

THE ANATOMY OF A GREAT CDP

AND HOW TO SELECT IT

We have heard it before, digital interactions with brands have spiked to millions over the past two years.

This has had a unifying effect on customer profiles and data from across devices like mobile, laptop, tablet etc. Omni-channel is now a necessity to business growth and has posed a major challenge across the world to those that were not ready. It's reported that in just three months of the pandemic, e-commerce witnessed ten years of growth¹. That's pretty amazing.

CONNECTING YOUR DATA – A BRANDS SECRET WEAPON

Today's customer experience (CX) approach is not meeting the expectations of the modern customer regarding receiving personalized and contextualized experiences.

The traditional "push" strategy doesn't cut through in this digital and customer-obsessed world. It requires continuous and tremendous effort to target customers with customized messages and experiences.

And, as we've already stated, with the shift to online customer interactions, organizations have been able to collect more data than ever before. But how do they get the most from this data? Connected Data – it's that simple. Connecting your data helps identify how different data elements relate to each other and it helps you run a more efficient business with a sustainable competitive advantage.

A popular solution to get to this data utopia is implementing a Customer Data Platform (CDP). A CDP is a set of 'data products' built on top of the enterprise AI and data platform(s). In essence, a CDP ingests, organizes, cleans, enriches

Analysing data, providing personalized experiences, and re-targeting the right audience with customized messages and emails has become a critical task not just for the marketing team but for the whole organization across functions. Data volume has increased exponentially with speed and variety, yet the quality of this data is moving in the reverse direction.

and connects data into unified and trusted customer profiles. This is contextual data that can be leveraged across your marketing, sales, service and commerce channels – effectively, a CDP helps brands get a better understanding of their customers and create more personalized marketing campaigns. Choosing the right one for your business can be a difficult task – and rightly so – the consequences of getting it right can be hugely beneficial (just as getting it wrong can enormously limit a brand's ability to meet its vision and deliver on its goals. It is not a decision to be taken lightly or without research.

