

CUSTOMER DATA EXCELLENCE

How successful marketers are harnessing the power of CDPs to provide exceptional customer experiences and optimized data-driven initiatives



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**LONDON
RESEARCH**

London Research, set up by former Econsultancy research director Linus Gregoriadis, is focused on producing research-based content for B2B audiences. We are based in London, but our approach and outlook are very much international.

We work predominantly, but not exclusively, with marketing technology (martech) vendors and agencies seeking to tell a compelling story based on robust research and insightful data points.

As part of Communitize Ltd, we work closely with our sister companies Digital Doughnut (a global community of more than 1.5 million marketers) and Demand Exchange (a lead generation platform), both to syndicate our research and generate high-quality leads.

For more information, visit <https://londonresearch.com>.


BlueVenn

BlueVenn is a Customer Data Platform and Omnichannel Marketing Automation technology vendor with over 400 customers worldwide, and a 30-year history providing its data-driven marketing solutions to B2C and B2B brands to improve their data management, customer analytics and cross-channel marketing capabilities.

BlueVenn empowers organizations to optimize their data-driven marketing potential with marketer-friendly customer analytics, segmentation and predictive modeling tools, underpinned by an optimized data foundation through its customer data platform, which unifies and de-duplicates online and offline data across the enterprise to create a single customer view (SCV).

Uniquely for a CDP, BlueVenn has advanced customer journey automation tools to activate the SCV through the automation and orchestration of cross-channel, personalized campaigns, and consistently delivers millions in additional revenue for clients through measurable uplifts in cross-sell, up-sell, retention and acquisition programs.

For more information, visit <https://www.bluevenn.com>.

**ABOUT
THE AUTHORS**


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Martech Director, Customer Experience
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A marketer at heart but with a passion for designing and delivering technology-led marketing solutions that add value for consumers and deliver competitive advantage (and profits) to brand owners. Andrew has more than 25 years of experience leveraging technology to deliver marketing goals, including executive management roles both client-side and supply-side. He has a proven track record helping to grow brands and businesses, translating marketing theory into improved bottom-line performance, developing marketing strategy, and delivering high-payback marketing programs. He firmly believes that brands need skilled, experienced marketers with the vision, creativity, consumer focus and technical literacy to deliver game-changing marketing solutions. Andrew has the grey hairs, youthful enthusiasm and professional ambition to ride these waves - and enjoy the thrill and exhilaration of it all!



Linus Gregoriadis
Director,
London Research

Linus, an experienced digital marketing and ecommerce analyst, is the Co-founder and Director of London Research, which was launched in 2017. London Research is a sister company to Digital Doughnut, the world's largest community of marketers and digital professionals, and also to Demand Exchange, an advanced B2B lead generation platform. Linus previously spent more than a decade setting up and building the research function at Econsultancy, a digital research and training company now owned by Centaur Media. After leaving Econsultancy, where he oversaw the production of hundreds of survey-based trends reports, buyers' guides and best practice guides, he launched ClickZ Intelligence for B2B media company Contentive. Linus holds degrees from the University of Oxford and Cranfield School of Management.



Foreword by BlueVenn



Steve Klin
CEO
BlueVenn

Customer Data Platforms (CDPs) are enabling organizations to lay the necessary data foundations to improve the customer experience, and put customers at the heart of their business strategy. By unifying data touchpoints from across the online and offline world, CDPs ensure that brands base their marketing activities and results on reliable, comprehensive and trustworthy facts, whilst also giving marketers full access to all the data they need to be leaders in customer experience.

This report by London Research highlights that organizations who have already deployed a CDP have significantly outperformed their business goals in 2018, versus those that have not already done so. When you consider that CDP-equipped organizations are three more times likely to deliver personalization at scale, execute cross-channel marketing from a single technology platform, utilize attribution and optimize paid media performance effectively, it means that the results from this Customer Data Excellence survey will provide a compelling justification for marketers to push for investment in a CDP.

The creation of a unified customer database was traditionally reserved for enterprise-sized businesses due to cost and complexity. A CDP now puts optimal data management into the hands of any business that has recognized the profitable benefits of putting in place an optimized customer experience strategy.

As the Customer Data Maturity Model in this report shows, the need to create a Unified Customer Profile is the primary stage that fuels all the aspirational requirements of a personalized, cross-channel and insights-based marketing strategy. With his vast experience, Andrew Campbell, the originator of this maturity model, understands better than most the strategies that brands are trying to achieve and the issues that arise when the foundations are not in place.

At BlueVenn we can be seen as a CDP vendor, a customer analytics and predictive modeling tool, or a cross-channel marketing automation solution. However, none of the analytics, attribution models or personalization tactics will fully succeed when based on bad facts and a fragmented data foundation. That is why BlueVenn is focused on the cleansing, de-duplication and unification of data sources to enable our clients to achieve the business goals they aspire towards through all their database marketing programs.

The seven-stage maturity model accurately plots key marketing strategies in a hierarchy towards the optimal use of AI and machine learning, and hopefully will enable marketers to layer their marketing investments logically and practically, with a CDP-enabled unified customer profile as the primary requirement to get to any of the following stages.

We're delighted to be part of this research and I hope that it provides value to you.



Executive summary

The Customer Data Excellence report, produced by London Research in partnership with BlueVenn, looks at how companies are harnessing customer data platforms (CDPs) to provide better customer experiences and improved business performance.

Our global survey of almost 200 companies with annual revenues of at least \$50m found that more than half (51%) are already using a CDP, while another third (35%) are planning to invest in one.

While the US is the leading market for CDPs, the rest of the world is catching up. Business-to-consumer organizations are outstripping business-to-business companies in their use of CDPs and data-driven marketing solutions.

The research shows a clear link between CDP deployment and business success, with CDP owners two and a half times more likely to have significantly outperformed against their organization's main marketing goal in 2018.

This research finds that companies with a CDP are significantly more likely than their peers to have a range of data-driven marketing capabilities relating to people, processes and technology.



Most notably, respondents at CDP-equipped organizations are at least three times more likely than those at other companies to agree firmly that they have the following attributes:

- A full view of their customers across digital and offline interactions with their brand (41% vs. 5%).
- Use of attribution beyond first/last-click to improve their paid media performance (31% vs. 6%).
- Use of machine learning for real-time decisioning / data analytics (26% vs. 6%).
- Ability to deliver real-time personalization of content based on visitor behavior (36% vs. 8%).
- Testing and optimization capabilities that are central to their website and email strategies (40% vs. 13%).
- Ability to set up and execute multichannel campaigns from a single technology platform (38% vs. 12%).

As part of this research we have developed a seven-stage Customer Data Maturity Model (page 13) to help give marketers greater clarity and structure around what they are trying to achieve with a CDP. This maturity model is aimed at helping marketers:

- Define and prioritize their customer experience requirements
- Rigorously translate these into customer data requirements
- Audit their current capabilities
- Define a data and technology roadmap aligned to their business goals
- Adopt an integrated approach to leveraging (and monetizing) customer data
- Identify and unlock synergies across their marketing programs

A view from the CDP Institute



David Raab
Founder
CDP Institute

This report sheds new light on the CDP industry, confirming some assumptions and challenging others. As expected, we find that CDPs are more widely deployed in North America than elsewhere, are more common among larger organizations than small ones, and are (slightly) more used by B2C than B2B businesses. Those findings suggest there is considerable room for expansion as the industry grows beyond its initial base.

We also see that the most successful organizations – in terms of exceeding their marketing goals – are more likely to use CDPs. Such findings don't directly answer the question of causation: did these organizations succeed because of their CDP or did they deploy a CDP because they were already well run? There's some evidence for the latter view, in that CDP users are more likely to display other evidence of data management maturity: data champions, data strategy and marketing-run customer data management.

