The Buyer's Guide to
Customer Data Platforms

Introduction

If you're thinking about buying a Customer Data Platform (CDP) for your brand, you know it's a big decision. You've heard it's the only way to truly access the data you need as a marketer.

But is that really true? Can a CDP really solve your data issues? Or is there another solution out there that is a better fit?

And if a CDP is the right choice for your brand, how do you know which one to choose? Which will integrate easily with your existing solutions? Which will help you quickly execute data-powered marketing campaigns?

These are tough, technical questions and your team's ability to hit your goals could be riding on the decision. (No pressure!)

But instead of stressing out about making the right choice, it's time to get informed. This buyer's guide will outline clear options based on your business needs today.

Looking for better and deeper segmentation? What about more detailed personalization? How about automated, lifecycle campaigns? And what about data-backed predictive analytics?

Based on the challenges you're facing today, here is what you need to know to buy a CDP and choose the right platform for your business.

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Is a CDP right for my company?

First off, we have to define what a CDP is and how it differs from some of the other acronym-heavy technologies out there that claim to do many of the same things as a CDP.

What is a CDP?

A Customer Data Platform is defined as a marketer-managed system that unifies known customer data and is accessible to other systems. A CDP is a database that can connect to your other marketing systems, including your ESP, ecommerce platform, and more, creating a unified customer profile that can be activated into customer touchpoints.

CDPs offer marketers a single view of the customer by aggregating and unifying data across channels and devices. In addition, the data in the CDP can be ingested and activated and pushed out — so other systems can use this customer database to activate marketing campaigns.

What is a CRM?

A Customer Relationship Management platform, or CRM, is defined as a single platform that tracks all of your interactions with customers and potential customers. When you think of a typical CRM, you probably think of Salesforce, the CRM that first defined the category.

Much like a CDP, a CRM unifies customer data in one location, creating a single customer view. But unlike a CDP, that data is often input manually by an inside sales team and is more often used to power B2B businesses with lengthier and more complex sales cycles.

What is a DMP?

A DMP is a Data Management Platform, or a platform that manages all of your audience and campaign data, most often for digital advertising. This includes data like publisher websites, apps,and cookie IDs for better ad targeting.

Much like a CDP, a DMP centralizes and organizes all this data in a single view. However, the main difference is in data accuracy. In advertising, it's sufficient to be close to accurate for ad targeting. This means that a DMP will accept data that is not 100% resolved to a single identity.

How is a CDP different from a DMP or a CRM?

We hinted at this already, but all three technologies are purpose-built for specific use cases.

CDP		CRM
Built for B2C marketing		Built for B2B Sales
Can handle a high volume of cusomer data	**VS**	Manages a smaller number of accounts with multiple business stakeholders
Understands the consumer buying cycle		Focused on lengthy inside sales process
Servers marketers		Serves Sales reps
Automatically ingest data		Manual input of data
Built for all types of commerce data		Manages data for ad tech
Can track customer identities across platforms		Uses data that is close to accurate
Can ingest data from service, merchandising, and marketing		Can only ingest marketing data
Works with multiple marketing plaforms like SMS, Instagram, email		Onlu works with ad tech alone
Relies on first-party data only		Co-mingles first-party and less accurate third-party data

Why Activated CDPs Win in Ecommerce and Retail

CDPs are purpose-built for the world of commerce and give you a deep understanding of your shoppers, known and unknown, across every interaction they ever have with your brand.

The clearest path to growth and increasing CLTV is to provide a clear and complete view of the shopper, align your entire organization around the customer, and seamlessly create and deliver relevant customer experiences. But **not every CDP can do this, either.**

Some more basic CDPs really only offer the data ingest capabilities, and miss out on the activation side of the business. What does that mean?

An Activated CDP provides the complete view of your shopper by stitching together all of your customer interactions across devices and touchpoints -- that includes marketing channels, ecommerce activity, POS data, customer service engagements and more. With this intimate view of your customer and industry-leading data science you can personalize every experience -- activating customer data into marketing channels, customer service engagements, and creating 1:1 interactions in commerce.

This is where your brand can truly shine. And with an Activated CDP, you can not only unify and understand your data, but actually use it to drive real marketing results.

Is my company ready to invest in a CDP?

Perhaps we've convinced you that an Activated CDP is the right technology for your business. Great! **But when is your company actually ready to invest in this technology?**

CDPs work best in mature marketing organizations that are ready to take their marketing to the next level.