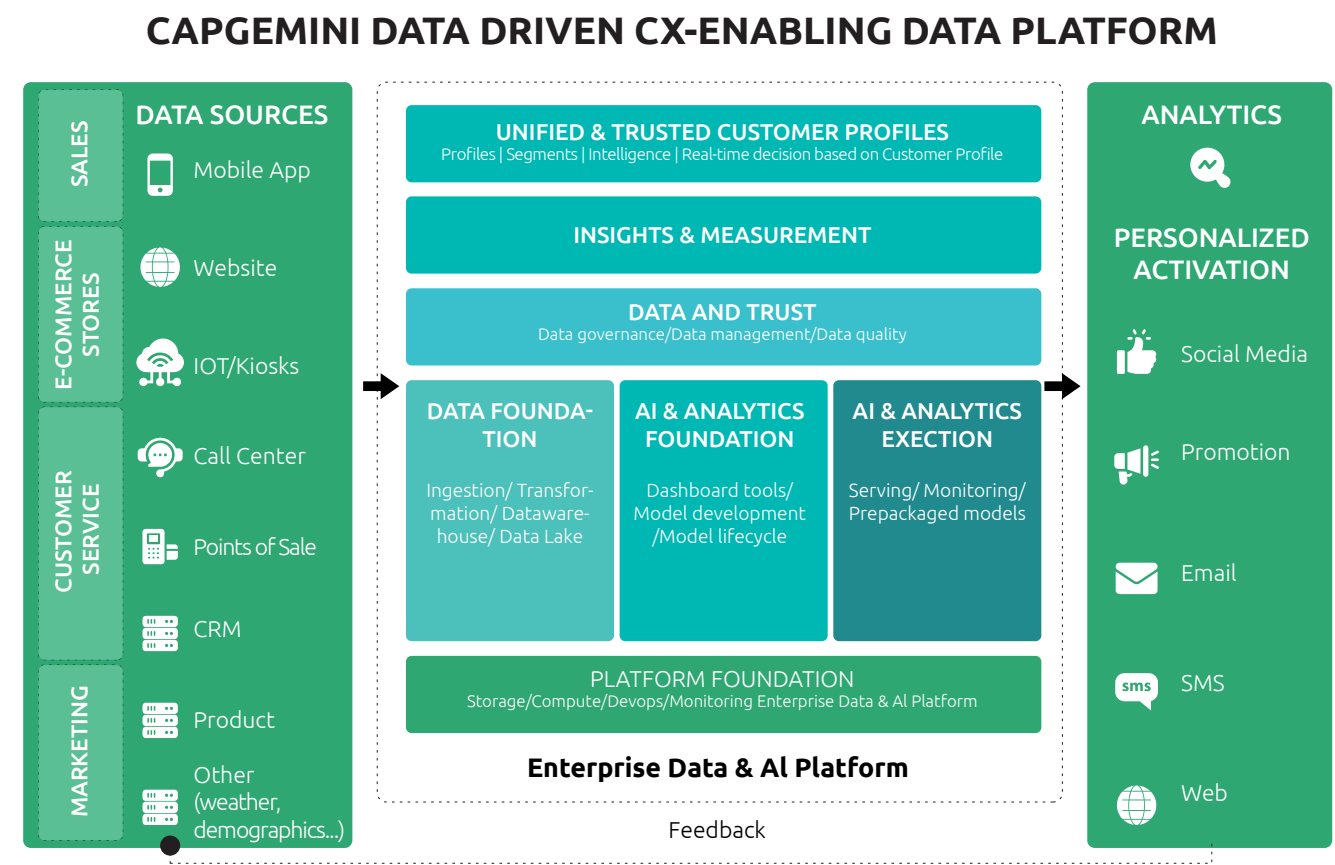
At Capgemini, we believe that making CDPs an integral part of your CX strategy puts you on the right track – this belief is back up by research from the Learning Experience Alliance (formerly MarTech Alliance) which tells us that 73% of the surveys companies stated that a CDP will be crucial in meeting the customer (customized) personalized experiences³. As the major source of data to rely on is first-party data, data choosing, and managing it is critical.

55%

of organizations say it is difficult to integrate user experiences²



ENTERPRISES NEED A HOLISTIC SOLUTION TO CREATE ACTIONABLE INTELLIGENT, REAL-TIME CUSTOMER PROFILES FOR OMNICHANNEL ORCHESTRATION AND TO ENRICH DATA AND DERIVE MORE INSIGHTS WITH AI/ML MODELS AND POWER THE REAL TIME CUSTOMER EXPERIENCES. BASED ON OUR EXTENSIVE EXPERIENCES WORKING WITH MULTIPLE DATA PLATFORMS, HERE BELOW IS A REFERENCE ARCHITECTURE TO SUIT THE AFOREMENTIONED.



Yet, CDPs were not all created equally. A big part of choosing the “right” CDP means knowing what use cases you’re fighting to fix, what’re the immovable objects in your stack and working with across multiple stakeholders to effect change for the customer and their experiences (not just department KPI’s).

- E-Commerce done right - reduces cart abandonment with a CDP!
- Targeting done right – increases conversions rates with a CDP!
- Understanding customer’s needs – reduces churn with a CDP!

WHY DOES A BRAND NEED A CDP?

A CDP (Customer Data Platform) is not a Customer Relationship Management (CRM) system, Data Management Platform (DMP), or marketing automation platform. An enterprise CDP would help the business team with cross-channel customer journey orchestration and campaign management. It helps the brand with real-time customer engagement through communication channels like SMS, Push, or Email.

CDPs help in reaching out to the **right customer**, at the **right time**, using the **right communication channel** and **right messaging**, while **maintaining data hygiene** and **stronger regulatory compliance**. They also play a big role in increasing marketing efficiency and therefore saving costs.

Really, it’s a no brainer as to why a brand DOES need a CDP:

- CDP advanced features like data ingestion, data modelling, audience definition, audience segmentation, and audience activation help brands with marketing campaign delivery at various stages of a customer across different digital touchpoints.

