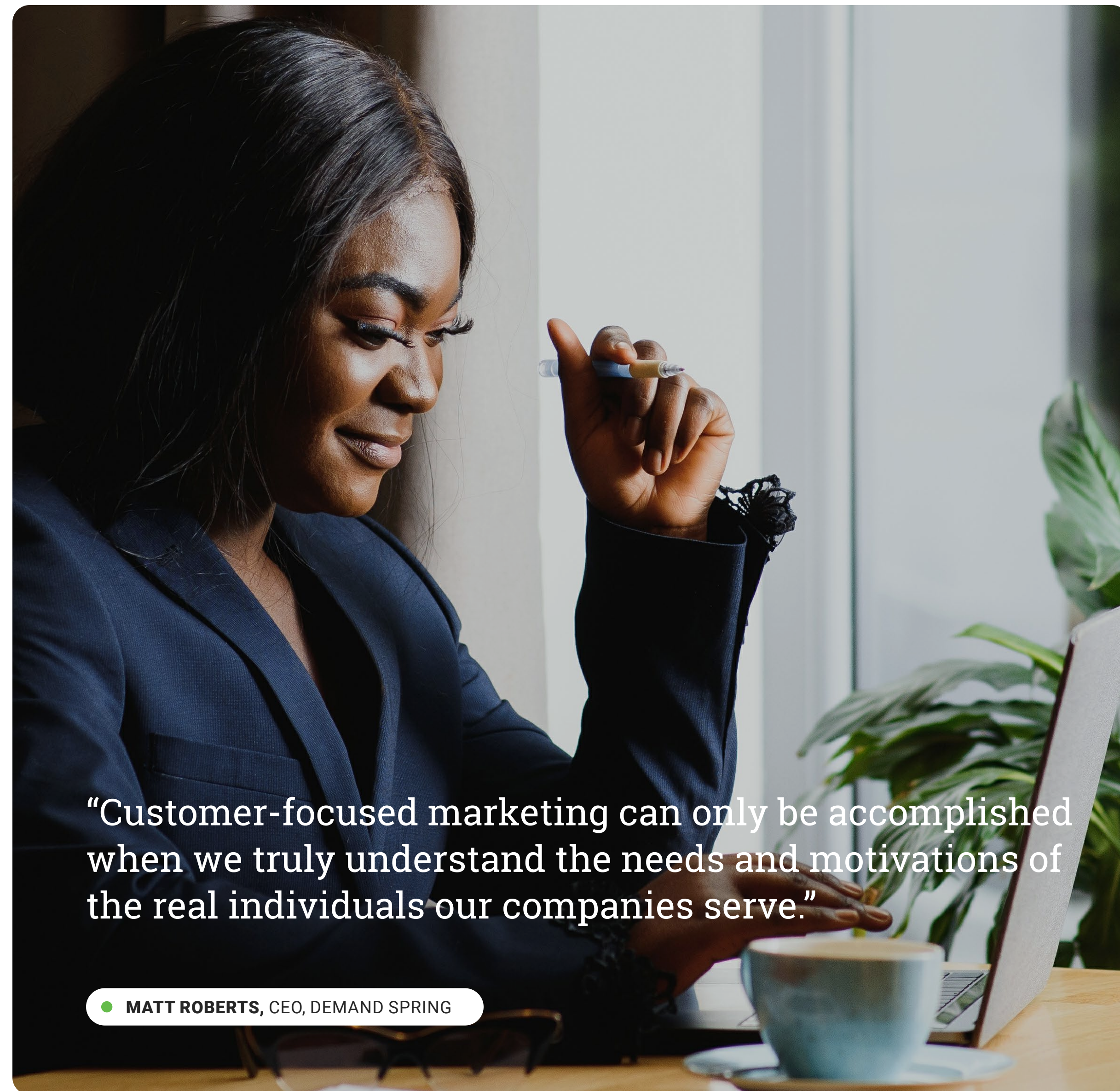


THE NEW MARKETING

Marketing is going through a pivotal shift.

Static, prescribed campaigns identified by linear paths and controlled by marketers are no longer working. The new marketing—fueled by customer expectations and enabled by emergent technologies like AI—is characterized by dynamic, two-way, customer-driven experiences.

Siloed data and buying processes thrown back and forth between sales, marketing, and support only stall our efforts and send twitchy customers clicking elsewhere. The new marketing demands new skills, new processes, and new forms of content—all underpinned by the feature-rich technology available today.



“Customer-focused marketing can only be accomplished when we truly understand the needs and motivations of the real individuals our companies serve.”

● MATT ROBERTS, CEO, DEMAND SPRING



READ THIS GUIDE BEFORE RETHINKING YOUR MARTECH

The Customer Data Platform is emerging as the enabler of the new marketing because of its ability to flesh out a more comprehensive view of our prospects. This guide helps B2B organizations navigate today's complex but promising CDP offering, the foundation of revenue-fueling, customer-driven experiences.

You'll find out



Why CDPs are enabling the new marketing.



What a CDP will do for your business.



All about CDP types, vendors, and features.



How to choose the best CDP for your needs.



Where a CDP fits in your tech stack.



How to prepare for a CDP implementation.