While a CDP is useful to all marketers, it really is not a good fit for a small, owner-operator brands. If you're already managing your shipping logistics, website experience, packaging, and product development, on top of all of your marketing, you may not be ready for a CDP just yet.

But for those mature brands with a marketing team who are focused on hitting their next stage of growth, a CDP is a great fit.

If you've...

‣ Started to see a plateau in the results from your emails and need deeper segmentation and personalization

‣ Want to create coordinated campaigns across more channels than just email

‣ Need real-time insights into your buyer behavior, at every stage of the customer lifecycle

‣ Are looking for machine learning and predictive analytics

Then, a CDP can be a huge help and can power new growth for your business.

What does a CDP accomplish?

It's always vital to set goals and understand what you want from a new technology before you decide to buy. In this case, we've found it's most useful to understand the questions you're asking today about your business.

In other words, if you're asking these questions, you're looking for a CDP:

‣ Are all of my marketing systems centralized around one source of truth?

‣ Do I feel like I have a consistent customer experience across channels?

‣ Who are my customers, and do I know exactly how many I have and what they've bought?

‣ What does a typical customer journey look like?

‣ Are there certain paths people take in their journey that are negative or positive?

‣ Which customers are most responsive to discounts and which customers don't need discounts to keep buying from me?

‣ Are specific marketing campaigns effective or ineffective?

‣ What signals show that my customers are ready to buy again?

These are the type of in-depth and data-focused queries that an Activated CDP will answer. And it gives marketers the clearest path to higher CLTV in three unique ways:

‣ Access to a dynamic and actionable lifecycle view of every one of your shoppers

‣ A personalized predictive data-science model to supercharge your segmentation

‣ The streamlined ability to push campaigns, content, and segments to any marketing, commerce, or service channel

You can set specific and metrics-driven goals for your business like:

‣ Understand the factors that are linked to AOV and then increase AOV in a specific lifecycle stage

‣ Increase engagement with specific segments based on customer profile, such as discount affinity, brand fan, and more

‣ Increase repeat purchase rate for my business

‣ Drive up revenue and sell-through on specific product lines

What features should I look for in a CDP?

As mentioned before, not every CDP offers the same functionality . In fact, some only offer the bare minimum of data ingestion and storage, without many of the features that modern marketers need.

So what should you be looking for?

1 Data Agnostic

The best CDPs are data agnostic, meaning they can ingest data from almost any source, aggregate it, and organize it. This includes data from sources like Google, Facebook, Instagram, point-of-sale, support tickets, customer reviews, your ecommerce platform, and more. Which makes sense! Your buyer is interacting with your brand across all these different channels, and so you need to see all of that data in one place.

2 Single View of Each Customer

You also need a CDP that can [resolve your customer identity](#) and build a single view of the customer. As your buyer moves across channels and devices, you need a CDP that understands it's the same person in each place. This is challenging if you're relying on an identifier such as email, for example, since people often have multiple emails.
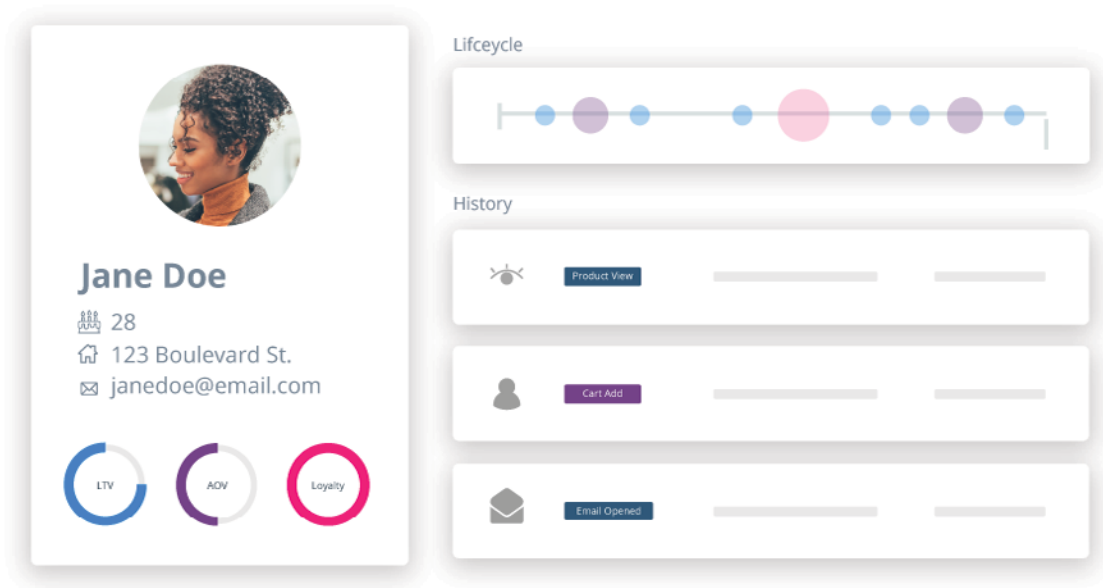
Identity resolution is the process of stitching together current and historical data to gain a clear picture of your buyer across devices, channels, and browsers. Only a CDP with true identity resolution provides you with an accurate and reliable customer profile so you can see and understand exactly how an in dividual buyer has interacted with your brand, including the exact campaigns they click, the specific purchases they make, any support tickets they've opened , and more.

