

Meet the CDPs Q&A series



Insights | Analysis | Benchmarks

Special Report: CDP Deep Dive

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Executive Summary:

How do we define thee, customer data platform? Let us count the ways.

The CDP category has been described as crowded, confusing and rife with imitators. Much shade is cast by CDPs claiming to be “real CDPs” as opposed to the many opportunistic companies – including, some say, the marketing clouds – that rushed into the space over the past few years looking to capitalize on the buzz.

But the category is starting to mature.

In Gartner’s 2019 Hype Cycle, CDPs were just beginning to make their downward trajectory from the peak of inflated expectations into the trough of disillusionment. Next up: The slope of enlightenment.

In other words, the buzz has died down to a background din, and now it’s time for CDPs to prove their worth, especially companies not named Adobe, Salesforce, Microsoft or Oracle. According to Advertiser Perceptions, marketers are most familiar with the CDPs on offer from the big marketing clouds, yet it’s the independent CDPs that often have the best satisfaction rates.

Meanwhile, marketers continue to feel overwhelmed by the CDP category and unsure of how to proceed.

That is why this report exists, to clear up the confusion, dispel the myths and help buyers get a handle on what this still-nascent category is all about.

You’ll get:

- 13 Q&As with top executives at companies across the CDP spectrum
- A deep dive into how buyers feel about the CDP market from Advertiser Perceptions
- A first-hand look at how Wyndham Hotels is successfully implementing a CDP
- A call-to-action to the analyst community to define what a CDP is – and isn’t – once and for all
- And get out your headphones: Forrester VP and principal analyst Joe Stanhope sounds off on the CDP landscape on “The Big Story” podcast

MParticle Says Thanks To The Marketing Clouds For Validating The CDP Space, But Scoffs At Their Solutions

by Allison Schiff // February 2020

When mParticle was founded in 2012, the moniker “customer data platform” didn’t exist yet. David Raab, founder of the CDP Institute, wouldn’t coin the term until 2013.

And so mParticle jury-rigged a new category for itself in the interim: mobile data automation platform. At the time, heavy-hitters in the DMP space razed the concept. Krux CEO and co-founder Tom Chavez wrote a column for AdExchanger in which he contended that “mobile anything is ill posed.”

But Michael Katz, mParticle’s CEO and co-founder, argues that mParticle was a fully-fledged CDP from Day One.

MParticle started with mobile data, because mobile is “the center of mass for the customer experience,” Katz said. The company has since expanded to connecting consumer data from across channels, including point-of-sale and in-store data.

Today, mParticle has several hundred enterprise clients, including Airbnb, JetBlue, Walmart, Adidas, Spotify, Viacom, Disney, Dunkin’, Burger King, Supercell and Postmates.

AdExchanger caught up with Katz.

AdExchanger: Who is your typical customer, and what problem are they trying to solve?

MICHAEL KATZ: We typically only work with multichannel consumer brands, no B2B brands. This allows us to focus on creating a better solution for the types of companies in our addressable market. Our main focus is making it easier for brands to ensure data quality throughout the stack in order to deliver better customer experiences while ensuring privacy.

For consumer brands, streaming data to and from various sources and systems in real time is fundamentally important. One, because of how fast consumers move, but also because data quality is the foundation for success. The customer experience can only ever be as good as the data that feeds into the systems that help provide it.

The main thing brands want to do is build a flexible, scalable and secure stack. MParticle is the foundational tool they need to do that. Without it, there’s no great way to ensure data consistency or quality across the entire stack.

Who are your biggest competitors?

Historically, the biggest competition we’ve seen is when companies either do nothing or try to use legacy solutions to solve modern data challenges.

From an external competition standpoint, the only company we see regularly is Segment, although it'll be interesting to see what happens with the marketing cloud vendors. They're so far behind the rest of the market and we've yet to see solutions or even proposed solutions that should be taken very seriously.

Sounds like you're not all that impressed with marketing clouds getting into the CDP space.

Honestly, it's good for the space. Beyond awareness, it creates validation for companies like us who had this vision seven years ago.

Beyond that, it's TBD in terms of how strong their execution will be. These companies have an incredible market presence and decades of experience working with certain customers. But I'd also question their track record on innovation over the last few years. They have a much better track record on M&A.

How does your product differentiate from your competitors?

From Day One it was about being built for the enterprise and creating a secure and reliable solution for customer data management. As we've evolved, we're focused on data quality, both in terms of integrity as well as our investment in identity resolution. Another big differentiator for us is the breadth and depth of the integration ecosystem we support. We want to provide full-fidelity support for any integration. There should be no limitations or additional friction standing in the way of you connecting your data to your favorite APIs.

How long does it take to onboard a new customer?

It really depends. If a customer has a single app and a website, it's relatively straightforward and could take days or weeks. But we work with some companies that have dozens of brands spread across the globe with multiple properties across multiple platforms. That type of deployment won't ever happen in a couple of days, weeks or even months. It could take a year or more to get fully deployed.

How do you convince customers to stick it out for what could be a multiyear integration process?

A few years ago, we had to evangelize the idea that there is a better way to connect customer data. Today, most people understand the opportunity of a single point of integration with connectors out to all of the different tools they use across the functions of their business to ultimately drive ROI and customer lifetime value. They get it.

What data sources do you commonly connect?

We always start with mobile app data. But to create a single view of the customer requires data from the web and other screens. On the commerce side, that includes transaction and payment data, maybe POS data and other in-store retail data. On the media and content side, that includes connected device data, like the Xbox, Roku, Apple TV, what have you.

How much money have you raised?

We've raised \$121 million.

How many employees do you have, and what percentage are in engineering?

We're at around 140 people and 40% are product and engineering, and we're planning to hire more.

What is your biggest advantage, and how will you maintain it over the next three to five years?

We get a really good look at what's under the hood at some of the biggest, best and most innovative companies in the world, and because we've been doing this and only this for so long, we're able to attract some really forward-looking brands.

The conversations we have with our clients have helped us build the capabilities we have today and to create a road map and a path toward a differentiated future. Some of the newer entrants in the space are playing catch up.

This interview has been edited and condensed.

Acquia-Owned AgilOne Holds Its Own In The Crowded CDP Market With A Combo Of Analytics And Execution

by Allison Schiff // March 2020

A customer data platform is about a lot more than simply combining data.

The real promise of a CDP is analytics, said Omer Artun, chief science officer at Acquia, a SaaS digital experience platform owned by Vista Equity Partners.

“You can’t build a good customer experience without knowing who the customer is - and the answer to that is the analytics piece, finding patterns in the data,” said Artun, who joined Acquia late last year as part of its acquisition of AgilOne, one of the original CDPs.

Artun founded AgilOne in 2005 around the notion that customer centricity would become inextricably linked with the smart use of customer data - a rationale isn’t all that different from the one behind Acquia’s decision to acquire AgilOne almost 15 years later.

“A single view combined with analytics, that is the name of the game,” Artun said. “And the battlefield is the customer experience. Acquia understands that.”

AgilOne, whose customers include Hugo Boss, Lululemon, Big Lots, Calvin Klein and Tommy Hilfiger, raised \$41 million before being acquired. Roughly 30% of AgilOne’s 120 employees are engineers. All AgilOne employees joined Acquia as part of the deal, bringing the total headcount to roughly 1,000.

AdExchanger spoke with Artun.

AdExchanger: Did AgilOne start as a CDP?

OMER ARTUN: Yes, we did. The idea was always to bring data science to customer data. Everything we’ve done since Day One has been about bringing customer data together, analyzing it, bringing insights and helping businesses execute on that data.

Why did Acquia need a CDP?

Acquia has web content management, an email execution engine, web personalization and a journey orchestration tool. But they were missing the custom data layer to power all of these things in a unified way.

How's the integration going?

We're still in the middle of the integration, but it's going well so far. The goal is to complete our integration with the email execution, journey orchestration and website personalization tools first, by the end of this quarter. We can already demo the integration and very shortly we'll be selling all of these products at the same time.

The longer-term plan over the next 12 to 18 months is to integrate the entire thing with the content management piece.

Who is your typical customer and does the acquisition change that?

When we were a small company with a small execution budget, we were very focused on one vertical: enterprise retail. But Acquia works with many other verticals - pharmaceuticals, hospitality, healthcare, government - that could use CDP technology. Acquia also sells to companies of all sizes, whereas we worked more on the enterprise side. There's now an opportunity for us to sell to smaller companies.

What are the top problems your current customers are trying to solve?

The main one is that their customer data is all over the place and they can't combine it to define a single customer view. The solution to that is identity resolution, which means bringing the data together, deduping it and hygiening it. That is an infrastructure thing, and if you don't do it, you can't do anything else. From there, it's the analytics piece.

How many customers do you have?

We manage around 150 brands worldwide across 70 or 80 customers. Some of our customers have multiple brands. As a subsidiary of Acquia, we remain our own legal entity. All of the contracts are the same, the commitments are intact and we're still focused on the same pipeline of customers - but with additional resources and the opportunity to go after new verticals.

How long does it take to onboard a new customer?

