

Understanding the "Data" in Customer Data Platforms

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Customer data platforms (CDPs) are **the hot thing in marketing tech** right now, but many of their functions are not that novel.

CDPs are similar to other types of data storage vendors such as data management platforms (DMPs), which are used to manage advertisers' and publishers' audience data. Vendors who sell CDPs claim that their differentiation comes from dealing exclusively with first-party data and having use cases that extend beyond media and advertising.

In a survey by **The Relevancy Group** conducted in June 2018 of 204 US executive marketers who are currently using a CDP vendor, about six in 10 respondents said that they integrate customer relationship management (CRM) data into their CDP. Other types of data like offline spending, email marketing and mobile behaviors are also integrated into CDPs but not at as high of a rate as CRM data.

What Systems/Data Sources Have US B2B vs. B2C Senior Marketers Integrated into Their Customer Data Platform (CDP)?

% of respondents, June 2018

| | B2C | B2B |
|---|-----|-----|
| CRM data | 64% | 61% |
| Customer profiles, demographics | 61% | 58% |
| Customer online spending | 54% | 48% |
| Customer service/support information | 48% | 48% |
| Website behavior | 39% | 41% |
| Email marketing response data | 33% | 35% |
| Digital advertising response data | 29% | 29% |
| Customer offline spending | 22% | 25% |
| Mobile behaviors, including app utilization | 22% | 23% |
| Previous marketing offers | 21% | 21% |

Note: n=204 whose company currently has a CDP vendor

Source: The Relevancy Group, "The Relevancy Ring - CDP Buyer's Guide 2018," Aug 14, 2018

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These results underscore how CDPs' most common functionalities have been around for several years. CDPs store more types of data than DMPs and CRM platforms, but there is a fair amount of overlap.

According to the Customer Data Platform Institute, the number of CDPs doubled from 2017 to 2018, and there are now more than 50 CDPs in MarTech Today's industry landscape. Part of the reason so many vendors are rushing to sell CDPs is because the General Data Protection Regulation (GDPR)—an EU rule that became enforceable in May 2018 and stipulates that people's data can only be used if they give a company explicit permission—is driving the demand for first-party data products. Since April, at least seven CDP providers have struck deals with investors.