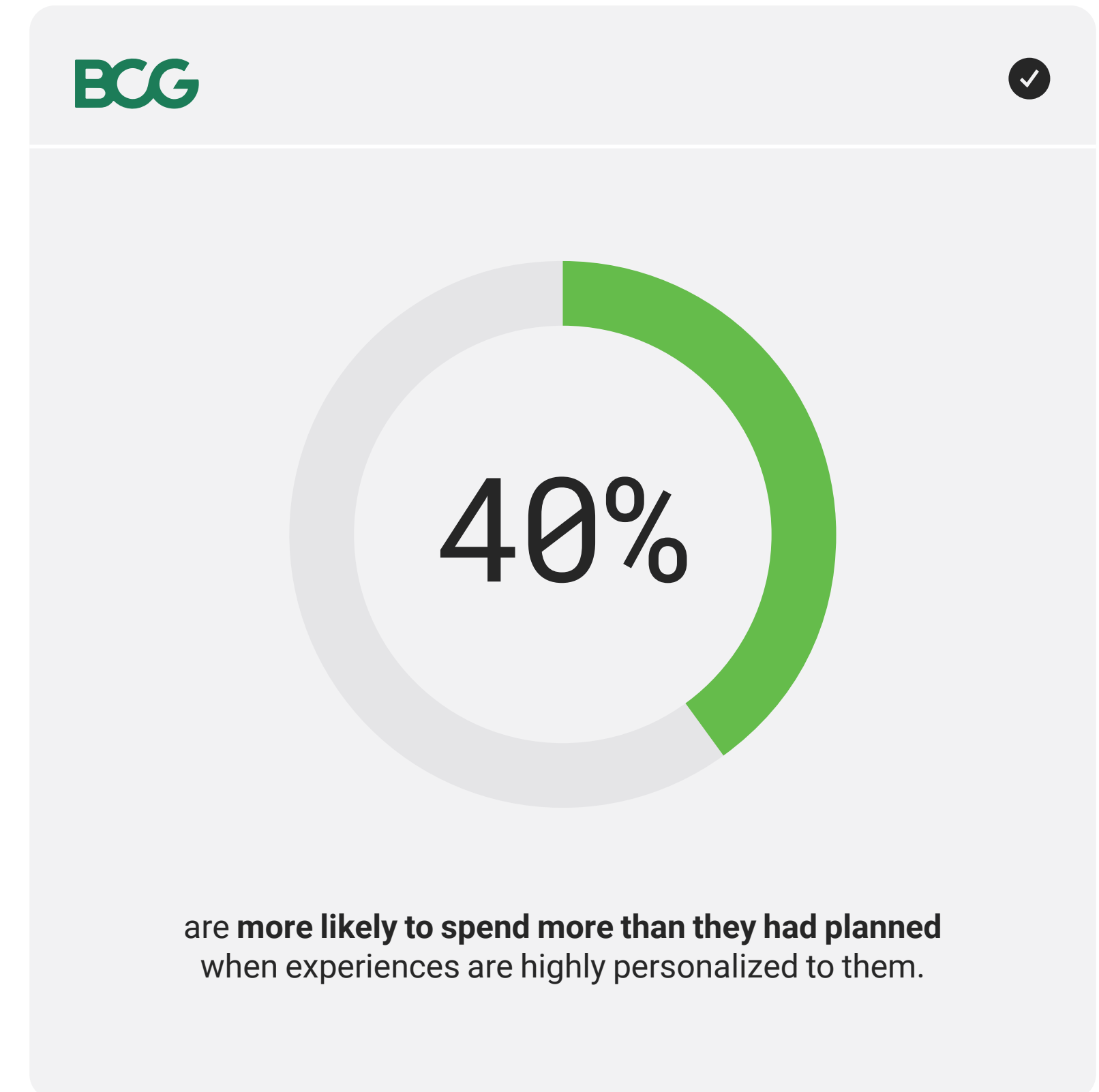
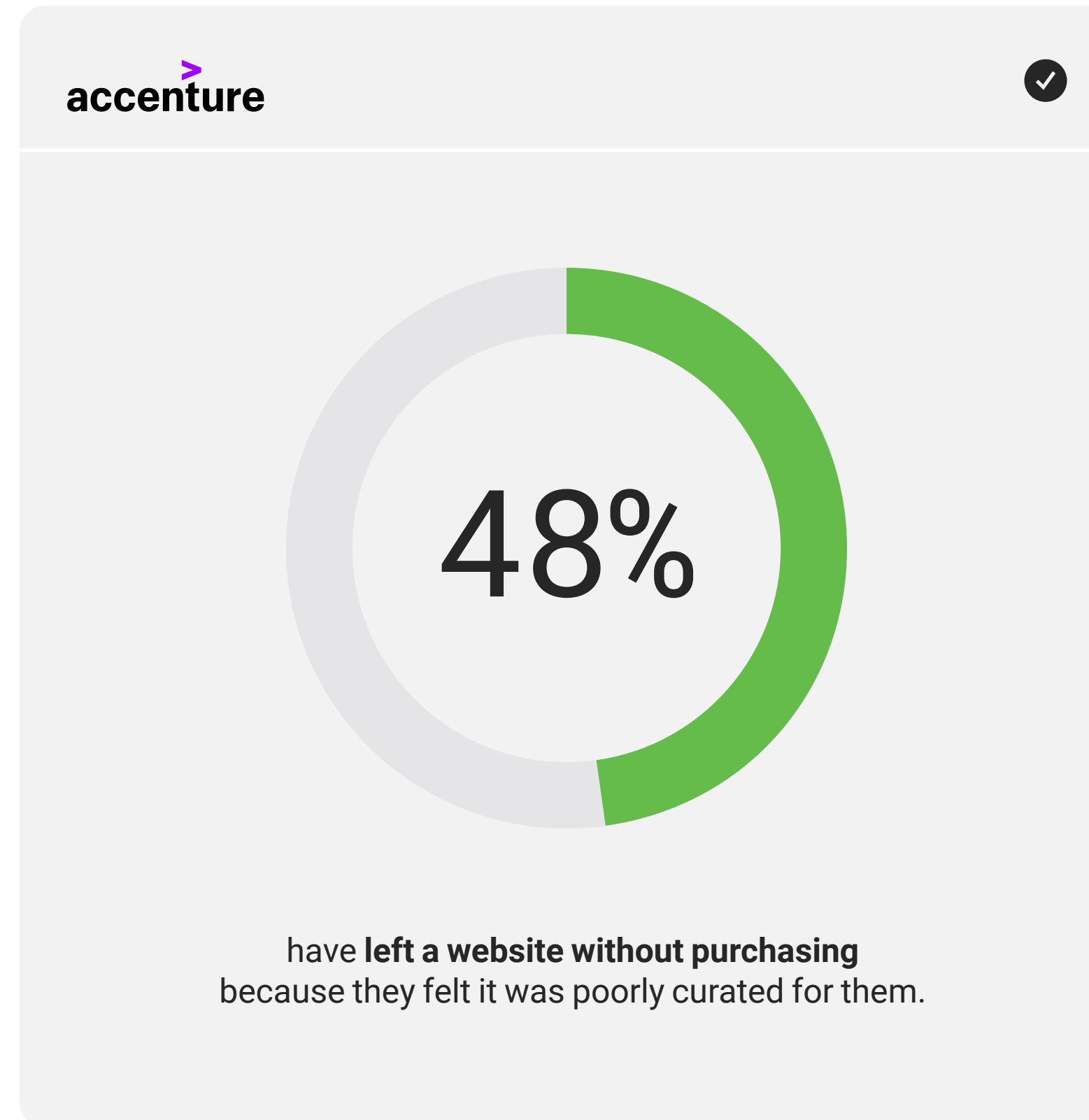