It takes us a minimum of three months, but usually more in the four-months range. Some customers can take up to six months or a year. It's not an easy task, because not only are you trying to get all of the customer data together, it needs to be well managed.

What data sources do you most commonly connect?

The core data set is the customer profile: transaction data, subscription data, the product catalog, channel information and behavior and event data, such as web browsing, email opens and clicks. Every single one of our clients wants to connect this type of data. But we also have customers that want to bring in other information, such as direct mail data, call center data, in-store events and even weather data.

What do you think about the marketing clouds getting into the CDP space?

They take other products and try to tweak them until they turn into a CDP, but it's like using a knife as a fork. Salesforce buys MuleSoft, then we hear that they're going to use their DMP as their CDP, then they acquire Datorama and now they have Evergage. I can't comment on their strategy, because I simply don't understand the rationale.

Who are your biggest competitors?

Not Adobe, Oracle or Salesforce, although we do see Evergage on some deals. From a pure CDP perspective, we see ActionIQ and Redpoint most often.

How does your product differentiate you from your competitors?

Let's take Redpoint. It's more of an on-premise build than an SaaS software, and very customizable. If a customer wants to do an internal deployment or host the technology themselves, then Redpoint is probably a good fit. But they lack analytics, and that's a core asset for us. The same is true for ActionIQ. If all you need is a segmentation engine, work with them, but if you're a scaled enterprise retailer, you work with us.

Take Dollar General, which is one of our clients. They have 15,000 stores and \$25 billion in revenue, and we handle all of their needs in real time.

This interview has been edited and condensed.

Amperity: When It Comes To Selling CDP Tech, Honesty Is The Best Policy

by Allison Schiff // March 2020

Amperity is more than happy to explain to clients and prospects what its technology isn't designed for.

Candor helps win deals, said CEO Kabir Shahani, who co-founded the company in 2016. Amperity came out of stealth mode the following year.

"When we ask clients why they selected us, one of the top things they say is, 'Because you're honest about what you do and what you don't do,'" Shahani said.

Amperity has API connectors, but it doesn't specialize in data movement; journey orchestration isn't a core offering; and customer data is the only kind of data it handles.

"We get asked all the time, 'Can you do product data?' We get asked for B2B use cases or about sending email or doing marketing activation," Shahani said. "If what you need is sophisticated journey orchestration, that's cool, we're probably not the right choice for you now - but you also clearly have a data problem."

And solving data problems is Amperity's main jam.

"We focus on the customer pain and needs, not on what everybody else is doing," Shahani said. "It's amazing to me how many companies do things just because a competitor is doing them."

Amperity's customer roster includes Brooks, Alaska Air, Lucky Brands, MGM Resorts, J. Crew and Starbucks. Headcount is 160 with roughly 75% of employees focused on engineering and/or product. The plan is to grow to around 200 people by the end of the year.

AdExchanger spoke with Shahani.

AdExchanger: Did you start as a CDP?

KABIR SHAHANI: One hundred percent yes. The problem we solve has been the same since Day One, which is to help people know their customers. But everyone says they started as a CDP, which can make it hard to break through.

What data sources do you commonly connect?

It's really everything to do with the customer: transaction data, including ecommerce and in-store; web analytics; mobile analytics; mobile response data; marketing and email response data. We believe that literally any time there is an engagement between a customer a brand, that has to be captured.

Who is your typical customer?

We sell exclusively to B2C across travel, hospitality, retail, healthcare, automotive and financial services. Our customers are generally mid-size and higher. If you have sub-\$50 million of revenue, we're probably not a great fit for you today, although maybe over time we'll have SMB products.

What is the main problem your customers are trying to solve?

Problem No. 1 is data silos. They've got data in a bunch of different places and they can't bring it together. Some have a data lake or some kind of customer hub, but they simply can't connect it.

How many customers do you have?

Two years ago we had two customers, and we've tripled the business every year. With our acquisition of Custora, our customer count is now in the many dozens.

How long does it take to onboard a new customer?

We're passionate about the idea of speed to value. Most vendors will say it's really easy to get data into their systems - and then they hand the customer a six-inch thick manual with all of the things they have to do to format the data to get it to the vendor. The process is error prone and laden with challenges and delays.

We built a system that allows you to dump in your raw data without any transformation. We have the scale and sophistication to clean it up and train machine learning models. A customer's internal processes also really impact the timeline. If they have their data co-located, it will be faster. It can be as fast as 30 days and we've seen it go as long as six or seven months. We stood up Planet Fitness, for example, in 30 days from start to finish.

Who are your biggest competitors?

It's mostly internal builds, companies choosing between home-grown solutions and licensing Amperity. We're hearing Adobe and Salesforce come up a ton. More customers are saying, "We know they have a solution, how do you guys compare?"

Salesforce and Adobe are getting more aggressive, because they know this is a big opportunity to help customers, and they're investing more in marketing and sales to get their message out to the market.

How does your product differentiate?

With our ability to assemble a customer 360 at scale and give you all the insight you need to make decisions and activate those customer profiles. Every other company that claims it's a CDP - and I'm not saying they're not - is usually really focused on something else, like email optimization or personalization or journey orchestration; something that is not core to the customer data. The really hard technical problem is being able to connect data at scale without a common key, and that is what we do.

How much money have you raised?

\$87 million, and we don't have immediate plans to raise more capital.

What do you think about the marketing clouds getting into the CDP space?

It's a validation and a challenge. These companies will pump a bunch of spend into the market for education and awareness. Our job is to show up consistently for our customers and prospective customers.

This interview has been edited and condensed.

Segment On Life As a CDP In The Age Of Coronavirus: ‘A Lot Of Small Fires To Put Out’

by Allison Schiff // April 2020

One silver lining of working from home is being able to see everyone’s kids on Zoom, said Peter Reinhardt, CEO and co-founder of customer data platform Segment.

The parenting channel on Segment’s Slack is particularly active right now as employees attempt to manage the “work” and “home” components of their new WFH lives.

Customers also have questions about adjusting to the new normal.

“They’re definitely doing some gut checking,” Reinhardt said. “We’re getting questions like, do you have a business continuity plan in place? Do you have a clear understanding about how all of this impacts my specific business? Do you have a healthy cash balance? Thankfully we can answer them in the affirmative.”

Segment’s customer base includes B2B, B2C, DTC, Fortune 500 companies; basically any company that’s trying to scale their digital efforts, Reinhardt said.

Clients include Instacart, HotelTonight, Fox, Gap, Meredith, Peloton, IBM and Google. Segment’s headcount is just under 600 people spread across seven global offices. Roughly 30% are engineers.

Reinhardt spoke with AdExchanger from his home office.

AdExchanger: What’s going on with your customers right now in light of the coronavirus situation?

PETER REINHARDT: We have some customers whose usage is exploding and some that are drastically impacted because they’re in the physical events business. Overall, our volumes are up pretty substantially, which is what you’d expect when people are consuming a lot of digital services.

In the sales pipeline and marketing funnel, though, it’s total chaos. Some things are speeding up, others are slowing down – it’s all over the place, and there’s no discernible pattern yet. A lot of small fires to put out.

What kind of small fires?

For example, people are consuming huge amounts of delivered food and we have customers with food delivery apps. Usage has grown massively over the last few weeks, and we’re trying to figure out how to best support them and make sure that their data is flowing well.

What is Segment’s differentiator?

We are particularly focused on helping companies have good data. By that I mean getting solid customer records

that are complete, consistent and compliant with governance in place. Some companies in the space have focused on helping people orchestrate the customer journey or on campaign activation, but we see our real differentiator as providing a good data foundation first.

What data sources do you commonly connect?

We connect to more than 40 different sources and 300 destinations out of the box. It's roughly one-third web data, one-third mobile server side and one-third cloud sources. It's quite broad.

Will the marketing clouds deliver on their promise of providing CDPs?

Everything I've heard from folks inside and from customers is that they're all a solid year, year and a half away from having anything like a real product. I know one cloud only has around five integrations. That is not a real CDP. But they do see this as hugely strategic and even existential. I saw a job posting from one of the marketing clouds recently that said, "CDP is the future of CRM."

Who are your biggest competitors?

The clouds will become competitors eventually, maybe in two or three years. We don't see them in any deals today. Our real competitor comes in the form of internal builds at potential clients where the CTO or the VP of engineering has an existing system they put in place by stitching together pieces of code for data distribution into some sort of custom configuration. That is what we're competing with in 80% of deals.

After that, it's a mix of older technologies, mainly on the tag management side, but I'd say we see them in 5% of deals or less.

How long does it take to onboard a new customer?

It varies massively. A small startup, say, with a founding team of less than 20, can sign up and set up the same day. Other large companies can take a year or more. A global rollout to all of the web properties for a Fortune 100 company can take two years, because it actually entails doing thousands of implementations. They also have tighter constraints around data quality, compliance and governance. The level of complexity explodes with a global rollout.

Remember cookies? That was the top-of-mind topic before the coronavirus. Will the end of third-party cookies have an impact on the CDP space?

We strongly support the use of first-party data and we're pretty opposed to third-party data. In fact, we have an ongoing effort to try and help folks in Sacramento and DC really understand the difference.