For example, a single buyer may click on your Instagram ad and browse your site on a mobile phone, then leave, then come back on their home computer and buy. Identity resolution enables you to understand that this is the same buyer.

No Purchase

91% of All Customers

4.2% Convert to 1 Purchase

14.0 Days on Average

$0.00 Total Revenue

92.16% At Risk
4.83% Awareness
1.89% Interest
0.90% Considering
0.23% Intent

1 Purchase

5.60% of All Customers

35.90% Convert to Repeat

1.7 Months on Average

$12.73M Total Revenue

$156.29 AOV

$170.50 Avg. LTV

79.60% At Risk
3.20% Recent Buyers
15.50% Awareness
0.38% Interest
0.65% Considering
0.51% Intent

Repeat

1.20% of All Customers

50.10% Convert to 1 Purchase

2.6 Months on Average

$7.7M Total Revenue

$175.50 AOV

$394.20 Avg. LTV

70.10% At Risk
4.55% Recent Buyers
20.65% Awareness
0.83% Interest
1.19% Considering
0.89% Intent

Loyal

0.70% of All Customers

$21.70M Total Revenue

$186.30 AOV

$1.07K Avg. LTV

56.70% At Risk
7.02% Recent Buyers
29.55% Awareness
1.65% Interest
3.30% Considering
2.04% Intent

3   Precise Segmentation and Personalization

Once you have a complete and reliable customer profile, you can start to build out detailed and precise segments of your buyers. But these segments aren't static either. They ebb and flow, growing and shrinking as your buyers take action and come in and out of specific dynamic segments. For example, you need to understand the key stages of the customer lifecycle.

With these dynamic segments, you can build powerful campaigns that trigger when buyers take action, including welcome campaigns, campaigns to drive a second purchase, and loyalty campaigns. And these segments can be pushed to any platform for execution: your existing ESP, social media platforms, ad platforms, and so on. Because it's all powered by a data agnostic customer profile, you know it's accurate and reliable. So that means your marketing is more relevant, personalized, and powerful than ever before.

4 Data Intelligence

While segmentation is the backbone used to drive your personalized marketing and create hyper-targeting campaigns, you can do even more with the data. With data intelligence derived from the aggregation of each and every complete customer profile, you'll start to see patterns and trends that y ou never knew existed and make accurate predictions about the future behavior of your buyers.

For example, do you know which of the anonymous browsers of your site today are most likely to buy? With CDP powered by machine learning, you can slowly understand how these "Active Non-Buyers" interact with every touchpoint of your business and understand the signals that mean they're about to buy.

5 Consent and Compliance

You've already had to adapt your business to GDPR, CCPA, and more, but not every system can manage consent and compliance. For a CDP, accuracy is incredibly important so you are able to manage permissions in a single location.

Even though all of your systems may be GDPR compliant, that doesn't mean you are. Make sure to find a CDP that enables you to be fully compliant with all regulations.

How does a CDP impact my marketing tech stack?

Because the best CDPs are data agnostic, they play nicely with almost any tech stack. A CDP sits at the center of everything and the data flows in and out freely, powering and bettering all of your existing marketing tech today.

So if you're wondering:

What role do integrations play in a CDP?