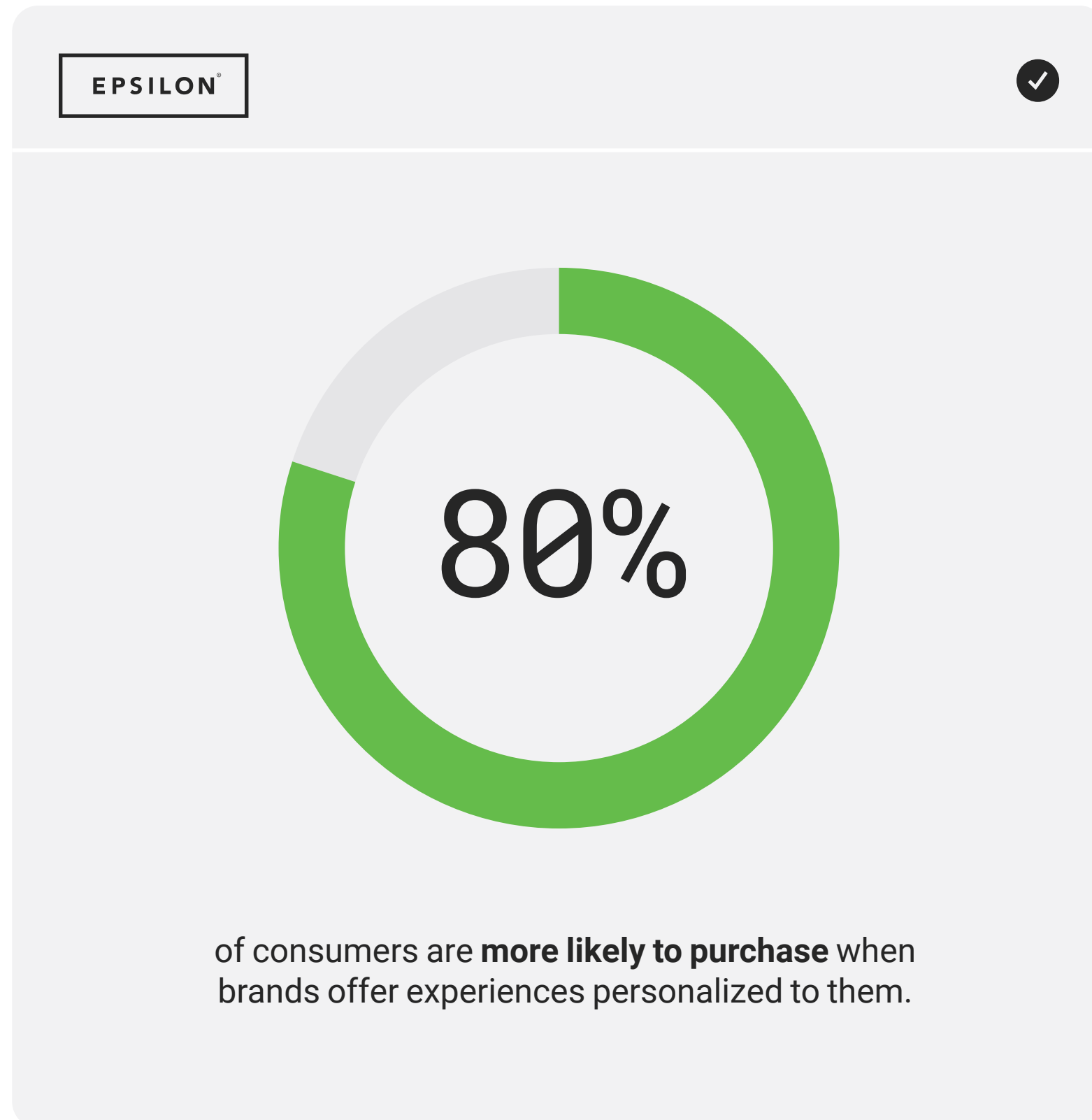