It depends on the CDP player and what they're invested in, but for us there will be zero impact when third-party cookies go away. We're looking forward to the browsers finding a way to restrict or fully get rid of third-party data flow.

You raised a \$175 million Series D round last August and more than \$280 million total since your Series A in 2015. What's your growth strategy?

It's a classic software-as-a-service growth strategy, and that takes cash upfront to go and find customers, onboard them and serve them. We've been lucky to have a lot of inbound customer interest over the last five years. That's made us an efficient and exciting investor opportunity, which you can see in the size and pace of our rounds.

Are the independent CDPs doing a good enough job marketing themselves?

There's still a lack of clarity in the CDP space right now, but that's always true in a new category. Part of the noise has to do with the fact that there are a lot of companies labeling themselves as a CDP right now that just don't fit the definition.

We'll see it all get hashed out over the next six to 12 months.

This interview has been edited and condensed.

ActionIQ: ‘Marketing Clouds Thrive On Noise In The CDP Space’

by Allison Schiff // June 2020

COVID-19 threw a wrench into best-laid marketing plans. But marketers are learning to adapt, said Tasso Argyros, CEO and co-founder of customer data platform ActionIQ.

“All of our clients have been forced to rethink their entire marketing and customer experience strategy,” Argyros said. “And they all need new data, analytics and orchestration capabilities to enable these strategies.”

Still, it’s a bit like building railroad tracks while the train is coming. Clients are trying to acclimate while determining which changes to their business could be permanent.

Despite the question marks, brands can use this unanticipated disruption “as an opportunity to position themselves to come out of this stronger,” said Argyros, who founded ActionIQ in 2014 after selling his previous company, Aster Data, to Teradata.

ActionIQ’s clients include Gap Inc., Saks Fifth Avenue, Michael Kors, Pandora, Verizon and The New York Times. The company raised a \$32 million Series C in January, and more than \$80 million total. Around half of ActionIQ’s roughly 100 employees are focused either on engineering or R&D.

Argyros spoke with AdExchanger.

AdExchanger: What does it mean to be a CDP in the age of coronavirus?

TASSO ARGYROS: Companies are now trying to execute new campaigns and use cases with limited budgets and resources. For example, if you are a multichannel retailer, you need to migrate your store-only shoppers to ecom, or else you could lose that cohort for good.

I expect coronavirus to accelerate a lot of the business transformation initiatives that were leading people to work with CDPs in the first place.

Did you start out as a CDP from Day One?

It’s a tricky question, because you have to rewrite history a bit in order to answer it. The vision was always to do something really interesting and cool around customer data, and we were doing it before the term existed. But if you were to ask me about how we differentiate, I’d say the main way is in how we’re able to invest data with more scale and complexity than other vendors out there.

Can you elaborate on that?

You don’t have to transform your data or build customer or profile attributes beforehand. You just load in whatever data you want and we build profiles on the fly. Other CDPs have tables with key customer attributes, but we hold every customer interaction. It sounds like an esoteric point, but it makes a huge difference, because it allows you to be agile.

Business teams can be completely self-sufficient and iterate in a matter of days rather than a matter of months.

How long does it take to onboard a new customer?

We promise to have the system up and running in three months and that the customer will see strong ROI in six months. We try to come in with strategic solutions and services to help identify low-hanging fruit, use cases and channels that could be incremental. When we push those out, it provides early value and derisks the deployment in a short period of time.

Who is your typical customer?

We focus on the enterprise level, including both B2B and B2C. Our typical customer has revenues of around \$1 billion and up. We mostly sell to the CMO, although IT is often closely involved.

What data sources do you most commonly connect?

It's mainly very large-scale data lakes, such as Google BigQuery and Amazon Redshift, and data warehouses, such as Teradata and Oracle. We can plug into any internal data source and pull in massive amounts of data which allows us to deploy quickly without having to rely on consulting or IT resources. We're also connected to ad systems - Segment, for example, or a tag manager such as Tealium, are sources of clickstream data for us - and to ESP sources of email response data.

Will the marketing clouds deliver on their promise of providing CDPs?

The marketing clouds announcing CDP capabilities last year was the best marketing we could not afford to have done ourselves. But the marketing clouds are mostly trying to sell legacy software and present it as a CDP. Sometimes they try to sell email software as a CDP or their DMP as a CDP.

Once you're in an RFP scenario, though, it's easy to tell the difference. They don't really have a product. The question then becomes, when will they have one? They say they're building it, but when was the last time either Adobe or Salesforce built a successful product in house? Everything has been done through acquisition.

But marketers are still attracted to the marketing clouds, because they're used to working with them.

The marketing clouds thrive on noise in the CDP space. It's strategic for them to create more confusion, and they have the marketing dollars to do it. One of the values we offer is that we don't force customers to be locked into any one specific marketing cloud vendor. We give them the channel freedom to plug and play the solutions they choose to work with.

Does the eventual loss of third-party cookies impact the CDP space?

The role of the DMP will be reduced to the point where we can implement almost all of the functionality of a DMP without much additional cost. The consolidation of the DMP inside of a CDP is an opportunity to simplify the marketing stack and save customers some budget.

This interview has been edited and condensed.

Lytics: How An OG CDP Distinguishes Itself In a Crowded Category

by James Hercher // June 2020

Everyone and their mother operates a customer data platform (CDP) nowadays.

And that crowding obscures the actual purpose of a CDP, said James McDermott, co-founder and CEO of the CDP Lytics.

“If Tealium, Segment, mParticle or Braze is a CDP, then everybody is,” he said. “And the promise of a CDP, to unlock customer intelligence and deliver experiences, has been unfulfilled.”

Lytics was founded in 2013, and McDermott said it was the first vendor to describe itself as a “customer data platform” on its site.

Lytics is also an apt example of the CDP venture capital run in the past five to 10 years. The company has raised \$58 million, including a \$35 million round a year ago. It has a headcount of about 110, half of them in engineering.

McDermott spoke with AdExchanger.

AdExchanger: Did you start as a CDP?

JAMES MCDERMOTT: Even from the beginning, when we were founded in 2013, we were a CDP.

The most common definition of the category - vendors that capture data from different sources, create unique profiles and either share data back out or create access to that profile - is so broad that it covers hundreds of mar tech companies.

To sharpen that, I think the core thesis around the CDP has always been, or should be, intelligence, not data. If the core thesis of the CDP is data and portability, and all you need to do to be a CDP is get into a database, create profiles and sync with other tools, then Google Cloud, AWS Redshift and Azure is all you need to be considered a CDP.

What is your typical customer?

We have a lot of media and entertainment companies. So that could be like The Economist, but also Ancestry.com, AEG or sports leagues. We're also focused on CPG and retail.

It's very hard for media companies to compete with Facebook, or retailers and CPGs to compete with Amazon. For the platforms, the content decisions and the audience data are all part of one system. So to compete with a company like Facebook or Amazon your brand needs to have the same level of personalization and frictionlessness.

How many customers do you have?

We have about 150 customers.

We work with agencies as well. They'll become a more important part of the CDP process.

Why is that?

They've had a hard time figuring out how to interact with CDPs, which are highly data oriented. So CDPs port to other data companies and mar tech ecosystem companies, but not so much agencies.

But agencies have started to see a much easier way to interact with CDPs, since we review and curate insights along with them and customers. Many holding companies also now own data companies.

How long does it take to onboard a new enterprise brand?

About 60 to 90 days. We're focused on getting customers a set of insights at the end of 90 days. So by then they've run a test use case to show that if they use these insights to deliver certain experiences that they'll get an ROI.

The pressure on the team on their side to prove value within 90 days is extreme.

What data sources do you commonly connect?

One key piece for us is we're focused on the marketing domain. It's a marketing tool. So we see a lot of emails, mobile notification tools like Twilio or Braze, info from the site or mobile app and often CRM, where there's structured data about customers.

The goal is to create more intelligence on a person that unlocks use cases for a marketer.

Who are your main competitors?

Well there's a real difference between the ways that CDPs think about the market.

Some efforts are really about email marketing - triggering messages to subscribers with some personalization. The marketing 2.0 set as I'd call it is you're using a CDP or tag manager to collect data from the site, email tool or app that triggers a message or action based on context. In the 3.0 world, the marketer is essentially building customer intelligence inside a central tool and sending that to other applications.

An mParticle or Segment operates in that 2.0 world, passing data between applications and creating those rules to route data from one tool to another.

Who we compete with most often is ActionIQ. More and more it's Adobe and Salesforce, though. They're really telling a broad story about trying to use the intelligence you have on consumers to deliver experiences.

So what are you seeing from the big marketing clouds getting into the category?

The marketing clouds are under pressure as they compete to win the marketer.

A big headwind for mar tech in the past 10 years is that the cost of customer acquisition is going up and customer lifetime value is going down. As a whole, marketers are under pressure because they're not delivering the results they need to build a business. The attention of consumers has become much more expensive and results have gone down.

Adobe, Salesforce and Oracle have had this death grip on the tools marketers have been using, so there's pressure on those suites to prove and deliver results. And really they're still early, even though they've invested aggressively.

When we see them in the marketplace, their solution is still completely fragmented and challenging for a company to get up and running. They're talking about a 12-month journey.