A CDP is a natural complement to those achievements and no doubt magnifies their benefits. Similarly, CDP users are more likely to be advanced users of attribution, paid and owned media, analytics, cross-channel orchestration, and outbound channel optimization. Again, we can conclude that the CDP is both evidence of maturity and an important tool for taking advantage of it.

One less expected finding is that CDPs are especially common among firms that prioritize engagement/lead nurturing as a top marketing focus: 25% of CDP users cite that focus, compared with just 13% of non-CDP users (*Figure 5*, page 11). The differences are much smaller for companies that prioritize the previous stage in the customer journey (online visibility/lead generation) or the subsequent stages (conversion/purchase and retention/repeat purchase). This highlights the fundamental nature of the CDP, which is to unify information about known customers. They're less relevant before customers are known (in the online visibility/lead generation stage) and less important as the relationship becomes deeper (when interactions move to transaction systems with detailed customer information of their own).

These findings should be viewed as part of the same big picture. While the CDP fills a particular gap in helping companies to engage new prospects (after they've identified themselves but before they become customers), it is also part of a complete customer data management capability that supports all phases of the customer relationship. In short, the CDP is a foundational technology that supplements and improves all customer data activities. Any company that takes its customer data seriously will probably have one.

METHODOLOGY

This customer data management report is based on a global survey of 194 organizations with annual revenues of at least \$50m. The survey, carried out in March 2019, was publicized through LinkedIn and dedicated emails sent out by London Research and its sister company, Digital Doughnut.

Respondents who qualified for the survey were those working client-side for both business-to-business (B2B) and business-to-consumer (B2C) organizations across a range of business sectors.

More than two-thirds (70%) of the survey sample are based in the United States, and a further 10% are in the United Kingdom.

Please see the appendix of this report (*Section 6*) for further information about the profile of survey respondents, including company sector, annual revenues and level of seniority.

Section 1:

CDPs come of age



Multiple studies from research firm Forrester and others have established and quantified the correlation between customer experience (CX) excellence and business performance. A 2018 report¹ revealed that organizations adopting a 'cross-team approach with the customer at the heart of all initiatives' were nearly twice as likely to have exceeded their top business goal by a significant margin.

Understanding this correlation is a prerequisite for making intelligent investments in CX capabilities and delivering the unified experiences customers have come to expect. They want brands to know who they are, how they like to shop, what their interests and preferences are, and what matters to them – at every point of interaction, across all channels and ideally, in real time.

However, delivering against these ever-increasing consumer expectations can be incredibly difficult, as the vaunted 'single customer view' has, for many organizations, been more of a dream than a reality. In many cases, a lack of adequate tools and processes stifles progress.

This is where customer data platforms (CDPs) come into play. They have been heralded as the answer to a perennial marketing problem: fragmented, dispersed data that is either inaccessible to marketers or disorganized, and often lacks context. CDPs have quickly become part of the marketing vernacular as they have the potential to create a single source of customer truth to help brands deliver consistent, targeted and contextually relevant experiences across channels.

According to the Customer Data Platform Institute's RealCDP certification program, a CDP needs to have the following five capabilities to be classed as such:

- Ingest data from any source
- Capture full detail of ingested data

- Store ingested data indefinitely (subject to privacy constraints)
- Create unified profiles of identified individuals
- Share data with any system that needs it

To put customer data platforms into context, it's worth looking at the high-level architecture of a marketing technology stack. It is best understood as a tiered model with several layers. The data management layer is the core, foundational component upon which the various application layers are built. While data abounds, the data itself has no immediate applicable value; it needs to be integrated, refined and put into context to become useful. This process starts in the data management layer, which underpins everything else and is the primary requirement of a CDP.

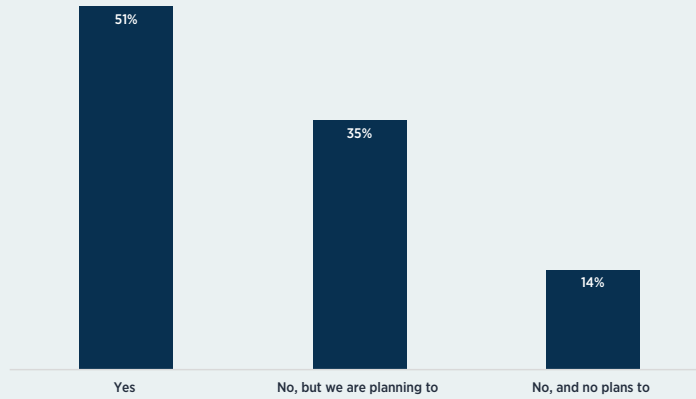
As such, investment in a CDP is strategically significant and has a major bearing on business success. However, it is not a silver bullet solution that will itself deliver immediate business results – no matter how well it is deployed. It needs to be integrated with the other components of the marketing technology stack which can then leverage the consolidated, cross-channel, cross-device data model it supports.

Gartner's latest Hype Cycle for Digital Marketing and Advertising² sees customer data platforms as nearing the 'peak of inflated expectations.' From here, technologies can either fall by the wayside or become part of the essential marketing toolkit, consistently delivering business results. Given the prominence of CX and a more rigorous, data-driven approach in marketing strategies, an emphasis on performance-based campaigns and the high level of investment by tech vendors, the prospects look good for rapid progress up the 'slope of enlightenment'.

1. <https://econsultancy.com/reports/digital-intelligence-briefing-2018-digital-trends/>

2. <https://www.gartner.com/smarterwithgartner/3-insights-from-gartner-hype-cycle-for-digital-marketing-and-advertising-2018/>

FIGURE 1
Are you currently using a customer data platform (CDP)?



Just over half of companies claim to be using a customer data platform.

Our research certainly suggests that customer data platforms are here to stay, and deliver on their primary need to unify customer data and help provide consistently positive customer experiences across all touchpoints and channels.

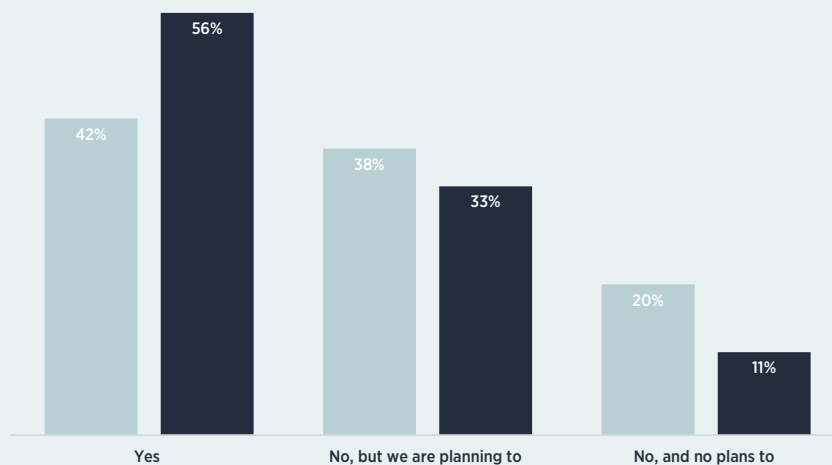
Adoption among the businesses surveyed for this report (with annual revenues of at least \$50m) is high: over half (51%) of respondents are already using a CDP, while another third (35%) are planning to invest in one (Figure 1). While this adoption rate is high, it should be noted that research published by Gartner last year found that half of companies claiming to use a CDP said that this was their CRM³, suggesting a significant level of confusion in the marketplace. A significant number

of companies may also be using vendors who describe themselves as CDPs, but who do not fulfill the RealCDP criteria summarized above.

For the largest organizations, stated adoption is even higher, with 56% of companies that have annual revenues of at least half a billion dollars having a CDP in place (Figure 2).