How to future-proof without overbuilding.



TODAY'S CUSTOMERS HAVE HIGH EXPECTATIONS

Online B2C customers are now accustomed to trading their information and preferences for the return value of a personalized experience. The payoff for businesses is clear: a more curated and interactive buying process drives up purchases and total spend. Poor curation causes sales to drop.





DIGITAL-ONLY JOURNEYS HAVE ECLIPSED IN-PERSON

Accustomed to fewer in-person buying experiences and more cohesive, interactive digital experiences in their personal lives, B2B customers now favor DIY solutioning and unlimited access to information.



3/4

Three out of four B2B buyers **prefer self-serve experiences** to being guided by salespeople.



68%

Self-reliant B2B buyers **follow 68% of their journey digitally before speaking with a salesperson.**



71%

71% reach vendor selection **after a digital-only journey.**¹

¹Forrester



BUT IT'S GETTING HARDER TO MEET MODERN CUSTOMER EXPECTATIONS

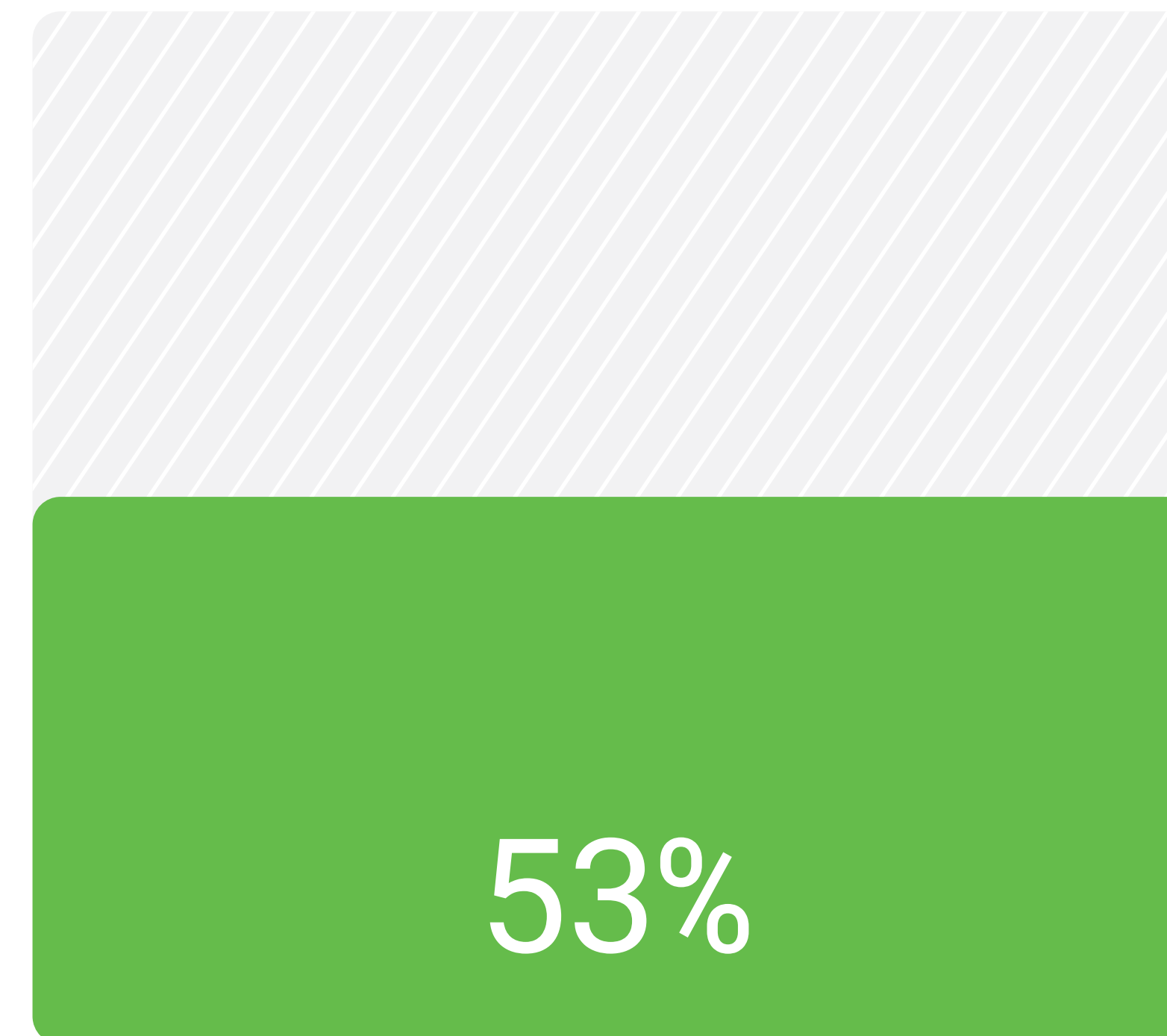
“Better technology that can align data, processes, and activation tools across the customer lifecycle will foster the collaboration between marketing and sales so necessary to elevating the customer experience.”