Bluecore On Why CDPs Are ‘More Of A Capability Than A Stand-alone Category’

by Allison Schiff // July 2020

Bluecore doesn't identify as a customer data platform - but a lot of people see it as one.

And that's the category's conundrum in a nutshell: Buyers are still trying to figure out what differentiates a CDP from other types of data management technology, and also what differentiates one CDP from another.

“From my point of view, the CDP category as we know it is still being defined,” said Faye Mohamood, Bluecore's CEO and co-founder. “I actually see customer data management as more of a capability than a stand-alone category.”

Bluecore's marketing platform specifically focuses on the needs of retailers, which include unifying and processing transaction data, in-store data, customer search and browsing data, loyalty data and, most importantly, product catalog data.

“A customer might look at that and go, ‘This is what a CDP does,’ but without product catalog data, which most CDPs don't have, a retailer can't truly personalize its communications,” Mohamood said. “And that is exactly what we do.”

Bluecore has more than 200 million products and SKUs in its system. Clients include CVS, Tommy Hilfiger, Perry Ellis, Sephora and Teleflora. Headcount is around 200 people, of which roughly one-third are engineers.

Mohamood spoke with AdExchanger.

AdExchanger: What is the main business problem you solve for?

FAYEZ MOHAMOOD: We focus on performance, and we don't combine data for the sake of combining data. We do it to drive results for retailers and solve retailer-specific problems.

What are some retailer-specific data problems?

A retailer's data sets are very specific and quite different from those of a B2B company, for example. We concentrate on the product catalog and on building intelligence on top of it. Classic CDPs do a lot of data ingestion, but they don't necessarily drive intelligence, which is especially hard to do if you're focused on more than one industry.

DTC retailers need to predict what customers might be interested in buying, and they need to use data to inform their communications. Retail is a high throughput, transactional environment, and you don't always have time to analyze data with the data science team, to cut lists and push them out in real time. It might be a week before you get there, and then the opportunity is gone.

With COVID-19, it became a matter of how quickly retailers could use their offline data for brand awareness campaigns on Facebook, for example, without needing to bring in their big data science team.

How have the past few months been, and what sort of concerns have been cropping up from clients?

We service the digital portion for all of our retailer clients, who also have significant brick-and-mortar presences. But there's been a violent shift from offline to online, and that brings up a lot of needs. They need to keep their brand top-of-mind with their offline customers, they need to use offline data to connect to consumers online, and they need to drive online conversions while making sure their messages are performing. At the same time, they're operating in a cash-constrained environment.

Speaking of cash, though, you just closed your \$50 million Series D round in May. Why raise again now?

The conversations came out of our last raise [in 2017]. We were coming off of more than two years of growth, we had good insight into our product road map, and we made the decision to raise at the beginning of the year, before COVID-19 started.

COVID-19 has been very difficult for a lot of retailers, but it also signifies the fact that they need to be able to live in a digitally fluid environment. We're fortunate to be attached to the growth parts of these businesses.

What is Bluecore's differentiator?

From a technology perspective, it's our ability to process product catalogs in real time. But we also differentiate with our business model. We charge based on performance, not on volume or scale. It's a subtle but important difference. We're not incentivized to send more messages, like the marketing clouds. We're incentivized to send relevant ones.

Who are your competitors?

Because we're focused on the enterprise, our biggest competition comes from the marketing clouds. Typically, they're the incumbent in a stack and almost every retailer uses at least one. We also see competition from personalization providers, recommendation systems or some type of CDP-plus-email-service-provider combination. The latter is less because we provide the exact same functionality and more. Customers are trying to combine multiple technologies to solve their problems rather than having a stack.

Do you think the marketing clouds will be able to make a go of it with their CDP offerings?

This is why I say that being a CDP is ultimately more of a capability than a stand-alone category. The marketing clouds are trying to build CDPs to unify their own internal systems rather than focusing on identity resolution or syndication to different platforms or even building a frequency model based on specific outcomes.

And that's because they all have a lot of data to unify - but that doesn't address the business problems we're trying to solve specific to retailers. I wouldn't say the approach that the marketing clouds are taking is wrong, they're just building to serve a different purpose.

This conversation has been edited and condensed.

Microsoft Enters The CDP Fray With Its Cloud Platform And Its Own Data

by James Hercher // July 2020

This is the eighth in AdExchanger's "Meet the CDPs" series. Read previous interviews with mParticle, Acquia-owned AgilOne, Amperity, Segment, ActionIQ, Lytics, Bluecore, Tealium, Optimove, Adobe, Treasure Data and BlueConic.

Microsoft Dynamics, the company's customer relationship product suite, has surged lately as it repositions itself as a customer data platform (CDP) competitor, which launched last year.

Satish Thomas, a 14-year Microsoft veteran and head of product for Microsoft Dynamics 365, has been working fully on it for about 18 months.

Microsoft is a late mover to the CDP category, but it has important differentiators, such as its connection to the Microsoft Azure cloud platform and Microsoft's own internal identity graph.

"It's one thing to have unified data," Thomas said, referencing the common CDP pitch to consolidate customer data into a single asset.

"It's quite another thing to have device-level insights and be able to use cloud-based AI systems to derive insights like churn or lifetime value based on your unified data," he said.

AdExchanger caught up with Thomas about Microsoft's plans for its new CDP.

AdExchanger: What are the defining characteristics of a CDP?

SATISH THOMAS: The CDP is about collecting the data sources attached to any given individual. It's critical to have a consolidated view of the customer, and that's what's driven demand for CDPs.

It's also about enrichment with third-party data. That could be B2B businesses layering in data about where and how people work. We have a rich set of third-party providers. And from the Microsoft graph we can enrich customer profiles with aggregated information about brand affiliation, or factors like lifetime value or churn measurement.

What's in the Microsoft graph?

It's aggregated insights from all of our (Microsoft's) touch points.

Specifically in the context of customer insights, we can light up aggregated signals on, say, people in a certain age, place or other demo.

Think of it like segment lookalikes. So a brand like BMW can see that their customers in Seattle have strong affinities for certain car models, and maybe index highly for fans of Formula One racing.

Does having LinkedIn as a Microsoft asset fuel what you can do with the CDP?

Not right now.

In the context of B2B, we have third-party providers like Leadspace or Madison Logic. But it's clear to foresee how information from LinkedIn could be useful. We are focused on B2C, where there's the most traction for CDPs, but B2B is part of the product and there will be more use cases.

What kinds of customers are you seeing traction with?

Wherever there's a consumer at one end and the need for tracking data. Retailers and airlines are natural adopters. They have so many data touch points and parts of the overall experience they need to keep track of.

Especially in today's times, a lot of the energy is about preventing churn. One thing I hear a lot from companies considering or using Dynamics 365 is: "Reducing churn is the new growth."

Do you tend to work with agencies or directly with the customer's advertising?

CDPs have traditionally had this marketing connotation. We see traction with marketing, but also a lot on the services side, with customer service departments, as well as in sales departments.

The need for a CDP is usually being driven by the business. Like maybe they have a priority to reduce churn by n percent, or increase cross-selling revenues by x percent if they have multiple business lines. And to reach those goals, or at least to demonstrate that they're reaching those goals, they need a unified view of their customers.

In terms of the nuts and bolts of implementing the CDP and rolling it out, we deal with the CIO office, often a mix of the business and finance side with IT or technology and engineering within a company.

Who are your competitors?

There are the usual enterprise business application players. Often the 'competition,' so to speak, is an internal solution that they had built.

There are typically other companies in the mix. The businesses with the biggest need for CDPs have data everywhere - so they could have a Salesforce system, web and app analytics, vendors for CRM and customer service.

An important factor is that a lot of our CDP customers came from a place where they did not use Dynamics or the Microsoft suite, and it's their first experience with a product in our portfolio.

Is the connection with Microsoft's cloud infrastructure offering Azure an important differentiator in the CDP business?

Absolutely. I never talk about customer insights without the broader platform story.

Honestly, a lot of enterprise customers and the big wins we've had - even in the past few weeks - it's about their overall cloud and data infrastructure strategy.

For example, when you build a unified view of the customer, it is your most strategic data. So with a flip of the switch we can enable them to take that unified data stored in an azure data lake. That means if there's a scenario or application we don't support out of the gate, that's ok, because they can go build the use case themselves. In retail in particular you're seeing that unified data for things like shopper marketing programs.

It's an important differentiator that this is natively integrated and built on top of that cloud system that's driving those efforts. I see the CDP as inextricable from those cloud infrastructure strategy discussions that are happening.

What's the timeline for onboarding a new CDP customer?

We talk about the "five by five." New customers can spend five minutes learning the system and five minutes to set up.

How many employees are there in the Customer Dynamics 365 unit?

We don't share specific numbers within the Dynamics org. But it's a big investment.

Tealium: Digital Is An Existential Mandate During COVID-19 And CDPs Can Help

by Allison Schiff // July 2020

Evolving into a customer data platform was always part of the strategy for tag management vendor Tealium.

But back in early 2012, when the company closed its \$1.1 million Series A – Tealium’s total funding to date is now more than \$167 million – the market was a bit too early for CDPs.