3. <https://www.gartner.com/en/documents/3893664>

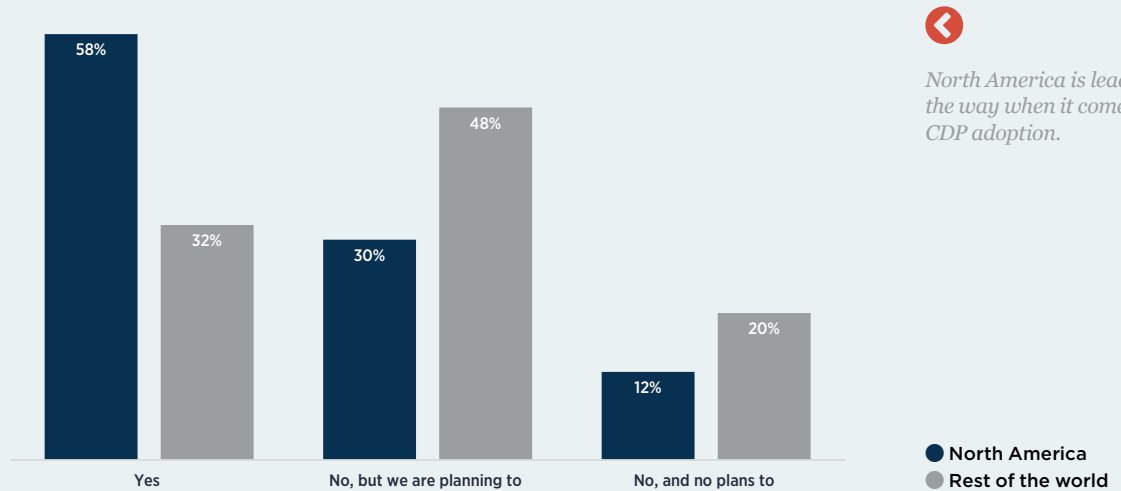
FIGURE 2
Are you currently using a customer data platform (CDP)?



Larger organizations are significantly more likely to be using a CDP.

- Organizations with annual revenues of between \$50m and \$499m
- Organizations with annual revenues of more than \$499m

FIGURE 3
Are you currently using a customer data platform (CDP)?



North America is leading the way when it comes to CDP adoption.

US organizations have been leading the way and our data shows that adoption levels here remain high, with only 12% of North American companies not using or planning to invest in a CDP (*Figure 3*).

While their counterparts in other regions have been slower to embrace the technology, its demonstrable benefits have accelerated adoption. The vast majority (80%) of organizations surveyed based outside the US are either already using (32%) or committed to investing in a customer data platform (48%).

A study conducted by the Customer Data Platform Institute found that customer data platforms are delivering 'significant value' for four in five European organizations that have deployed one.⁴ As the business benefits of using a CDP become apparent, particularly against the backdrop of the General Data Protection Regulation (GDPR), investment levels will continue to grow.

Because the emergence of CDPs was driven by what has inherently been a marketing problem – inability to deliver consistent experiences due to fragmented data – its core focus is the customer. It is this focus on the customer, and its impact on business performance, that makes CDPs such a compelling proposition over and above IT-based initiatives for data warehousing, data lakes or master data management (MDM) projects that don't always satisfy unique marketing needs. With CMOs in North America and the UK now spending more on marketing technology than on any other marketing resource or program⁵, the future of customer data platforms is looking bright.

According to MarketsandMarkets forecasts, the global CDP market size will grow from USD 903.7 million in 2018 to USD 3,265.4 million by 2023, at a compound annual growth rate (CAGR) of 29.3%.⁶

4. <https://www.cdpinstitute.org/DL1412-CDPI-Europe-2018-Member-Survey>

5. <https://www.gartner.com/smarterwithgartner/8-top-findings-in-gartner-cmo-spend-survey-2018-19/>

6. <https://www.marketsandmarkets.com/ResearchInsight/customer-data-platform-market.asp>



Section 2:

CDP maturity



FIGURE 4
In respect of your organization's main marketing focus, did you achieve your main goal in 2018?



Organizations with a CDP are more than twice as likely as others to have significantly outperformed on their main marketing goal in 2018.

● Organizations using a CDP
● Organizations not using a CDP

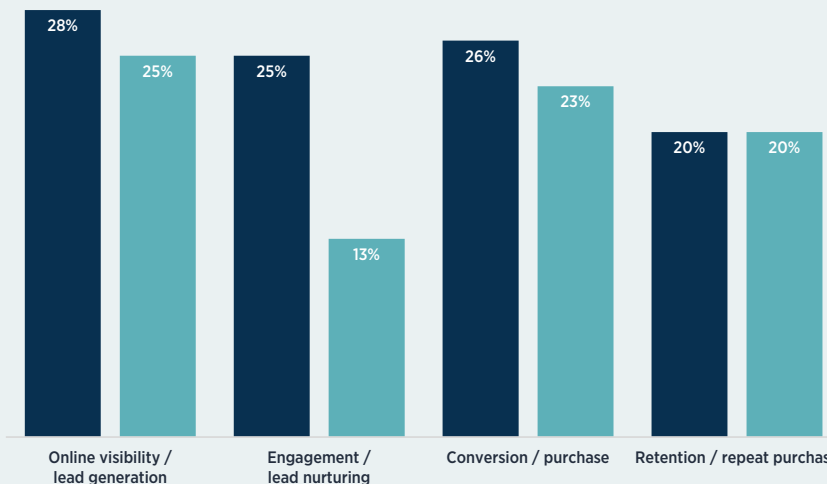
The mass adoption of CDPs is undoubtedly a function of their success in delivering business results. Our research shows a clear link between CDP deployment and achieving business objectives, with 24% of CDP owners significantly outperforming against their organization's main marketing goal, compared to only 10% of non-CDP owners (Figure 4).

Business goal attainment should always be the ultimate benchmark against which CDP investments are measured. Marketers must make the case for investment in marketing technology by building a business case around hard, financial metrics and key performance indicators (KPIs).

As part of our survey of organizations we sought to understand the relative importance of four different areas of marketing activity in the context of the purchase journey and customer lifecycle, namely *online visibility/lead generation, engagement/lead nurturing, conversion/purchase and retention/repeat purchase*.

As can be seen in Figure 5, responding companies are most likely to be prioritizing their efforts in two areas, namely improved visibility and conversion.

FIGURE 5
Proportion of respondents rating these areas as top priorities for their organization in terms of marketing focus



Organizations using CDPs are almost twice as likely as their peers to make engagement their top priority.

● Organizations using a CDP
● Organizations not using a CDP



Organizations using CDPs are almost twice as likely as their peers to make engagement their top priority (25% vs. 13%).

There is no doubt that improved visibility and conversion (typically through paid media optimization and conversion rate optimization) makes for a relatively simple business case based on incremental sales revenues and reduced media cost. It is unsurprising to see marketers deploying CDP capabilities have the highest potential for rapid and easily quantified returns.

Figure 5 also shows clearly that organizations using CDPs are almost twice as likely as their peers to make engagement their top priority (25% vs. 13%). Campaigns in this area of the purchase journey represent a greater marketing challenge, typically addressed via longer-term, cumulative content marketing programs.

B2B marketers would refer to this activity as lead nurturing, i.e. systematically influencing and nudging their prospects through their purchase journey using timely, relevant and personalized content interactions such as triggered emails, personalized web content and retargeted digital ads. Because these marketing tactics cannot be executed at scale without high-quality data and marketing automation capabilities, playing in this space represents a natural development for marketers with the power of CDPs at their disposal.

Our research highlights the ability of CDPs to support marketing programs right across the purchase journey and customer lifecycle. With this breadth of CDP capability in mind, we have developed a Customer Data Maturity Model to help give marketers greater clarity and structure around what they are trying to achieve with a CDP.