- Marketers can utilize CDP for data-driven campaign management for outbound and inbound marketing for the full customer lifecycle. This helps brands in customer acquisition and retention while optimizing the marketing ROI (cost) across the devices and platforms.
- The efficient use of a CDP will help brands to craft better loyalty programs to increase the customer lifetime value. Although, **in reality, a CDP may not replace marketing automation or campaign management tools.**
- It can integrate well with the downstream systems that marketers can utilize to reduce the manual labour and complexity to provide efficient real-time customer insights and take actions to produce measurable results.
- A CDP can replace, or augment, IT or data science professionals involved in marketing campaigns and data analysts. It covers primary functionalities of marketing personalization, customer experience, and sales enablement.

“Empowered customers are quickly becoming entitled customers who expect consistent, high-value experiences, regardless of channel. On their own, traditional marketing campaigns are ineffective at meeting these demands.”

**PRINCIPAL ANALYST
RUSTY WARNER**
VP at Forrester⁴





IT'S NOT EASY: THE STEP-BY-STEP GUIDE TO CHOOSE THE RIGHT CDP SOLUTION FOR YOUR BUSINESS

In brief - the pointers to consider before making any CDP purchase

- CDPs accelerate the process of customer data ingestion, unification for customer 360 and activation purposes.
- CDPs reduce the number of people and capabilities needed by the company by reducing complex integrations across platforms by simplifying code.
- CDPs eliminate or reduce third-party integrations, improve load times and app stability and no-more excessive TCP network times.
- CDPs cost to purchase is approx. \$1,00,000 to \$3,00,000, whereas the labour costs involved in building and maintaining the CDP capabilities is much higher.

Step 1: Define usecase – what problem are you trying to solve?

There are many ways an organization could be leveraging a CDP, but the starting point is to know the use cases and span of the business functions that

you want to fix with your CDP initiative. This doesn't mean just the immediate need but also future needs. More features are not better. Unnecessary features add cost and complexity without creating value.

Likewise, it's critical not to forget the ROI goals for these use cases – what are the strategic outcomes you want from this CDP?

Step 2: Bring in the right people and align them

Including the right stakeholders in the process and selection – as well as getting the buy-in and budget is an essential first step. As we've said, a CDP is not a CRM, DMP etc – but, likely, it will need access to the data held within – as such the chosen CDP is going to need to work across different parts of the business so that shared vision is key. What does this A-team look like? Our suggestion is that you include profiles such as CDO, Customer Experience Officer, Director -Customer Strategy & Analytics, VP, Data & Advanced Analytic...

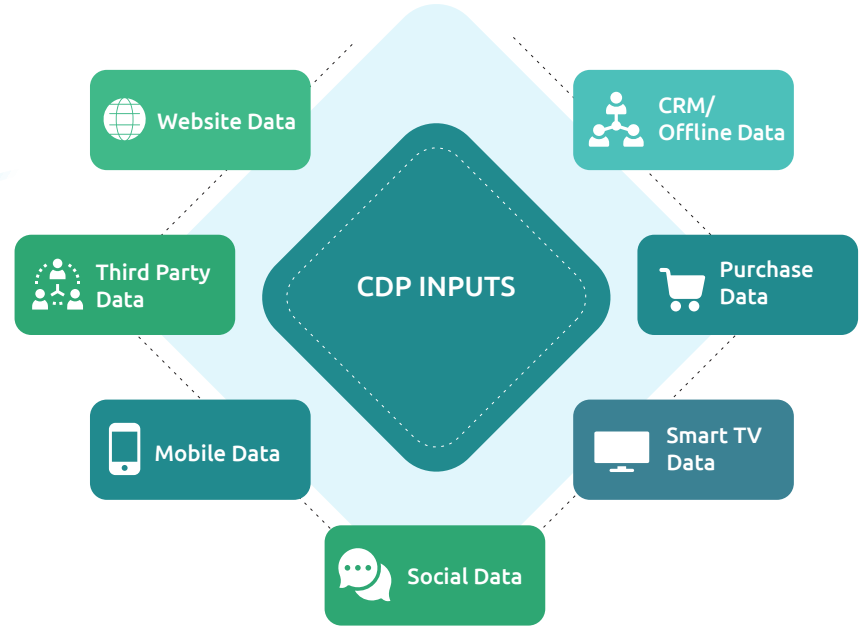
Step 3: Too much choice – tech comparison