● **DEREK BOSHKOV**, SENIOR DIRECTOR, MARKETING TECHNOLOGY PRACTICE, DEMAND SPRING



Many factors stand in the way of the real-time customer views that support curated experiences

- + The loss of **third party data**.
- + Increasingly complex and stringent privacy **regulations**.
- + Rigid and partitioned organizational **structures**.
- + **Siloed** customer data that doesn't connect the dots.
- + The loss of the full picture during the traditional marketing-sales **handoff**.
- + CRMs and DMPs that **cannot track and unite** loyalty, behavior, and other critical metrics from web, mobile, events, customer service, and partner networks to predict purchases and preferences.



In the face of these challenges, 53% of marketers plan to focus on **integrating data across the customer journey** in the next 12 months to avoid losing customers to competitors.²

²B2BSMX



TRACING THE ELUSIVE 360° CUSTOMER THROUGH A CDP

Modern B2B organizations are using Customer Data Platforms to propel sales through a holistic view of buyer behaviors and needs. **These customer-focused platforms let you:**

UNITE

siloes customer and prospect data all in one place.



TRACK

customer dimensions and attributes across any channel.



BUILD

rich, detailed, and accurate profiles.



ANALYZE

individual-level customer behavior over time.



ENGAGE

customers and prospects with timely, optimized messages and offers.



CEMENT

customer relationships and loyalty for the long-term.



CDPs have been popular with B2C companies since 2013. But they've been gaining traction in the B2B world since 2018, following the demise of cookies and the resulting drop in third-party data. Many B2B companies are now turning to CDPs to gain that hard-to-reach holistic customer view. Some companies, who may have misfired the first time, are even reimplementing their CDP.



SIX CDP USE CASES

CDPs can support goals as diverse as acquiring new customers, growing existing accounts, and harmonizing efforts to improve results. [Here are six common use cases of CDPs:](#)

01

Model and act on the high-value segments most likely to cross-buy.

02

Retarget abandoners in real-time.

03

Ensure compliance and customer trust with better governance and privacy controls.

04

Personalize and remarket to unauthenticated visitors through data collaboration.

05

Simplify tech stack and streamline marketing ops.

06

Use AI to proactively spot opportunities and reduce churn.



CDPS ARE BRINGING IMPRESSIVE RESULTS



3x

increase in customer engagement

3x lift in email campaigns.



7 DAYS

accelerate data & insights

7-day reduction in latency connecting online and offline data.



50%

improve workflow efficiency

50% decrease in manual effort to fulfill data privacy requests.



14 SEC

keep profiles up to date

14-second data refresh cycle, down from 72 hours.



385%

refine targeting & segmentation

358% lift in conversions using customer artificial intelligence (AI).