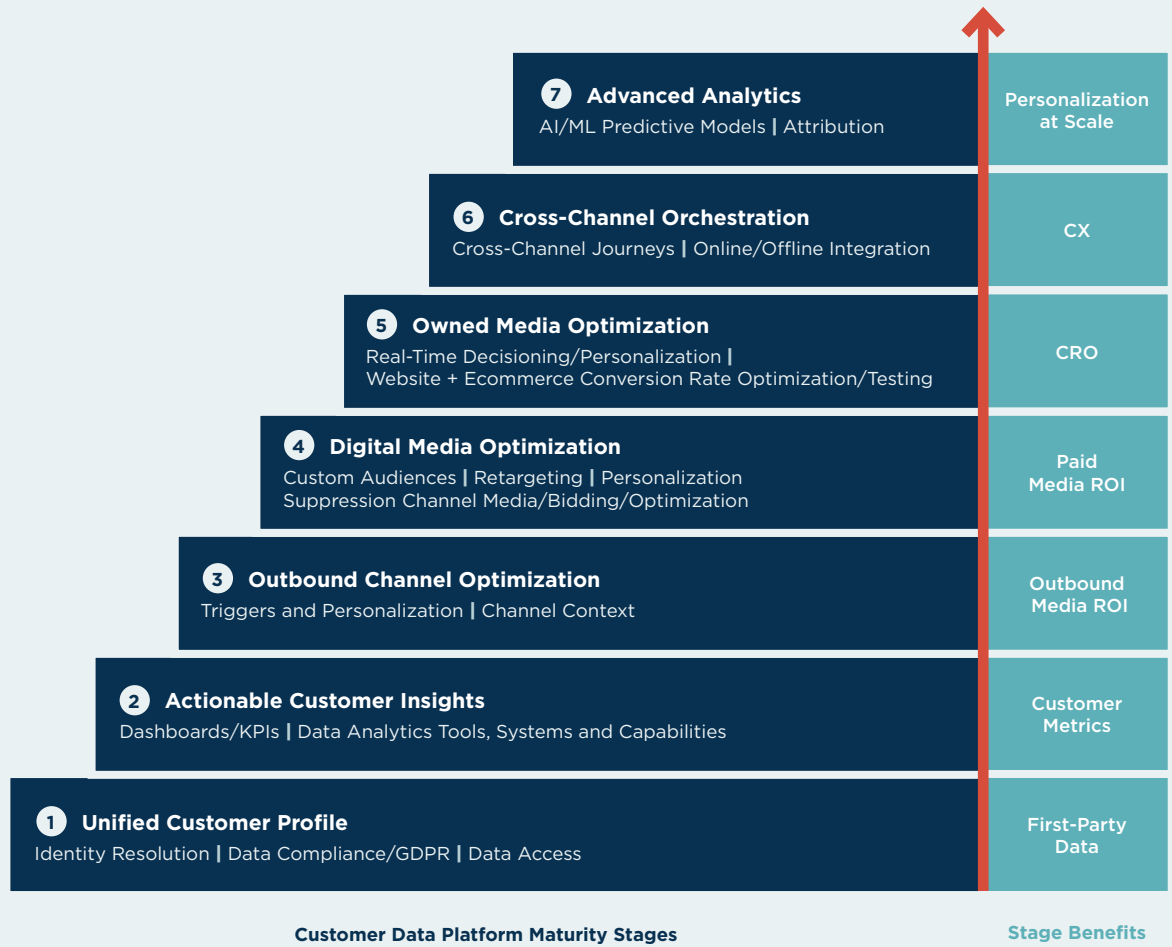
This maturity model is aimed at helping marketers:

- Define and prioritize their customer experience requirements
- Rigorously translate these into customer data requirements
- Audit their current capabilities
- Define a data and technology roadmap aligned to their business goals
- Adopt an integrated approach to leveraging (and monetizing) customer data
- Identify and unlock synergies across their marketing programs

Delivering memorable, omnichannel brand experiences at all stages of the customer lifecycle is a lofty marketing goal. It should be pursued in a phased and incremental manner that reduces risk and acknowledges the lead times involved in developing sophisticated, automated, customer-centric marketing programs.

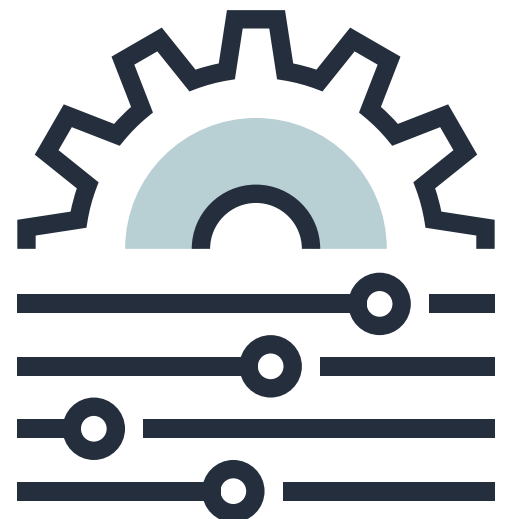
A pragmatic and applied Customer Data Maturity Model is a valuable planning tool for marketers to define and execute their CX strategy. Structuring the maturity model around CDP functionality (i.e. what is being done with a CDP, rather than the marketing programs it is supporting) will enable a more granular and practical approach to technology deployment and marketing program development.

FIGURE 6
The Seven-Stage Customer Data Maturity Model



Source: London Research/BlueVenn

The first two stages of this maturity model are all about enablement: the creation of a **Unified Customer Profile** (*Stage 1*) then analysis of the data to help unlock deep insights into customer characteristics, circumstances and behaviors (**Actionable Customer Insights**, *Stage 2*). These will inform the design of customer experience (CX) and CRM programs that meet customer needs throughout their purchase journeys and customer lifecycle.





The Customer Data Maturity Model is intended to help marketers assess their current capabilities and define a strategic roadmap for the ongoing development and optimization of their technology investments.

The activation of these insights – being able to deliver dynamic, customer-centric marketing programs – is a more significant challenge that requires real-time analytics, decisioning, contact orchestration and delivery. The hierarchy of CDP-powered CX delivery capabilities and use cases (stages 3, 4, 5 and 6 in the Customer Data Maturity Model) are:

3. **Outbound Channel Optimization.** Intelligently pushing messages out to customers via owned media channels (email, direct mail and contact center), e.g. triggered email.
4. **Digital Media Optimization.** Targeting paid digital media to tighter audiences defined by first-party data dimensions such as email engagement, purchase behavior and content consumption, e.g. suppression of ads to existing customers.
5. **Owned Media Optimization.** Supporting real-time personalized digital (i.e. web and ecommerce) experiences that respond to customer actions, e.g. dynamic merchandising based on search terms, site navigation and conversion events.
6. **Cross-Channel Orchestration.** Bringing all the previous stages together to deliver seamless experiences across all channels (online *and* offline), e.g. contact center, POS, customer services.

Once marketers have unlocked the value of data to deliver enhanced customer experiences they can then look to exploit the seventh stage of the maturity model, **Advanced Analytics** (AI and machine learning). This enables marketers to increase the breadth, scale, speed and precision of their personalization-focused marketing programs.

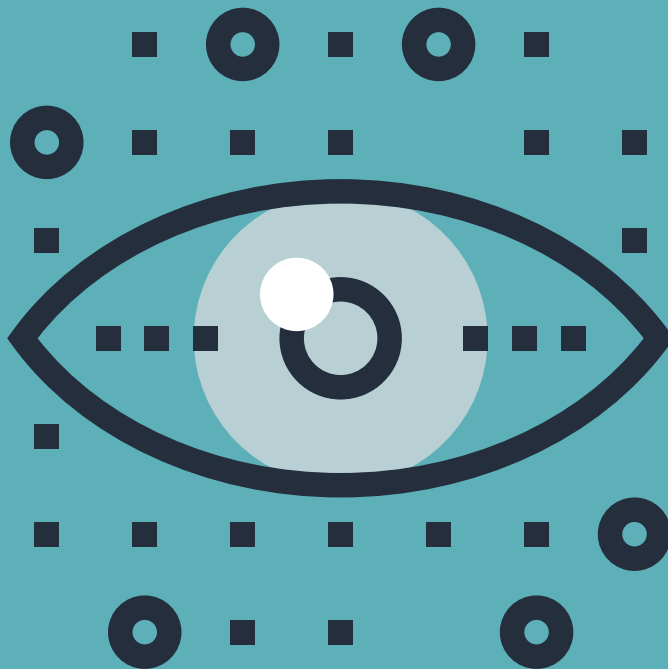
Predictive analytics that anticipate future behaviors and estimate unknown outcomes will take CX and business decision-making on to a higher plane of effectiveness and precision, for example through next-best content recommendations, dynamic pricing or micro-targeted remarketing display ads based on user characteristics and behaviors.