“The vision from Day One was to solve the customer data problem,” said Jeff Lunsford, Tealium’s CEO and president. “But we started with tag management as the obvious first application as an on-ramp to the CDP, which is where we’ve evolved over the past five years.”

This year, the number of profiles created using AudienceStream, Tealium’s CDP, has increased by 300% compared with 2019.

Roughly 850 enterprise companies use Tealium’s tag management product, the majority of which have also signed up for AudienceStream. Brand clients include Lufthansa, Cathay Pacific, Wells Fargo, Bank of America, HSBC, News Corp, Dow Jones, The Economist, Macy’s, Sony, Intel, IBM and Cisco. More than a quarter of Tealium’s 500 employees are engineers.

Lunsford spoke with AdExchanger.

AdExchanger: What does it mean to be a CDP during a global pandemic?

JEFF LUNSFORD: Digital-first has been a strategic mandate for many years, but now it’s a truly existential mandate for many businesses around the world. Our job is to help our customers expeditiously migrate to this new world by providing the real-time customer data infrastructure they need. With this in place, they can continue to grow their revenue through digital channels while also reducing the expense of legacy systems that are slow and backward looking.

Why did it make sense for Tealium to evolve from a tag manager into a CDP?

Data fragmentation is a problem we saw emerging across the enterprise as more companies used more and more software packages to create their customer experience and engage with their customers. Our strategy was to be a neutral company with a platform that could collect all of this data, associate it with visitor profiles and then distribute these enriched profiles to all of the software that could benefit from it.

In 2011, when we funded the business, 60% of customer data was coming from websites, so that’s what we started with. At the time, a tag management platform was the best way to help organize all of the vendors on a website in one place.

When did you transition into CDP territory?

We launched our CDP, AudienceStream, in 2013 and our API hub, called EventStream, in 2014, which is designed to collect all of the mobile and server-to-server data you get from IoT devices. That same year we also launched DataAccess, which allows us to be a data warehouse or we can stream data into one.

What data sources do you commonly connect?

We have integrations with 1,300 different partners across mar tech, CRM, ad tech and analytics. It's all the major vendors and companies, including Adobe, Salesforce, Oracle, Facebook, Google, Twitter, ad networks and DSPs, such as The Trade Desk.

Who is the typical customer for AudienceStream, and what problems are they trying to solve?

We've found that companies in all verticals and industries have a problem harnessing their various data sources and understanding the knowledge embedded in all of this data. We work with both B2C and B2B companies and have clients in retail, travel, healthcare, tech, financial services and media. The use cases are a little different for each.

A large airline, for example, might want to bring together data from their website, app, call center, reservation system and loyalty program, while media companies use the technology to track customers across their various properties and to create a universal profile. For example, we help optimize their ad inventory by creating audiences that can help them get higher yield. The financial services companies we work with often use us for data governance.

You raised \$55 million in May 2019. Any plans to raise more?

We have plenty of capital right now and we're not thinking about raising. We're just growing the business and executing on our business plan.

Does it seem like prospective customers are educated enough about the CDP space?

Everyone is sending out RFPs for CDPs, but they're all asking for different things. Our job is to drill down into exactly what they're trying to accomplish and try to be efficient and honest up front as to whether we can help them with that or not.

If they're trying to automate their email, or something like that, we're not their guy. But if they're trying to solve for consistent data across the enterprise, then we most definitely are.

You've called the CDP space "annoyingly crowded" in the past. Who are your biggest competitors?

Although all of the major marketing clouds have announced CDPs of their own or something along those lines, we don't compete with them; we integrate with them. There are more than 100 smaller companies out there and not one of them has risen up as a competitor with an end-to-end platform that sits at the data layer like we do.

But, really, who are your competitors from that list of more than 100?

You'd have to ask them. There are so many companies that claim they should have a seat at the table even if they shouldn't really be there.

This interview has been edited and condensed.

Optimove: Orchestration Is About Making Sense Of Data, Not Just Stitching It Together

by Allison Schiff // August 2020

Brands that sell commodities don't differentiate on their products, they differentiate on data.

"And they differentiate on relationships," said Pini Yakuel, CEO and founder of Tel Aviv-based customer data platform Optimove.

Which is why they need a way to personalize their messaging at scale.

"If you're a luxury brand, it's all about your product - customers can't get Ralph Lauren anywhere else," Yakuel said. "But you can get a printer anywhere, so a company like Staples needs to build a relationship through very frequent engagement with customers."

Roughly 30% of Optimove's 250 employees are engineers, and the company has around 350 brand clients, all of them B2C, including Staples, Dollar Shave Club and Stitch Fix. There's not enough emphasis on the different needs of B2C brands vs. brands in the B2B space, Yakuel said.

"They're completely different - different problems to solve, different challenges," he said. "Marketo is a horrible fit for B2C, and we'd be a horrible fit for a B2B company."

Yakuel spoke with AdExchanger.

AdExchanger: Was Optimove a CDP from Day One?

PINI YAKUEL: Well, we were covered by David Raab back in 2013, so you could say we are part of the OG. Our goal was always to marry customer data into one place to build a predictive model about customers and then be able to act on those insights for smarter campaigns and personalized messages. But the space has definitely changed.

What changed?

It's become confusing to analysts, reporters, buyers and even me to some degree what the difference is between what I call a data or infrastructural CDP and an orchestration or activation CDP.

Data CDPs are one layer above a data warehouse. It's hard to get data in and out of a data warehouse. The purpose of a data CDP is to make that easier. When data CDPs talk about orchestration, they mean putting data inside Salesforce for example, and then Salesforce does the orchestration. But they don't govern all of the communications.

We're an orchestration CDP. We need a strong data foundation, but we use it in order to make smart decisions in real time about what messages will engage the end consumer. It's about making sense from data and getting actionable insights.

What are some examples of data CDPs?

I'd say Amperity, Treasure Data, ActionIQ - these are data CDPs. Simon Data is an example of a CDP that straddles data and orchestration.

Who are your biggest competitors and how do you differentiate?

Sometimes we compete with multichannel marketing hubs: Salesforce Marketing Cloud, Emarsys, Braze, Cheetah Digital. But we are the only one who does message orchestrations with ML and AI to prioritize customers in real time. We help brands get to hundreds of campaigns, messages and segments for different types of personas and customers. Ten or 20 segments is just not enough for real personalization.

How long does it take to onboard a new customer?

Typically, two to three months from the moment we sign, because we're taking in all of their historical data, cleaning it, making sure it's high quality, stitching it together from all sources and then building a predictive model for each of our customers.

What data sources do you most commonly connect?

Transactional data, including purchase history, ecommerce data, point of sale, catalog data, web and app data, pages visited, buttons clicked, articles read and behavioral data. We also bring in customer service data, including tickets from Zendesk. If a customer was upset last night, it's probably not a good idea to send them a campaign in the morning.

And sometimes you can enrich the data with third-party systems, like Acxiom, but from my experience, this data is typically expensive, often not super accurate and I haven't seen many cases where it's brought a lot of ROI.

You acquired a real-time event streaming company called Axonite in February. What does it help you do?

Having a real-time decision layer that's constantly thinking about the best message a customer should get at any given moment requires real-time context.

Axonite has a very sophisticated machine that looks at how customers move between different states. Our philosophy is to match batch processing of historical data with real-time data so that we have a hybrid approach.

What's the most disjointed customer service/marketing experience you've gone through personally that could have been avoided if the brand had a better handle on its data?

This was about four years ago. I was new to NYC and living in Brooklyn. It was a hot day and I wanted to go to the beach. I ordered a Zipcar, went to the lot - and the car wasn't there. I called, they apologized and told me to walk to another lot, but my car wasn't there either. I had a reservation and there was a parking lot full of other Zipcars, but I could take any of them because they were reserved for other people.

Four calls with customer service and an hour later I go back home upset. The next day I got an email from Zipcar with the subject line: "Your first Ziptrip - the one you always remember." They'd probably built a static journey into their system that said, the day after the first ride, send this email.

Well, they were right, I definitely remember it.

This interview has been edited and condensed.

Adobe On Launching A CDP: ‘We Could Hear The Drum Beating For This Technology’

by Allison Schiff // September 2020

Most brands suffer from the same cascade of data-related challenges.

Data coming in from different sources leads to inconsistent customer experiences and a throbbing privacy and compliance headache. These challenges are being accelerated by COVID-19 and third-party cookie loss.

“And so we’re finding that our customers have to rely even more on first-party data,” said Suresh Vittal, VP of platform and product for Adobe Experience Cloud, which includes Adobe’s real-time CDP offering.

At the heart of Adobe’s CDP, which hit the market late last year, is its identity graph and Experience Cloud ID. The latter serves as a persistent, universal identifier to pinpoint customers across the solutions housed within the Experience Cloud.

“Our goal is to create a platform that stitches data together across the enterprise, from transactional data and behavioral data, to the high-velocity, high-volume data from across digital platforms,” Vittal said. “We recognized early on that giving customers the ability to harness all of that data is what they need to drive personalization and real-time interactions at scale.”

