

Why Customer Data Platforms Are Hot Right Now

The GDPR is good business for some vendors

ARTICLE | JULY 31, 2018

Ross Benes

It's been a solid few days for customer data platforms (CDPs), with one firm getting purchased and another securing a round of funding earlier in the week. At least seven CDPs have now struck deals with investors since April.

There's a lot of **confusion over what a CDP really is**. Some industry observers believe they're just data management platforms (DMPs) that are given a **new name for marketing purposes**. Companies that pitch themselves as CDPs claim their point of differentiation from other data storage systems is that CDPs deal exclusively with first-party data.

Regardless of whether CDPs are technologically innovative or just the latest marketing tech fad, they're getting the attention of people with deep pockets.

The Deals

- Simon Data announced on July 30 that it **raised \$20 million**.
- On July 29, reports came out that Treasure Data will be **acquired by British computer-chip designer Arm Holdings** for about \$600 million.
- SessionM announced on July 23 that it **raised \$23.8 million**.

- On July 16, Salesforce agreed to **acquire Datorama** for a reported \$800 million.
- Reltio announced on May 24 that it **raised \$45 million**.
- Zaius announced on April 12 that it **raised \$30 million**.
- Lytics announced on April 3 that it **raised \$14 million**.

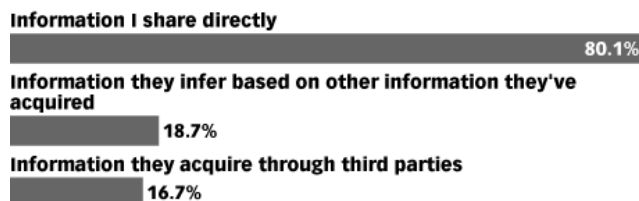
What It Means

CDPs have **been around for several years**. Their newfound popularity is bolstered by their focus on first-party data in light of the EU's General Data Protection Regulation (GDPR), which became enforceable in May and stipulates that people's data can only be used if they give a company explicit permission. The CDP BlueConic told eMarketer that 60% of its prospective customers in Europe are **led to it by their GDPR curiosity**.

Marketers are becoming more sensitive to the fact that people are **becoming suspicious of sharing data through third parties**, as evidenced by the **Facebook-Cambridge Analytica scandal**. According to a March survey of digital buyers in North America conducted by **Vision Critical**, 80.1% of respondents said they would be comfortable sharing personal information directly with a brand for the purposes of personalizing marketing messages. But just 16.7% said they would be OK with sharing this type of information through third parties.

Sources of Personal Information that Digital Buyers in North America Are Comfortable Having Brands Use for Personalized Messages, March 2018

% of respondents



Note: ages 18+ who completed a digital purchase within the past 12 months

Source: Vision Critical, April 5, 2018

236803

www.eMarketer.com

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.