Having the source data to drive advanced analytics – and delivery capability to act on the outputs – creates a virtuous loop of continual CX optimization.

The Customer Data Maturity Model is intended to help marketers assess their current capabilities and define a strategic roadmap for the ongoing development and optimization of their technology investments. A CDP is a significant infrastructure component and so the bar should be set high in terms of the returns that it is expected to generate, both for the consumer (through enhanced experiences) and the brand (incremental growth and ROI).

Section 3:

How CDPs are
empowering
marketers to deliver
enhanced customer
experiences
(that drive
business results)





Companies using a CDP are three times more likely to strongly agree that testing and optimization are central to their website and email strategies.

In the previous section we saw that companies with a CDP were almost two and a half times more likely to have significantly outperformed against their main marketing goal in 2018.

As well as demonstrating the positive overall impact of CDPs, our research also provides some valuable insights into the nuts and bolts of CDP activation, by comparing the marketing capabilities of CDP-enabled companies with those of their peers.

The evidence contained in this section of the report overwhelmingly suggests that those companies with a CDP are much better equipped across a broad spectrum of competencies ranging from data and analytics, to media and channel optimization.

In summary, respondents at companies with a CDP are at least three times more likely to 'strongly agree' that they have capabilities in the following areas:

- Companies using a CDP are eight times (720%) more likely than their peers to strongly agree that they have a full view of their customers across digital and offline interactions with their brand (41% vs. 5%, *Figure 7*).
- Companies using a CDP are five times (417%) more likely to strongly agree that they use attribution to improve their paid media performance beyond first/last-click (31% vs. 6%, *Figure 8*).
- Companies using a CDP are almost four and a half times (333%) more likely to strongly agree that they are using machine learning for real-time decisioning / data analytics (26% vs. 6%, *Figure 9*).
- Companies using a CDP are also four and a half times (350%) more likely to strongly agree that they deliver real-time personalization of content based on visitor behavior (36% vs. 8%, *Figure 10*).

- Companies using a CDP are three times more likely (208%) to strongly agree that testing and optimization are central to their website and email strategies (40% vs. 13%, *Figure 10*).

- Companies using a CDP are more than three times (217%) more likely to strongly agree that they set up and execute multichannel campaigns from a single technology platform (38% vs. 12%, *Figure 11*).

It is no surprise to see the creation of a unified customer profile as the key discriminator between CDP and non-CDP users. After all this is the *raison d'être* of a CDP.

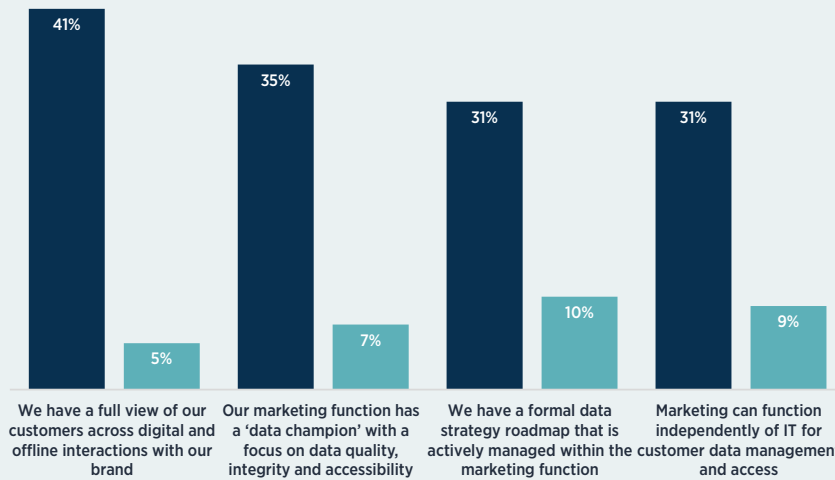
Drilling down beyond this, the CDP versus non-CDP comparison provides a validation of our Customer Data Maturity Model. CDP users are particularly heavily characterized by their use of (Paid) Digital Media Optimization (*Stage 4*), Owned Media Optimization (*Stage 5*), Cross-Channel Orchestration (*Stage 6*) and Advanced Analytics (*Stage 7*).

Figure 12 shows that CDP users are also over-indexing in their outbound channel optimization capabilities (*Stage 3*), for example real-time, personalized and multi-staged email activities, although - unlike in the preceding charts - the variance is never as much as 200%. It should be noted that non-CDP users are able to exploit these tactics through the out-of-the-box functionality offered by their email platforms.

A CDP is not a prerequisite for delivering real-time, personalized, cross-channel experiences. However, our research does indicate that having one is allowing users to operate at the higher end of the CX/CRM spectrum and supporting a degree of future-proofing of their marketing technology stack.

CUSTOMER DATA

FIGURE 7
Proportion of respondents 'strongly' agreeing with statements relating to customer data

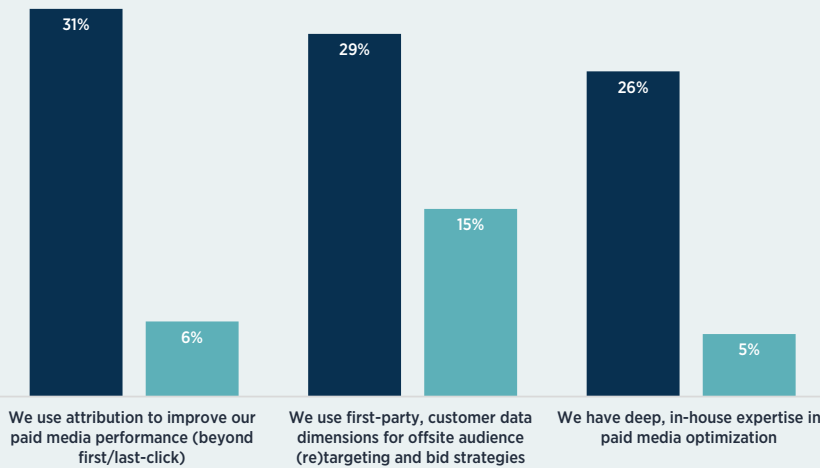


Companies using a CDP are eight times more likely to strongly agree that they have a full view of their customers across digital and offline interactions with their brand.

- Organizations using a CDP
- Organizations not using a CDP

PAID MEDIA

FIGURE 8
Proportion of respondents 'strongly' agreeing with statements relating to their paid media optimization capabilities

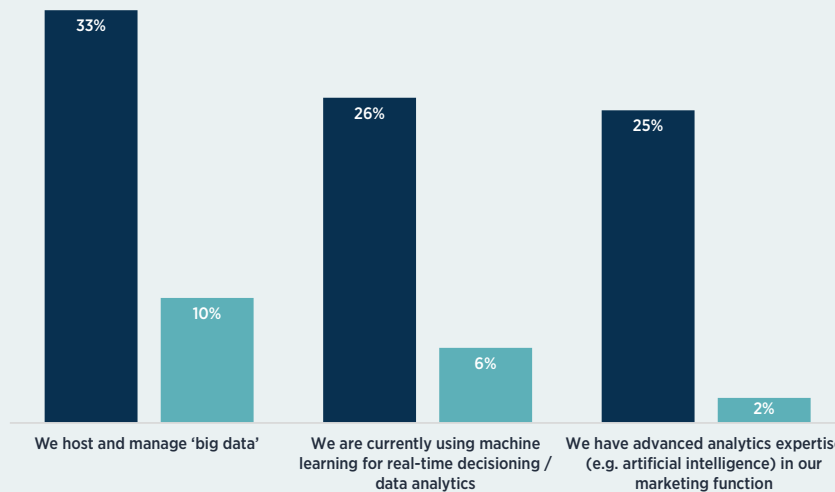


Companies using a CDP are five times more likely to strongly agree that they use attribution to improve their paid media performance.