Vittal spoke with AdExchanger.

AdExchanger: A year and a half ago, Adobe didn’t have a CDP. Why now?

SURESH VITTAL: We’re in the CDP business because our customers have taken us there. Customers suffer from three big challenges: data fragmentation, delivering smart, contextual experiences and data governance.

We could hear the drum beating for this technology to collect, manage and orchestrate first-party data, and we’re responding.

How interoperable is your CDP? Marketing cloud products don’t have a reputation for being agnostic.

We’ve always been in the business of helping customers solve problems through deploying applications. But we had to step away from the applications mindset and begin to think more like a platform.

Adobe product data is available in the CDP and we have simple SDKs and connectors so they can bring in data from any system, whether that’s Google and DoubleClick, or pushing data into Facebook and Twitter. Customers can push data out of their homegrown loyalty systems or data from their Salesforce CRM instance into our CDP.

It’s been fundamental to our thinking that we don’t want customers to feel boxed into an Adobe-only CDP. For example, we’ve agreed to put our common data experience model into the public domain so that any developer or

partner can go to GitHub, pull a request, add to it, extend it and use it as the source of a definitional truth for customer experiences and customer data.

How many of your existing customers are also using your CDP?

We have more than 40 customers using the CDP since it was GA about a year and a half ago. But we have several thousand customers using different parts of the CDP. The CDP is made up of many different components, from the sources, connectors and the endpoints that we push data into, to the data stack where all of the transformation happens.

For instance, our client-side data collection service, which helps bring data into the platform, is being leveraged by over 2,000 customers. Our profile service is used by multiple hundreds of customers. Our identity graph is used across our entire install base of 6,000-plus customers.

Is the CDP a sweetener to attract new customers?

I'm not sure I'd describe it as a sweetener or an entry product, but I would say that if customers have data management problems, we have a meaningful solution for them. And if they only ever choose to use one component of our CDP, we would be perfectly happy with that.

Who do you consider your competitors in the CDP space?

This is a hot space right now and there are a lot of startups emerging for that reason who make the case that they're fixing the problems that others have created. They can say that because they don't have a legacy. We appear on a lot of RFPs and we run into multiple of those smaller companies. We also run into the "marketing clouds," which I'll put in air quotes, and the largest technology shops.

But I'd say that by far the biggest "competition," which I'll also put in air quotes, because I don't really view them as competitive, is marketers that have built their own data management environments.

What is one way that Adobe's CDP differentiates itself from the "competition?"

We're probably the only CDP in the market that allows brands to swap our ID graph for their own. It's like identity-as-a-service.

For example, our customers can use our CDP to train their models against our data. Most CDPs will express a couple of scoring methodologies, but we open it up to the customer. If they want to bring in a data robot or data from Azure computing services or anything, we'll support that at scale on the edge.

Why did Adobe decide to build its CDP rather than acquire something, and will you buy anything to bolster your offering down the line?

Build vs. buy vs. partner is an ongoing dialogue. We're always looking for speed to market. We don't have build-it-here syndrome. We also know that we need to support a broad ecosystem of partners.

With that in mind, you'll see us build the things we feel are instrumental to the success of the CDP, and you'll see us strike many partnerships. And, in the right moment, there are always other options on the table.

This interview has been edited and condensed.

SoftBank-Owned Treasure Data On The Nascent But Growing Opportunity Of IoT

by Allison Schiff // October 2020

Treasure Data is betting that the internet of things (IoT) is the next frontier for customer data platforms.

“CDP as a category exists because there is so much activity-level data to take advantage of,” said CEO Pankaj Tibrewal. “We predict that more and more of that data is going to come from physical devices.”

Tibrewal was appointed CEO last week after joining the company as VP of product in 2017 at a time when “the large marketing clouds didn’t even acknowledge the need for a CDP, and even analysts were of two minds as to whether CDP is a stand-alone category,” he said.

Now, the marketing clouds are busily building out CDP solutions, which are becoming a fundamental piece of the marketing stack.

Two years ago, Treasure Data was acquired for \$600 million by ARM, a British semiconductor company purchased by SoftBank in 2016 for \$32 billion. In September, United States chipmaker Nvidia agreed to acquire ARM for \$40 billion in a deal that doesn’t include Treasure Data, which will now operate as an independent company owned by SoftBank.

Treasure Data has more than 400 customers, including Subaru, AB InBev, Kirin, Black & Decker, Canon, LG, Wish, Mattel, Muji, Yamaha and Dentsu. The company has 425 employees, with nearly 200 in engineering and product development.

Tibrewal spoke with AdExchanger.

AdExchanger: Back when ARM was Treasure Data’s parent company, why did it make sense for a semiconductor firm to own a customer data platform?

PANKAJ TIBREWAL: Treasure Data’s heritage is in big data platforms. More recently, we focused on being a CDP. ARM had been thinking about extending beyond its scope in semiconductors by building a device-to-data platform, which is something that we were doing. In other words, bringing in data from IoT devices and powering applications on top.

The reason we were spun off is because the CDP space is exploding and we’re the only enterprise-grade independent CDP on the market. Although we were spun off from ARM, we’re still owned by SoftBank, and SoftBank recognizes the CDP opportunity.

What data sources do you commonly connect?

It starts with web activity, mobile app behavior and transaction data, and most of our customers have some sort of unique data set they’re tapping into so as to try and be competitive, particularly with digital companies. For example, we have a CPG customer with 75 years’ worth of loyalty data that they’ve put into our platform.

And we're strong with IoT data. We have some consumer electronics companies that bring in data from TVs and refrigerators, and companies that bring in car telematics data. Our strength is in having hundreds of connections and in allowing customers to bring any type of data together and make it actionable.

Do you have customers that are actually using the data they collect from fridges and cars?

When you can get all of these data sources together in one place, you can bring intelligence to every interaction and step in the customer journey. For an auto company, for example, a person's acceleration profile is a huge indicator of their preferences. And if a consumer drives aggressively and accelerates and brakes a lot, it might be time to start showing offers for a new car. Some early adopter brands are starting to do this, including our client Subaru.

Who is your typical customer, and what is the main problem they're trying to solve?

It's companies, both B2C and B2B, with lots of data in different places and across multiple touchpoints that want to bring this data together to generate insights and intelligence.

In terms of verticals, it's retail, CPG - which is a category that generally wants to do more DTC manufacturing - automotive and financial services.

How long does it take to onboard a new customer?

Anywhere from a few weeks to a couple of months, but it can vary dramatically. One of our key differentiators is that we have solutions engineers and a professional services team that's able to help customers derive value in as short a time as possible. We start with the lowest-hanging fruit, which means we're able to get the first use cases up and running in a matter of weeks.

Low-hanging fruit, such as?

One example is the duplication of customer profiles. If a company has 20 million profiles, after unifying them we might find that 3 or 4 million are duplicates. We can immediately suppress them so that you're not hitting the same consumer twice with the same advertising. The value of that use case is apparent very quickly.

How else do you differentiate beyond speed to value?

Through IoT data and by bringing data management and customer experience management together into one platform. Customers also can bring in data without definitions and start running queries right away.

And we're enterprise grade. Some of our largest customers are deploying us in more than a hundred countries. We help them create a central data set which can be made available to tens or hundreds of teams in a secure and easy manner.

Who are your biggest competitors?

At this point, it's only really the largest marketing clouds, because we focus on the enterprise and the Global 2000.

We see Adobe and Salesforce more than Oracle.

This interview has been edited and condensed.

BlueConic: You're Not A CDP If You Outsource Data Management

by Allison Schiff // November 2020

The marketing clouds are taking up a lot of mindshare as they belatedly foray into the CDP category.

But “you’d be surprised at the number of RFPs we’re involved in where the company already has a Salesforce Marketing Cloud implementation and yet they’re still looking for a CDP,” said Cory Munchbach, chief operating officer at customer data platform BlueConic.

Officially, that puts BlueConic in competition with the marketing clouds, but it’s far from an apples-to-apples comparison, she said.

“The marketing clouds don’t have a shared backend data infrastructure across the disparate functions and tools they’ve purchased over the years,” said Munchbach, who joined BlueConic in 2015 after nearly five years as an analyst at Forrester.

“It’s an architectural choice that sets CDPs apart from the marketing clouds,” she said. “A CDP isn’t just an analysis tool or another database; we’re designed to bring data to marketers in a way that aligns with their use cases.”

BlueConic has more than 300 customers globally, including Bob’s Discount Furniture, Moen, T-Mobile, ING, Hearst, The Boston Globe and National Review. The company has 100 employees, with roughly 35% on the product team, and raised a \$12.8 million Series B in January, bringing its total funding to \$25 million.

Munchbach spoke with AdExchanger.

AdExchanger: Did BlueConic start as a CDP from Day One?

CORY MUNCHBACH: We were a CDP before we had the language to describe it, and we exist because there’s always been a huge chasm between first-party data assets. This has been a problem, whether you want to be able to do personalization in the moment or you need to know your customer’s backstory so you can know what to do next.

Web and mobile are the most problematic journeys because they move so quickly. People advance through the journey in a matter of seconds. Other marketing channels – email, for example – don’t have quite that level of intensity.