Integrations are everything to a CDP. The more integrations and the more data you ingest, the more powerful the CDP becomes. With seamless integrations with most common ecommerce platforms, ESPs, loyalty programs, and more, CDPs sit at the center and power your entire business.

Can my CDP and my ESP be separate?

Yes! They can be separate or together. But there's no need to rip and replace your existing ESP unless you'd like to do so. In fact, more and more larger brands depend on a CDP to analyze their customer data to uncover trends, patterns, and ultimately new segments that can be easily pushed to their ESP for activation.

What is the value in a combined CDP and channel marketing solution?

By combining a CDP and channel marketing, you not only have access to your data, you can actually use it effectively to activate campaigns on a specific channel like email, paid social media ads, and more.

What costs should I consider?

CDPs are priced according to Monthly Active Users (MAUs), or the number of individuals who are active within your marketing channels. This includes, but isn't necessarily limited to, active users from email, web, app, POS, service, and your ad platforms. For example, that includes people who open your emails today, and excludes those who do not. It includes people who visit your website, and excludes people who never click on ads you promote to them. The benefit of pricing based on MAUs is that you're only charged for the activity that your marketing generates.

Do I need to hire someone to use my CDP?

Not necessarily! A CDP will require some level of development work to get up and running, as any software usually does, but between your existing staff and the onboarding team at your CDP - you should be covered there. Additionally, look for a CDP that is built for marketers. What good is adding a new piece of technology to your stack if it's so complicated that your marketing team can't use it?

Do I need development resources to implement a CDP?

It depends. If you have a custom ecommerce setup, for example, you may need some development resources. But if you have a standard Shopify integration with out-of-the-box integrations, you may not.

Why Zaius is your go-to CDP

Zaius is an Activated Customer Data Platform (CDP) purpose-built for growing ecommerce brands. We believe that the clearest path to growth and increasing CLTV is by aligning your entire organization around accurate, accessible, and actionable customer data.

This allows marketing, merchandising, and service to create a relevant customer experience that differentiates your brand and creates loyalty. We aim to give mid-market ecommerce brands a CDP that ingests data from anywhere, creates a true customer profile to enable a better experience, allows flexible activations that are available to everyone across the organization.

Zaius is the best CDP on the market because we give marketers the clearest path to higher CLTV in four unique ways:

‣ Access to a dynamic and actionable lifecycle view of every one of your shoppers

‣ A personlized perdictive data-science model to supercharge your segmentation

‣ The streamlined ability to push campaigns, content, and segments to any marketing or service channel

‣ The fastest time-to-value in the industry with a clear and measurable ROI

Learn more about the Zaius CDP
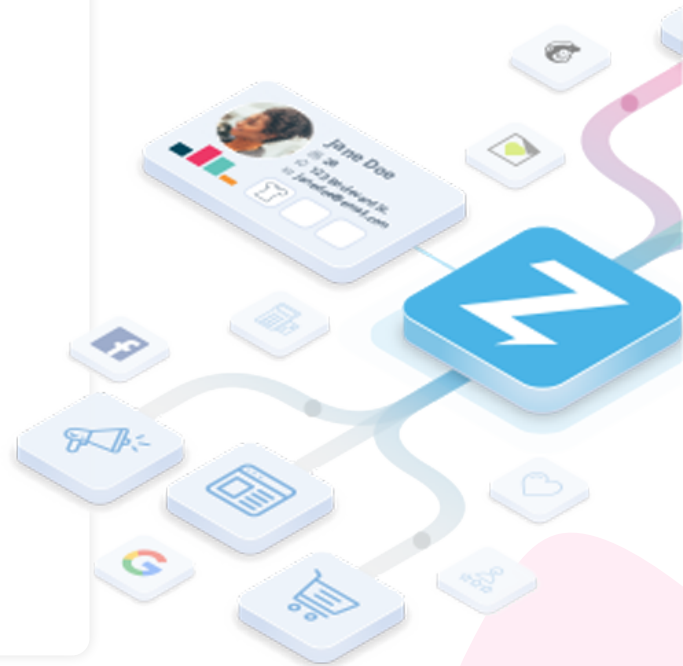
ZAIUS

Zaius is the Activated Customer Data Platform that assists growing brands to achieve higher CLTV by delivering relevance across the entire customer journey, from anonymous browsers to loyal shoppers. We align your entire organization around customer data allowing you to create a relevant customer experience that differentiates your brand and create customer loyalty.

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