SOURCE: B2BSMX



UNDER THE HOOD OF A CDP

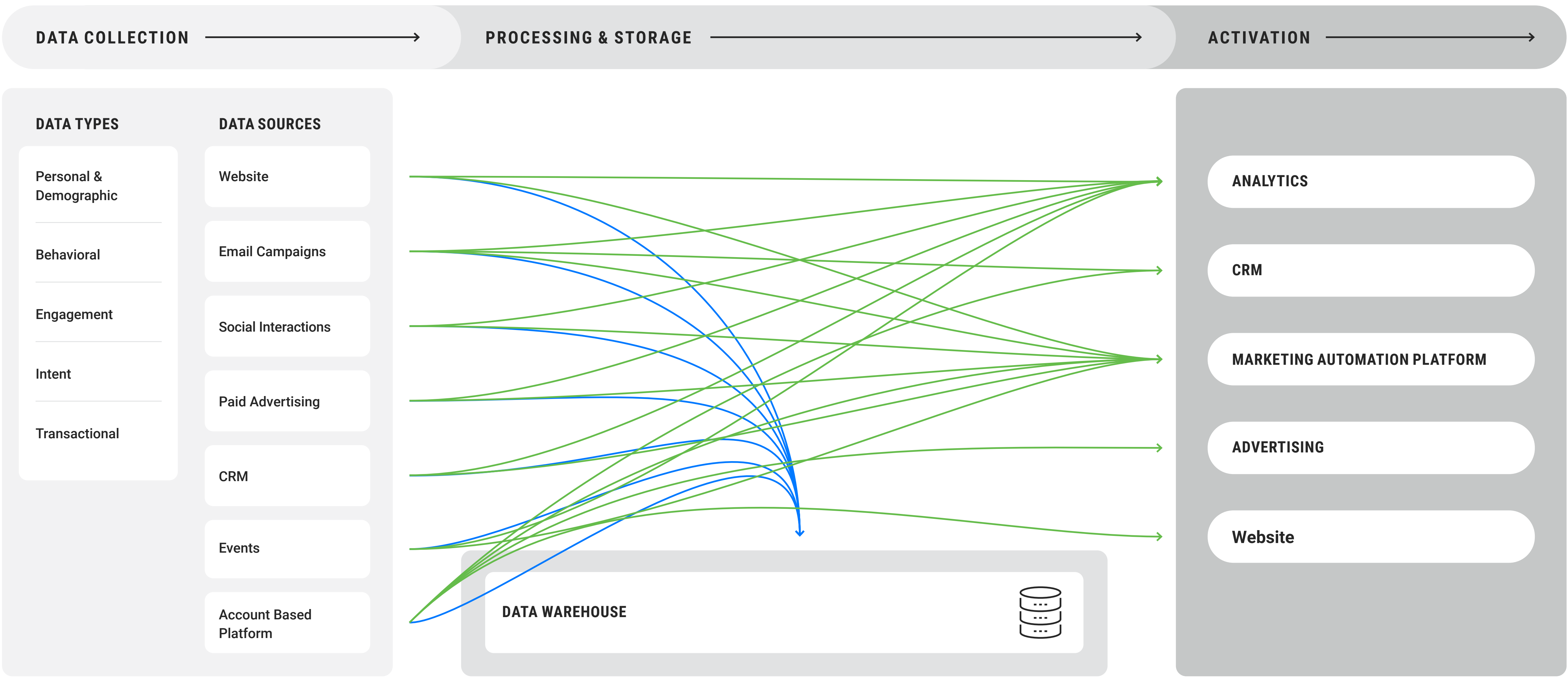
Let's look closer at the architecture, features, options, and data guidelines of today's Customer Data Platforms.

"When you understand the power of CDPs and how they leverage the most advanced technology available, it's easy to see why adopters have seen their results jump. ROI in some cases is up to 300% over 2 years because of the impressive sales results."