- Organizations using a CDP
- Organizations not using a CDP

ANALYTICS

FIGURE 9
Proportion of respondents 'strongly' agreeing with statements relating to the analytics capabilities of their organization

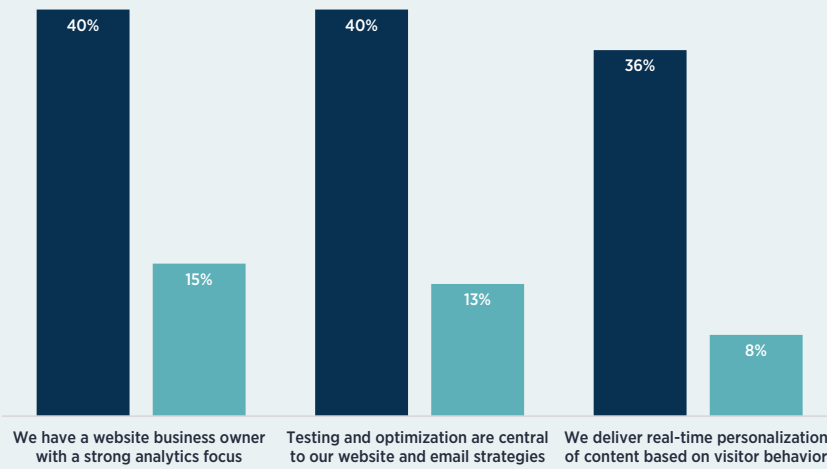


Companies using a CDP are almost four and a half times more likely to strongly agree that they are using machine learning for real-time decisioning / data analytics.

- Organizations using a CDP
- Organizations not using a CDP

OWNED MEDIA

FIGURE 10
Proportion of respondents 'strongly' agreeing with statements relating to their owned media optimization capabilities

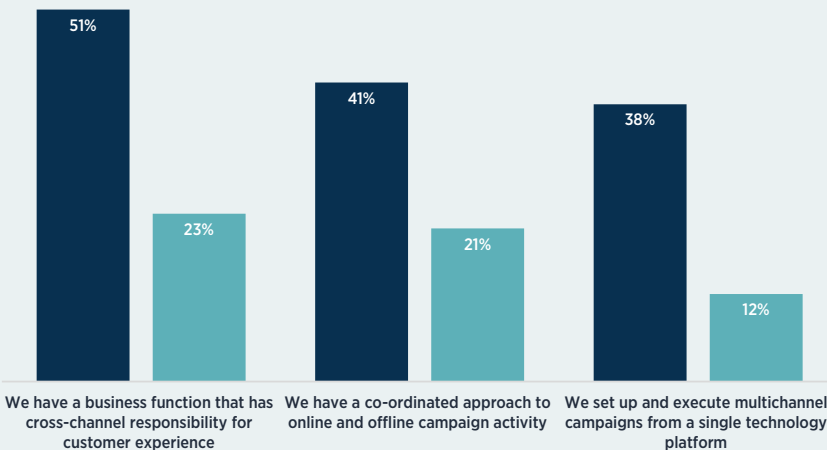


Companies using a CDP are four and a half times more likely to strongly agree that they deliver real-time personalization of content based on visitor behavior, and three times more likely to affirm that testing and optimization are central to their website and email strategies.

- Organizations using a CDP
- Organizations not using a CDP

CROSS-CHANNEL ORCHESTRATION

FIGURE 11
Proportion of respondents 'strongly' agreeing with statements relating to cross-channel orchestration

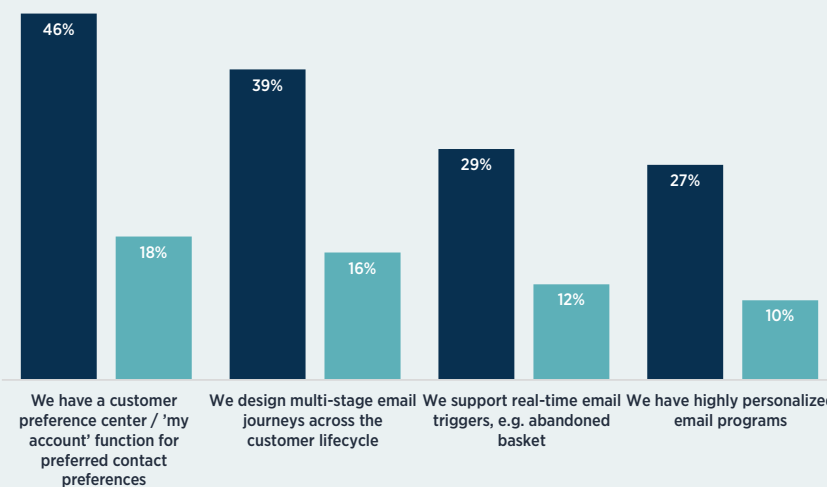


Companies using a CDP are more than three times more likely to strongly agree that they set up and execute multichannel campaigns from a single technology platform.

- Organizations using a CDP
- Organizations not using a CDP

OUTBOUND CHANNEL OPTIMIZATION

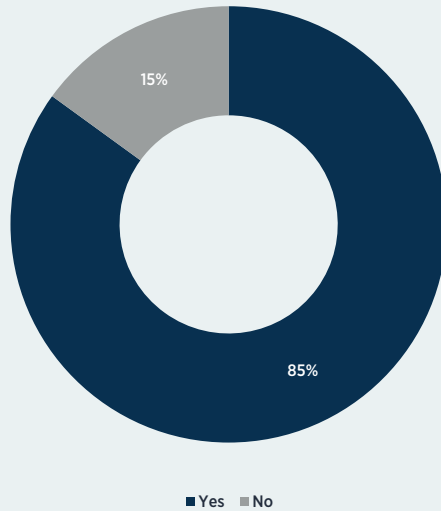
FIGURE 12
Proportion of respondents 'strongly' agreeing with statements relating to their outbound channel optimization capabilities



CDP users are over-indexing in their outbound channel optimization capabilities.

- Organizations using a CDP
- Organizations not using a CDP

FIGURE 13
Is your web store/
ecommerce facility
integrated with
your main website/
content hub?



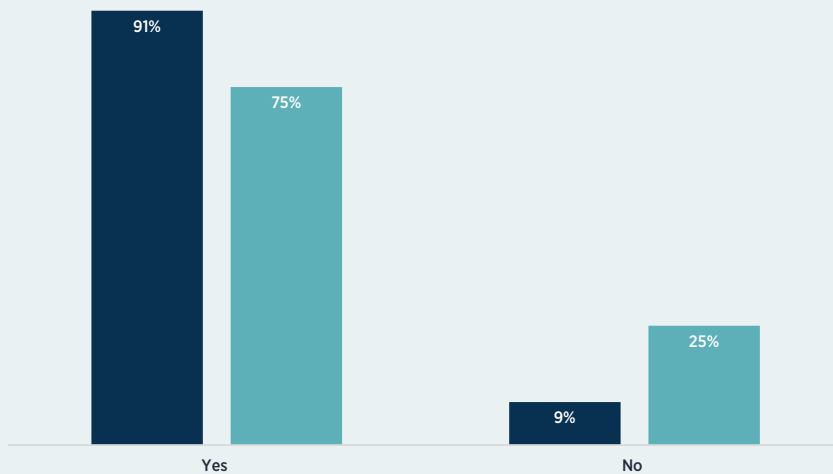
The vast majority of companies with ecommerce functionality are integrating their web stores with their main websites.