BlueConic was always about increasing the adjacency of that data to where it’s being activated.

Who is your typical customer, and what problems are they trying to solve?

It’s mainly B2C marketers with a lot of first-party data that’s often coming in from different places and they don’t have a good grip on it. We’re strong in publishing, manufacturing, DTC and brick-and-mortar, but our sweet spot is multi-region organizations with multiple brands, diverse marketing programs and a structural divide in how their data is organized.

Are any of your clients looking for help with data governance, particularly as privacy and data security become bigger issues?

It's becoming high on the priority list of requirements for CDPs and it's come up in every evaluation we've been a part of over the past 12 to 18 months. Marketing plays a big role here. I can see a world in which we need to collect consent on a much more regular basis than a one-time opt-out for cookies.

We have a Belgian multibrand client that has 37,000 profiles in a database that they're able to update with consent information in milliseconds. That means they can respond to requests with a high level of granularity without disrupting the customer experience. Data governance is about winning the front end - and the back end - of data management.

What does the death of the third-party cookie mean for CDPs?

The CDP is one piece of this puzzle. The death of third-party cookies will create a significant ripple effect in terms of how marketers need to think about consumer engagement, and that is going to start with accurate, consented data that gets treated like the asset it is.

How long does it take to onboard a new customer?

For enterprise brands, the average implementation is three to four months. For small to midsize organizations with less complex data and fewer data sources, it can be six to eight weeks.

But I really like the idea of measuring this in a more nuanced way. There's time to access, which is how quickly we can get the data in your hands, which is usually a matter of weeks. But the more important question is time to value - how long until you see an impact on operational efficiency outside of improving the core marketing metrics. I'd love to be in a world where we're judged on metrics beyond improving CTR or dollars per email.

Better data equals better outcomes - that's a 2010-era argument. Now, we need to think more strategically about improving the operational metrics of a business. For example, can I do this at scale? Can I free up a marketer's time? The time-to-value conversation is one that we're having a lot more these days in light of COVID.

As a former analyst, you've got a well-honed BS detector. What are the telltale signs of a company claiming to be a CDP, but that isn't really one?

Where do you store the data and are you actually managing the data or is that outsourced? If you don't have a database or an infrastructure to access it directly, then you're not a CDP.

Another big piece of this is how much is available out of the box. We see a lot of marketing service providers claiming to be a CDP ... but then it's, oh yeah, we just have to build everything for you first if it's going to work.

This interview has been edited and condensed.

Further reading:

Advertiser Perceptions: Marketing Clouds Dominate The CDP Category, But There's More To That Story

by Allison Schiff // January 2021

Over half (52%) of marketers say that they use Salesforce or Microsoft as their customer data platform, according to the most recent Advertiser Perceptions report on the CDP market.

Clear evidence that the marketing clouds are dominating the CDP category ... right?

Here are a few grains of salt. For one, when Advertiser Perceptions conducted its research in Q3 of last year, Salesforce had yet to make its CDP generally available. That didn't happen until October. Before then, advertisers just thought they were using it because Salesforce spent well over a year ballyhooing the arrival of its forthcoming CDP offering.

On top of that, the nomenclature that Salesforce and Microsoft use for their respective CDPs - Customer 360 Audiences and Dynamics 365 Customer Insights, respectively - is so similar that it's entirely possible advertisers conflated the two products when they were asked about them.

It's a great example of the problem that's been dogging CDPs since the start: ongoing category confusion.

"Part of it has to do with the fact that this is a nascent market," said Stu Schneiderman, SVP of business intelligence at Advertiser Perceptions. "But it's also because independent CDPs just haven't done enough marketing and education."

Clouding the issue

If independent CDPs don't do a better job of differentiating themselves both from the marketing clouds and from each other, the clouds will keep on grabbing the lion's share of mindshare.

The vast majority of marketers say they are either "very familiar" or "somewhat familiar" with marketing cloud CDPs, including 89% for Salesforce, 88% for Microsoft, 87% apiece for Oracle and Adobe and 75% for SAP.

The next nearest CDP that marketers say they're either very or somewhat familiar with is Tealium at 44%, followed by Segment (42%), ActionIQ (35%), AgilOne (35%) and Treasure Data (33%).

But it's a much different - nearly inverted - Top 10 list, when marketers are asked about their level of satisfaction with CDPs that they've either tested or used.

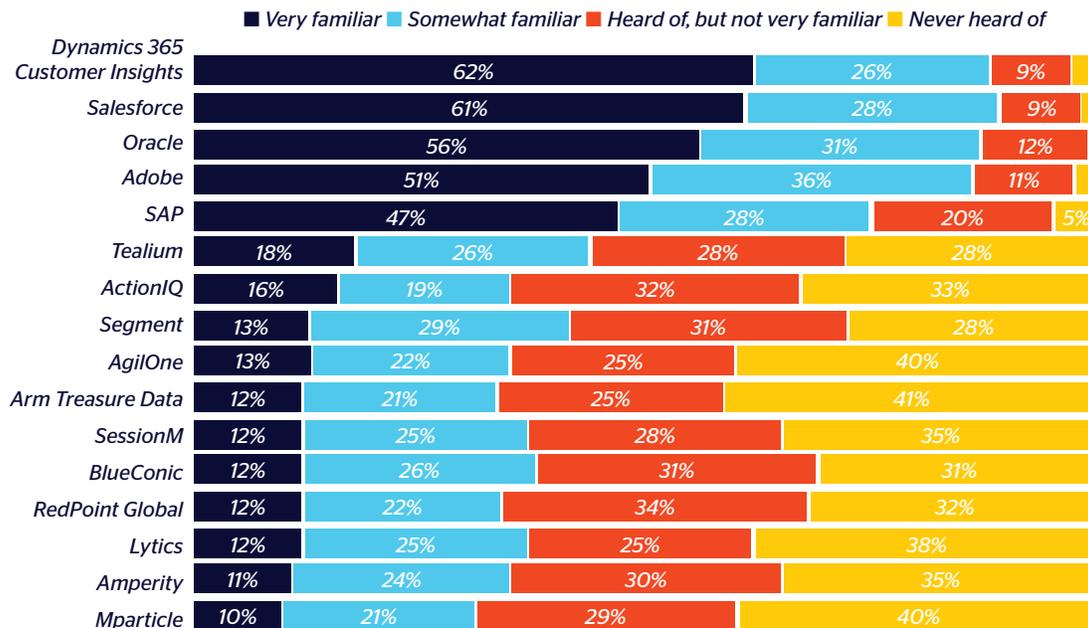
While 70% of marketers said that they were satisfied with Microsoft and 65% with Salesforce, 75% said that they were pleased with ActionIQ, 68% with AgilOne and 66% with Tealium. Amperity and mParticle - the two independent CDPs

that marketers say they're the least familiar with - also have healthy satisfaction rates, at 68% and 69%.

It's "a tale of two cities," Schneiderman said, "[with] little consistency from market perception to traction."

"Look at market traction, and it's all about the biggest clouds," he said. "But when you get into the criteria and into how they perform, it's the rise of the indies."

Marketers and tech professionals claim greatest familiarity with big marketing clouds



Source: Advertiser Perceptions CDP Report, Wave 2, 2020
 Q: How familiar are you with the following company's Customer data Platforms (CDPs)? Base: Total Respondents

CDP FUD

The dynamic that's playing out in the CDP space right now is not all that dissimilar from what's been happening in the DSP and SSP markets, where big names lead with guest appearances by a few independent standouts.

Fast forward a year or two, and the most likely scenario to play out will be that a few of the marketing clouds will end up delivering on their CDP promise trailed by two or three indie CDPs that rise to the top, said Kevin Mannion, president and chief strategy officer at Advertiser Perceptions.

It'll remain hard for the indies to break in, though.

Marketers who feel overwhelmed by the category, unsure of how to proceed - classic symptoms of FUD (fear, uncertainty and doubt) - and/or already have a preexisting relationship with one of the marketing clouds will probably continue gravitating toward the familiar, Schneiderman said.

"If an advertiser is an Adobe shop, for example, it's hard for them to go elsewhere," he said. "They might evaluate other platforms, they might have mixed feelings because they know that there's something out there that's probably better

for them - and yet at the same time they're already so tied into a marketing cloud from an implementation standpoint and an activation standpoint.”

DMPs in the dumps

But regardless of who the winners and losers wind up being in the CDP category, there's drama playing out in another sector of the market. Data management platforms are in trouble, Mannion said.

According to Advertiser Perceptions, marketers say it's the technology they're most likely to phase out in favor of a CDP, a higher rip-out rate than either ERP software, data warehouses or data lakes.

The perceived importance of DMPs has markedly declined between the first Advertiser Perception report on the CDP category in Dec. 2019 and the second in June of last year.

In June 2020, 35% of marketers said that their DMP had become “more important” since onboarding a CDP, down from 59% the previous winter.

And when asked if their DMP had become “less important” after bringing on a CDP? No respondents said “yes” in Dec. 2019, compared with 12% just six months later, yet another sign that the rise of CDP technology is occurring as DMP technology falls out of favor.