● **GOPINATH GANESAN**, MARKETING TECHNOLOGY CONSULTANT, DEMAND SPRING

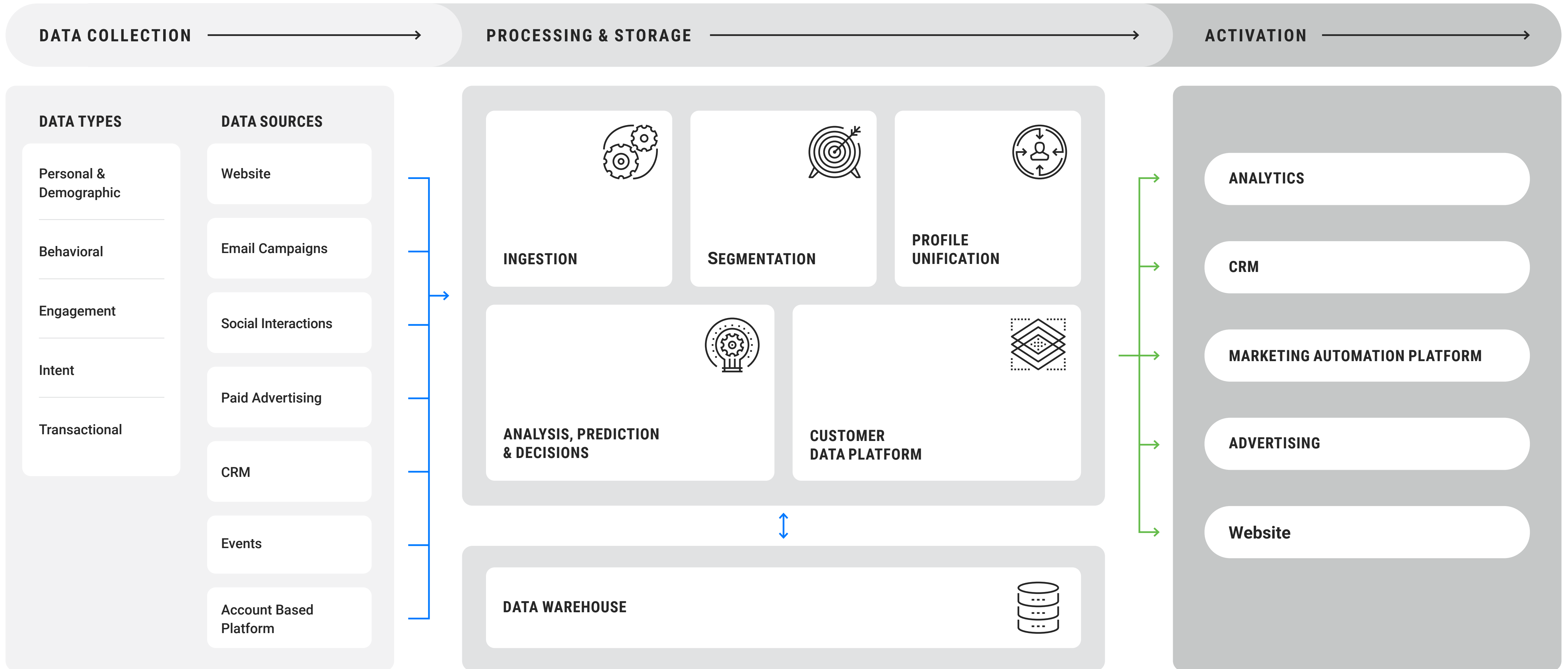


WHAT YOUR DATA FLOW WOULD LOOK LIKE NOW





WHAT YOUR DATA FLOW WOULD LOOK LIKE WITH A CDP





STANDARD VERSUS OPTIONAL FEATURES

Optional CDP features abound, from website and mobile interactions to analysis and engagement.
But four standard characteristics are required to be considered a CDP:

01 Ingestion of data from any source

03 Segmentation and audience building

02 Profile unification

04 Analysis, decision-making, and prediction



+ STANDARD FEATURE — NO. 01

INGESTION OF DATA FROM ANY SOURCE

Through a prebuilt library of data source connectors, streaming APIs, and people-and account-based schemas, CDPs can gather and store inputs from any source.

REAL-TIME OR BATCH

Ingestion may be done ongoing in real-time for activities like next session personalization, retargeting, and suppression in paid channels. Or it can be done in batches for efforts that can tolerate higher latency like personalized emails or analytics.

DETAIL AND HISTORY

CDPs are able to retain all levels of detail from the data source, and can store data for as long as users specify.

PRIVACY AND GOVERNANCE

A data governance framework and advanced controls help you market responsibly while honoring customer privacy and preferences.



+ STANDARD FEATURE — NO. 02

PROFILE UNIFICATION



After ingestion, the CDP

Validates, cleans,
and transforms data.



Matches and links
information related to
the same customer from
disparate channels.



Unifies or reconciles that
information into a single,
fully resolved record
using deterministic or
probabilistic matching.

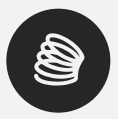


Creates a unified identifier to
track individual-level results
and target marketing.



Instantly updates customer profiles
and segments based on behaviors
and attributes.





+ STANDARD FEATURE — NO. 03

SEGMENTATION AND AUDIENCE BUILDING

CDPs define and create segments, then pass them to different channels for activation. Because segmentation is done within the CDP, all activation channels see the same segments, ensuring consistent targeting and reporting.

Segmenting can be done on the basis of

Behavior



Demographic traits



Firmographic characteristics



Propensity to buy

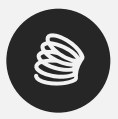


Propensity for churn



Suppression audiences





+ STANDARD FEATURE — NO. 04

ANALYSIS, DECISION-MAKING, AND PREDICTION



INTEGRATIONS

Data stored in the CDP can be used by other systems for analysis and to manage customer interactions. Integrations with adtech, martech, and IT systems are prebuilt, while APIs enable custom connections. The CDP restructures the data, adds calculated values such as trends and model scores, and shares the results in formats that other systems can accept. Access methods typically include APIs, database queries, and file extracts.

ARTIFICIAL INTELLIGENCE

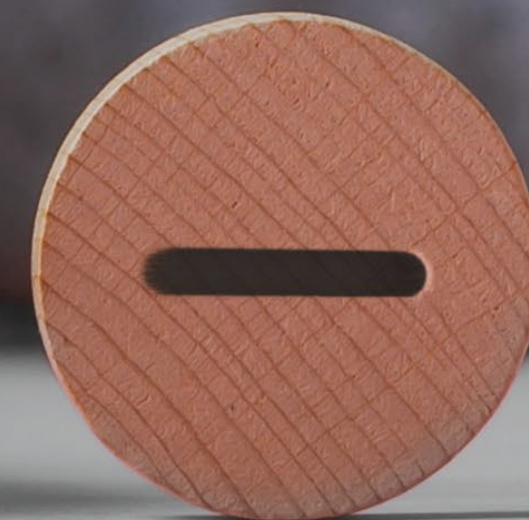
An AI-driven layer may be included in a CDP as an add-on or out-of-the-box solution. AI capabilities can help analyze outcomes, create propensity models, and provide increasingly intelligent activation insight, including:

- + Content recommendation optimization
- + Next best step recommendation
- + Journey analytics
- + Optimal retention treatments
- + Personal email send timing
- + Churn prediction
- + Topic prediction
- + Value prediction



PACKAGED VERSUS COMPOSABLE CDP: HOW TO CHOOSE?

CDPs come either packaged or composable.
Your choice depends on your needs.