Content meets commerce

Our research suggests that the vast majority of brands with transactional online capabilities are integrating their web stores with their main website or content hub (85%, *Figure 13*). This ultimately enables them to support a more seamless experience across their owned media properties (*Stage 5* of the maturity model), for example website content reflecting ecommerce purchases, and ecommerce personalization reflecting website interactions. This figure goes up to 91% for respondents with a CDP (*Figure 14*).

A CDP can address the technical challenges around consolidated data. If this can be integrated with the insight, personalization and orchestration components to support accurate, real-time decisioning then the technical challenges around content publishing/content management will be relatively straightforward.

FIGURE 14
Is your web store/
ecommerce facility
integrated with
your main website/
content hub?

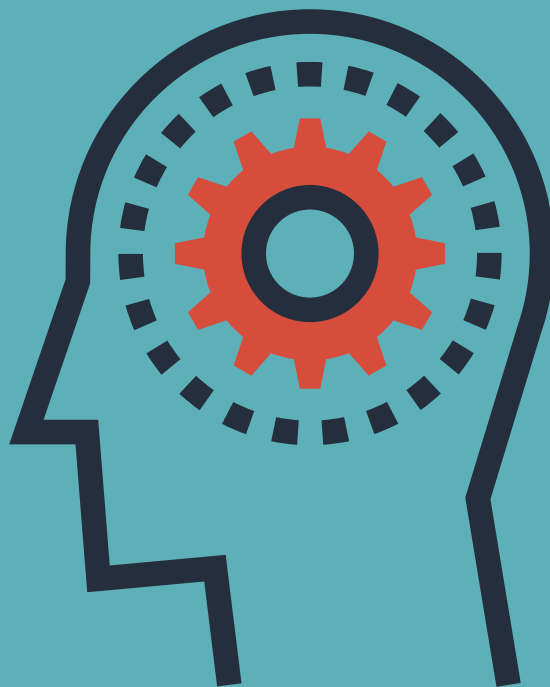


Companies with CDPs are more likely than their peers to be integrating their web stores with their main websites.

● Organizations using a CDP
● Organizations not using a CDP

Section 4:

Data capabilities – technology, people and processes



As this report shows, CDPs are a key part of the marketing toolset, enabling businesses to more closely, consistently and quickly connect with prospects and clients. Businesses that are CDP-equipped tend to outperform others in terms of meeting business objectives.

At the same time, CDPs do not represent a 'fire and forget' piece of the marketing armory.

They are by no means a tactical add-on, so the strategic foundations discussed in earlier sections are key. Technically, the groundwork must be performed to ensure they are deployed effectively, and that they work seamlessly with other key applications that leverage the data they make available.

To fully exploit the CDP as a primer for advanced marketing, businesses must also have a strong leadership focus on data-led marketing and CX, and be set up in the right way, organizationally and culturally, to drive performance.

Tipping point

Figure 15 shows many businesses - particularly the largest ones (with revenues of more than \$499m annually) - now have these associated data management competencies in place to leverage CDPs, indicating they are poised for a new wave of customer data-led, commercial progress.

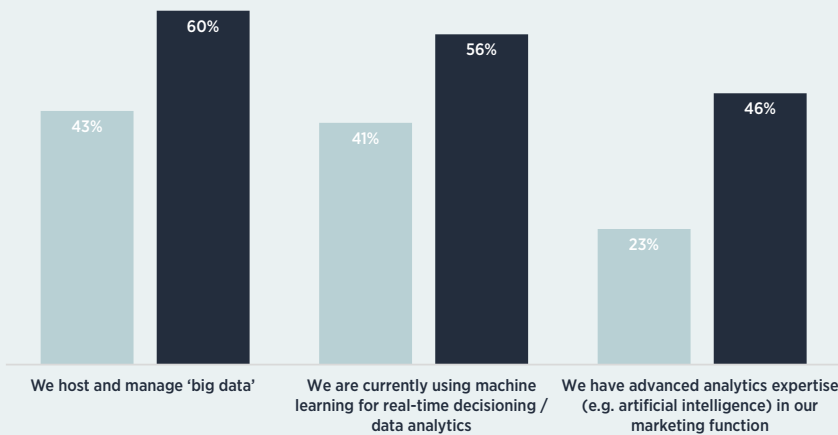
Most of the largest companies surveyed (60%) report they 'host and manage big data' - a key part of the equation, considering the huge volume of unstructured data being generated across digital channels by customer interactions. The rise of more affordable storage infrastructure resource via public cloud players such as Amazon Web Services, Google and Microsoft has no doubt helped here.

Among the same largest business segment, there is also a majority (56%) that are using some form of machine learning to drive real-time decisioning, and to bring a new level of dynamism and personalization to their customer communications.

Looking at smaller businesses (with revenues of between \$50m and \$499m), penetration of these enablers is naturally at a lower level - but still considerable (more than four in ten companies in the case of both big data hosting and management, and machine learning for real-time decisioning).

Where there remains a pinch-point for many organizations is in the realm of human resources, with only 37% of \$50m+ companies in total reporting that they have *advanced analytics expertise* available in-house as part of their marketing team. This resource is important for unlocking potential for much greater granularity in data-led marketing.

FIGURE 15
Proportion of respondents agreeing ('strongly' or 'partially') with the following statements relating to the analytics capabilities of their organization



The largest organizations are twice as likely to have advanced analytics expertise in their marketing function.

- Organizations with annual revenues of between \$50m and \$499m
- Organizations with annual revenues of more than \$499m

64%

of larger enterprise respondents report that they have a 'full view of customers across digital and offline interactions'

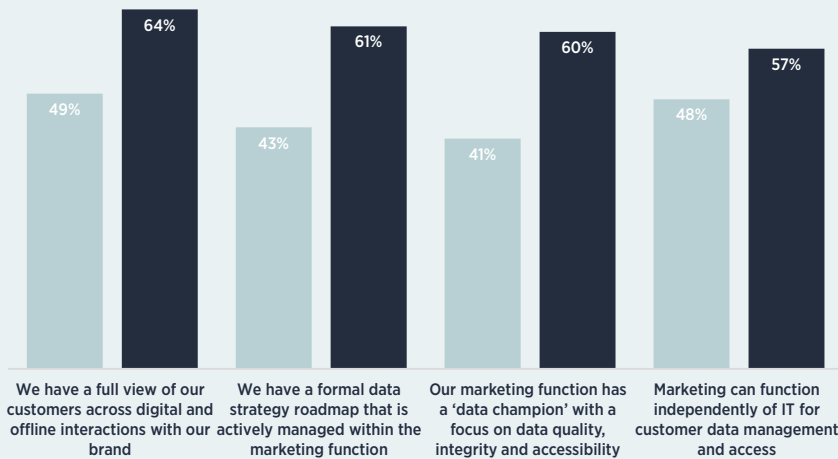
The foundations are in place

Outside the sphere of technology and infrastructure, there are also signs of readiness among enterprises to ignite CDP-equipped CX excellence. Marketing 'ownership' of data management is evidently increasing, giving brands a strong basis to design and run systems and processes with operation of dynamic CX programs in mind.

Nearly two-thirds (64%) of larger enterprise respondents report that they have a 'full view of customers across digital and offline interactions' (Figure 16) - so their marketing departments have essentially paid the 'green fee' to play the CX game, and taken the first of the seven stages of our Customer Data Maturity Model, featured in Section 2.