Wyndham Hotels Harnesses New Customer Insights To Weather The Pandemic

by Ryan Joe // December 2020

The COVID payload devastated any business that involved people being in contact with other people.

So it was not the most fortuitous timing when Wyndham Hotels kicked off a massive customer data platform (CDP) implementation in late February, about two weeks before the pandemic shut down the United States.

Or maybe it was.

One of the first functions Wyndham brought to life when it cranked up its Amperity CDP was the ability to use its insights to tweak its media spend. “Over 90% of our media dollars are being leveraged and deployed against the audience strategy we’re pulling out of Amperity,” said Wyndham EVP and CMO Lisa Checchio.

Wyndham’s portfolio includes, among many others, upscale boutiques like Esplendor, high-end chains like Dolce, midrange hotels Ramada and La Quinta, and motels Super 8 and Days Inn.

And like every other advertiser in America, Wyndham had to rethink how it spent its marketing dollars as America entered a prolonged shutdown. “We had to reduce our spend to flex to the demand that was out there,” Checchio told AdExchanger.

And as demand has started to trickle back, though still nowhere near pre-COVID levels, Wyndham can identify trends and reach out to consumers who are slowly exhibiting more willingness to travel.

“Our ability to anticipate and capture demand as it returns is our competitive advantage,” Checchio said. The ability to trendspot will be critical for Wyndham as the hotel industry edges toward recovery, as the CDP lets Wyndham validate and act on larger industry trends.

For instance, surveys toward the end of summer showed a macro-industry trend where consumers would drive to nearby attractions for leisure travel. Wyndham validated the trend itself and got even more granular, figuring out where guests were located, where they were traveling to, how many miles they traveled - which enabled the chain to speak to them in a more personalized way.

That insight changed the way Wyndham thought about its campaigns. For its Fall campaign, for instance, Wyndham would traditionally purchase inventory at a national or market level. This year, it did so on a customer-lead level, where it messaged and responded to certain audiences like lookalikes or travel intenders.

“It’s the ability to really know when you’re marketing or speaking to a customer, you’re speaking to someone who will take action based on what you’re sending to them,” Checchio said.

That ability to spot and act on trends has been big during the pandemic, said Amperity CEO Kabir Shahani.

“Usage in the software has gone up at least 35% if not more,” he said. “It’s been interesting to see customers use it every day, because they’re trying to find the trends and predict what’s happening.”

Of course, when Wyndham invested in the Amperity CDP, it did not expect to put it through the rigors of marketing in a pandemic.

Wyndham was advantaged because it already had a pretty good grasp of its data, even pre-CDP. It had a large loyalty program with about 85 million customers, and was well-versed in sending personalized messages.

But Wyndham did have gaps in its knowledge. It knew, for instance, that loyalty members wouldn’t always book with their membership number, and of course many customers who weren’t loyalty members would book a stay – and Wyndham needed the intelligence to tie those more anonymous visitors to a golden record.

As Checchio and the rest of Wyndham’s brass saw it, adding these capabilities would be a win for customers, who’d get more personalized service, it’d be a win for Wyndham, and it would also be a win for Wyndham’s franchisees.

After all, Wyndham’s marketing team had a primary goal: deliver as many bookings as possible to its franchisees through direct channels – the most profitable channel.

But because Wyndham already had a lot of customer data, it needed a flexible CDP that could complement its existing marketing tech stack, and one that could ingest large data sets with little investment in tech infrastructure.

It kicked off the project with Amperity in late February at its Parsippany, NJ headquarters. Two weeks later, that office closed – as did many offices in the United States. But four months later, Wyndham had Amperity up and running.

A year or two ago, when the term “CDP” was coming into vogue, prospective clients had this illusion – perhaps pushed by CDP vendors – that the platform would magically sort out their data. That line of thinking led to many failed deployments and today it seems canner marketers who are satisfied with their technology have a better grasp of their goals.

“Most customers understand the problem they have,” said Amperity’s Shahani. “That’s been the big shift in the CDP market.”

Customer Data Platforms: Winning And Failing At The Same Time

by AdExchanger // January 2021

by Tasso Argyros, CEO and founder of ActionIQ

The pandemic has disrupted every industry, forcing far too many businesses to shut their doors. But when it comes to digital transformation, COVID-19 has proven to be the Great Catalyst, accelerating digitization and customer experience investment in many industries.

Much of the most recent progress in this vein has been driven by customer data platform (CDP) development and implementation.

Yet when I talk to people in the industry, I often get the question: Are CDPs for real or are they just overhyped technology that will flop in a year or two?

This question reveals a giant problem facing our industry right now. CDPs have a trust issue that will not go away without determined action from respected technology analysts.

Problem vs. solution

I often say that the excitement surrounding CDPs has more to do with the problem they aim to solve rather than the solution itself.

Over the past 10 years, we've cycled through several iterations of the big data promise, starting with Hadoop, moving right along to scalable data warehouses, such as Aster Data or Vertica and, more recently, to cloud databases, including Amazon Redshift, Google BigQuery and Snowflake.

Although the tech has evolved, the fatal flaw remains: They all require an army of engineers to get any value out of them. And despite hefty investment in people and tech, marketing technologies, such as email service providers, were still unable to tap directly into the data stored in a data lake because of problems related to scale, data format and data quality.

So, big data let us down.

Let's move on to the next purported savior in line: the big marketing cloud vendors who promise to easily put all your data in the cloud. That myth was debunked by the marketing clouds themselves – when Adobe and Salesforce announced plans to develop CDP solutions of their own. That was nearly two years ago ... we're still waiting.

The upshot is that the traditional approaches have failed.

But the growing demand for CDPs has supplied a problem of its own: too many vendors muddying the waters, self-classifying as CDPs when in reality they are something else entirely.

Take Segment, which recently sold for \$3.2B.

Segment was originally designed simply to send data from a webpage to analytics vendors, such as Google Analytics. In fact, Segment's first product was aptly called "Analytics.js." Segment, and a handful of similar "CDPs," actually have their roots in a different category - that of tag managers. But these self-described CDPs are missing key components of CDP technology, including the ability to provide historical analysis of customer behavior and the ability to easily connect offline data. Both key requirements for "real" CDPs.

There are many more examples of vendors that are purely ID resolution or web personalization tools but prefer to position themselves as CDPs to benefit from the hype. These are usually the same vendors that you hear about when someone has had a bad experience with a CDP, and the reason is obvious. Their capabilities do not match the full package that comprises a genuine CDP.

This leads to an erosion of trust that is damaging to the category.

Analyze this

Which brings us to the people who are supposed to help us with this situation: technology analysts. An analyst's primary responsibility is to help organizations make informed decisions and shortcut their path to success.

To be fair, the analyst community has put out some great CDP content. Gartner's "Smart Hub vs. Dumb Spokes" model, for example, accurately describes the customer tech stack of the future with a smart hub CDP at the center. But although Gartner's description of the different parts of a CDP may be accurate enough to provide a framework, the challenge remains that it's too easy for vendors to simply "check the box" without truly satisfying the criteria that really matters.

Which begs the question, why aren't trusted analysts, such as Gartner and Forrester, taking a strong position?

It's an important question with no obvious answer. What is clear, however, is that this silence is doing a disservice to the market.

If analysts fail to properly classify CDPs for the industry, then their clients - the end-user organizations - will suffer from making poorly informed choices. It's a slippery slope from there as enterprise companies are able to then delay improvements that would lead to better customer experience, revenue and retention.

The cost of analysts not fulfilling their crucial role is therefore huge, and the impact goes beyond CDP vendors to the reputation of the technology analysts themselves.

They have the power and, I would argue, the responsibility, to preempt further damage. In the meantime, my advice to buyers is to do their research, talk to client references to understand how technologies are used in practice and to demand that their analysts take a position and provide clearer and much-needed guidance.

Follow ActionIQ (@ActionIQinc) and AdExchanger (@adexchanger) on Twitter.

The Big Story: CDPs Get Real

by Ryan Joe // October 2020

It's time for an exciting new acronym: CDP.

But what makes it exciting? Is it the promise - delivered for only the thousandth time this decade - that marketers can finally unify their customer data?

No, what makes it exciting is \$3.2 billion (in stock). That's how much Twilio paid to grab the CDP Segment earlier this week.

On this episode of The Big Story, we'll talk about the CDP landscape with our special guest: Forrester VP and principal analyst Joe Stanhope.

Not to pour cold water on a potentially hot business opportunity, but it seems like the Twilio acquisition of Segment is more of an anomaly than a precursor to a flurry of M&A activity. We'll talk about why Twilio wanted Segment specifically.

We'll also talk about why the enterprise clouds Oracle, Microsoft, Salesforce, Adobe and, most recently, SAP are all getting into the CDP space - and why they're building rather than buying their way in. And while they might be late entrants into CDP country, they all have significant advantages vs. the startups, namely deep pockets, trust and a boatload of execution technology they've owned for years.

On the other hand, the clouds have been teasing integration for decades. So is the promise of a CDP just the latest iteration of a promise that never came to fruition?

Take a listen [here](#). 

<https://www.adexchanger.com/podcast/the-big-story/the-big-story-cdps-get-real/>