<p>LET'S COMPARE THEM BASED ON ↓</p>	<p>PACKAGED ↓</p>	<p>COMPOSABLE ↓</p>
<ul style="list-style-type: none"> • Functionality 	<p>You get a full-functionality data storage and analysis platform with standard and optional features, but it may overlap with existing tools.</p>	<p>Choose only what you need and leverage existing investments. Platforms may highlight functions like data, analytics, campaign, or delivery.</p>
<ul style="list-style-type: none"> • Control over cost 	<p>You pay for the whole package.</p>	<p>Since you only pay for what you need, the cost is generally lower. But higher complexity and à-la-carte spending may mean more \$ over time.</p>
<ul style="list-style-type: none"> • Set-up time 	<p>Set-up takes longer because of the full data warehouse.</p>	<p>Set-up may be as quick as 2-3 months because of limited functionality.</p>
<ul style="list-style-type: none"> • Set-up complexity 	<p>The revtech team can easily set up with minimal IT oversight.</p>	<p>More complex negotiations with vendors and self-set-up are needed.</p>
<ul style="list-style-type: none"> • Benefit from vendor updates and support 	<p>Yes.</p>	<p>Maybe.</p>



DATA GUIDELINES

The success of a Customer Data Platform lies, not surprisingly, in the quality of its data. Before going madly off in all data directions, first consider the following guidelines to squeeze maximum value out of a CDP:

CHOOSING DATA SOURCES

You only need the data that supports your use cases, whether:

- + Personal and demographic data
- + Behavioral data
- + Engagement data
- + Transactional data
- + Intent data
- + Transactional data

A SHARED DATA LANGUAGE

For high functioning technology, people, and processes, data naming should be aligned across sources, teams, and customer stages. AI can support this through probabilistic matching.

DATA CLEANLINESS

Standardize formatting among teams and sources: Does your zip code field take 5 digits or 9?

Update data like emails and job titles more than a year old through direct verification or enrichment from current third-party data.

Sanitize false data like form fills from Mickey Mouse or email addresses like wontgiveyoumyemail.com.

Merge duplicates like J. Smith on NE Melody Dr and John Smith on Melody Dr. NE. A CDP can do this automatically and continuously.

DATA GOVERNANCE

Ensuring customers' unified profiles are built with privacy, security, and governance involves:

- + Understanding data governance protocols.
- + Making legally-informed risk tolerance decisions.
- + Monitoring regulation methods and cadence.



HOW AI IS DRIVING VALUE IN MODERN CDPS

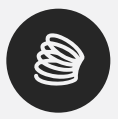
71%

of marketers believe that **Generative AI will make their work more strategic.**³

³Salesforce

AI offers known benefits and untapped potential to marketing. Within a CDP, AI can apply unique business rules and predictive analytics to your customer data to help you create personalized marketing experiences. **AI in CDPs helps you:**

- + **Segment** audiences based on preferences and interactions.
- + **Predict** and respond based on historical patterns.
- + **Offer** tailored content on optimal channels at the best times.
- + **Prioritize** efforts based on likelihood of leads to become customers.
- + **Understand** sentiment from unstructured data.
- + **Identify** churn to support intervention and retention.
- + **Analyze** customer journey touchpoints.
- + **Forecast** sales.



10 QUESTIONS TO ANSWER WHEN CHOOSING A CDP

01

What are your top 3 **use cases** for a CDP?

06

What is your **budget** for the project?

02

What CDP **features** will address these use cases?

07

When do you need to **start** using the CDP?

03

Do you need an **industry**-focussed CDP?

08

What is the level of **expertise** in-house to implement the CDP?

04

What are your **existing** systems and how do they integrate?

09

How much **support** would you expect from a vendor?

05

Do you need a fully **packaged** CDP or only certain components?

10

Do you have **executive buy-in** for the project?



YOUR CDP TEAM

Choosing, implementing, and operating a CDP is a complex process that demands collaboration among multiple roles, which typically include:

+ Marketing and Sales Teams

+ IT Team

+ Customer Support Team

+ Data Engineer

+ Data Privacy and Compliance Officer

+ Data Analyst

+ CDP SME Consultants

+ Project Manager

+ Data Governance Team




CDPS ARE A MATURE TECHNOLOGY THAT HAS CROSSED THE CHASM

Many factors have pushed CDPs up the slope of enlightenment and onto the mainstream competitive landscape.

Leaders are ready to invest in systems that maximize scant first party data. Organizations weary of data silos and the gulf between sales and marketing are primed to embark on a more cross-functional buyer process.

But most importantly, today's customers are insisting on the experiences that CDPs can enable. And the optimized buyer journey and profits driven by CDPs can quickly offset the cost of acquisition. With AI no longer waiting in the wings for its debut, CDPs are now better able to deliver on the original promise of unified data and real-time engagement.



“A CDP is truly a CMO’s best friend because of its ability to clearly prove what CMOs have been saying for years.”

● **MARK EMOND**, FOUNDER, DEMAND SPRING



GET STARTED

Which type of CDP to choose? From what vendor? And how can you get your stakeholders on board? If your organization is ready to provide the ultimate buying experience to your customers, **book a discovery meeting with a Demand Spring technical strategist to start planning out your journey to customer understanding and engagement.**

CONTACT