There are more than 150 CDP platforms available in the market, and they vary greatly in the features they provide. This document outlines the critical factors to consider while choosing a CDP platform, based on our experience of implementing CDP platforms for various global clients.

Key considerations when deciding on the right CDP solution:

- 1. Data and Event Input Sources:** Number of systems from where CDP platform will receive data to create identify of customer.
- 2. Business Use Cases:** There are two core platform types: CDPs that are primarily focussed on solving the data collection challenge and structure around the common profile, vs. CDPs that have some business domain capability (like Marketing). Ultimately this is about your evaluation criteria and weighting for Step One.
- 3. Ecosystem and Capabilities:** A stronger partner eco system and certified work force across eco system.

Sources of Customer Data



- 4. New Feature Release:** The overall CDP landscape is still evolving and requires release of new integration adapters, activation channels etc.

Key considerations

Now, let's get into detailed explanation of all the key considerations:

Data and Event Input Sources: Due to increasing online interaction and the exponential growth of data volume and complexity, there is a need to look at data from all the sources – such as omni-channel, website tags through Google Analytics, Adobe, Salesforce, etc.,

Business Use Cases: A clear identification of current and future business cases like:

- Real-time personalisation
- Improving customer retention, reducing churn etc.
- Cross-device data co-ordination
- Powering different marketing strategies.
- GDPR and CCPA compliance

As we've already stated, one of most important factors is to have identified their use cases in advance (not just immediate need but also future needs). More features are not always better. Unnecessary features add cost and complexity without creating value.

Ecosystem and Capabilities: Ecosystem of implementation partners and certified workforce are good indicators that would ensure success and quicker time-to-market (implementation). Additionally, a few critical capabilities of a CDP platform to interact with would include:

- Email Service (such as dotdigita, Adobe Campaign, Cheetah Mail)
- SMS & Mobile (such as Salesforce marketing cloud, Salesforce Exact Target)
- Ad Networks (such as Facebook, Google, TradeDesk)
- Web Analytics (such as Google Analytics, Adobe Analytics, CoreMetrics)
- Content Management such as (Adobe Experience Manager, Sitecore, Drupal)
- Web Apps (such as Litmus)
- Surveys (such as Surveygizmo, Survey Monkey,Qualtrics)

New Feature Release: CDP platforms are still in their infancy and need quick releases to respond to changing market factors (events such 3rd party cookies, GA 360 EoL etc.). Understanding release cycles and the stability of a product is another critical factor to consider when making your choice.

At Capgemini, we have developed a framework and process for a customized comparison of CDP platforms specific to the business needs of an organization. It will help expose the best choice for the individual an organization.

Step 4: Don't forget your ROI goals

Engagement

Sales recommendation engine
Demand Sensing

Activate Insights

Customer 360 view
Real-time data activation
Behavior Driven Campaign or Product Design

Marketing Optimization

Audience Action
Audience Acquisition
Audience Retention
ROI (Campaign Management)

Personalization

Seamless Personalized Customer Experience
Artificial Intelligence to deliver a Respectful Personalization



MAKING THE RIGHT CHOICE

Selecting the right CDP platform is a strategic decision – and it’s a big one. It should support and align to the organizations CX vision.

Capgemini have a well-defined methodology and framework to match business vision with architectural, functional strengths of CDP platforms. We can help you chose the right platform that not only will meet your existing needs but will also be aligned to your future vision.

Watch out this space for the next paper in our series which talks more about how a CDP can help achieve actionable insights.

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4. THIS NEEDS PROPERALY CITING AND APPROVING BY FORRESTER





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