The decision to establish a single customer view (SCV) shows recognition of the importance of data-led marketing at a high level within organizations. It is a key strategic step for a business and can be approached in two ways - building a full view or partial one, but to a level that supports core marketing activity. The right approach is all about a trade-off between commercial benefit and cost. The good news is that the technology costs of building a SCV and activating it are falling thanks to the CDP market.

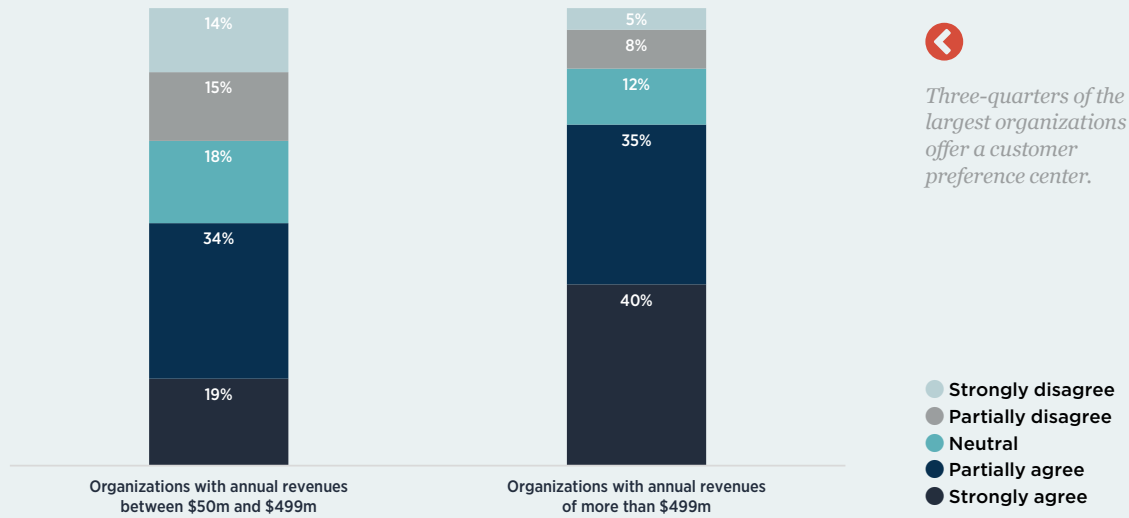
FIGURE 16
Proportion of respondents agreeing ('strongly' or 'partially') with the following statements relating to customer data



Around two-thirds of the largest organizations say they have a full view of customers across digital and offline interactions.

- Organizations with annual revenues of between \$50m and \$499m
- Organizations with annual revenues of more than \$499m

FIGURE 17
'We have a customer preference center/ 'my account' function for preferred contact preferences' - agree or disagree



Three-quarters of the largest organizations offer a customer preference center.

There is further evidence that marketers are getting serious about data management and control. Most businesses with higher revenues have enabled their marketing departments to operate independently of IT when managing customer data (57%), and to own the data strategy - 61% say they have a 'formal data strategy roadmap that is actively managed within the marketing function'. Three in five (60%) now have a formal 'data champion' role in place within the marketing function.

An increasingly important aspect of data-driven communications with consumers is the ability to provide individuals with a say in where and how their information is used. This is important for compliance, particularly following the introduction of the EU's GDPR in 2018 - and more broadly, to ensure data is kept fresh, and interactions are handled in a personalized, relevant and precise way.

Introduction of preference center functionality goes hand in hand with implementation of CDPs, as it provides a means to promote maintenance of the data they hold. CDPs can help support key compliance functions (such as timely reporting, consent, right to be forgotten and verification), so regulatory considerations often feed into the business justification for implementing a CDP.

Most companies (53%) with revenues of between \$50m and \$499m partially or strongly agree that they have a preference center or 'my account' function for contact preferences in place, and this rises to 75% of \$500m+ companies (Figure 17). Seventy percent of respondents at CDP-equipped organizations agree they have such a preference center in place, including 46% who strongly agree (Figure 12).



Section 5:

B2C companies seizing the customer data opportunity

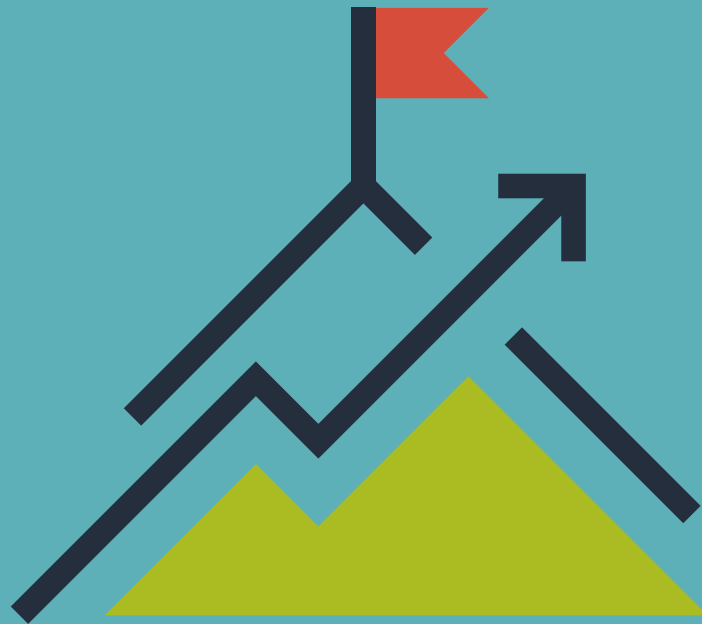
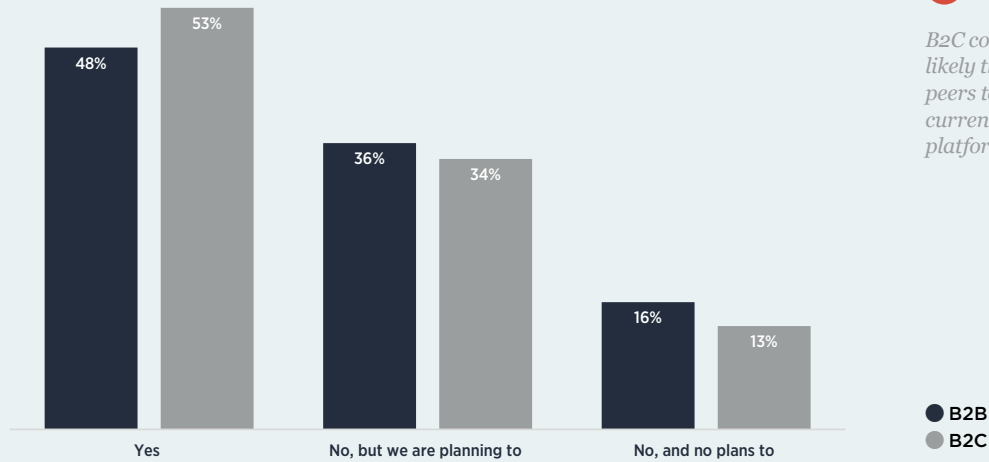


FIGURE 18
Are you currently
using a customer
data platform
(CDP)?



B2C companies are more likely than their B2B peers to say they are currently using a CDP platform.

B2B marketers were first to the party in terms of inbound marketing, lead nurturing, multi-staged, cross-channel journeys and personalized experiences. They were empowered by B2B-focused marketing automation platforms and inspired by pioneers such as Steven Woods, the author of the influential book *Digital Body Language* first published a decade ago.

The data-driven, performance-based B2B model was characterized by low volume, high value, long sales lead time, and a considered, multi-touch purchase journey. It benefited from a high level of complementary human engagement in the communications mix, in the form of field sales, account managers and contact centers.

Thanks to advances in digital marketing and innovation, we are now seeing more scientific and data-driven marketing widely adopted by B2C brands, and not necessarily just those selling high-consideration products and services.

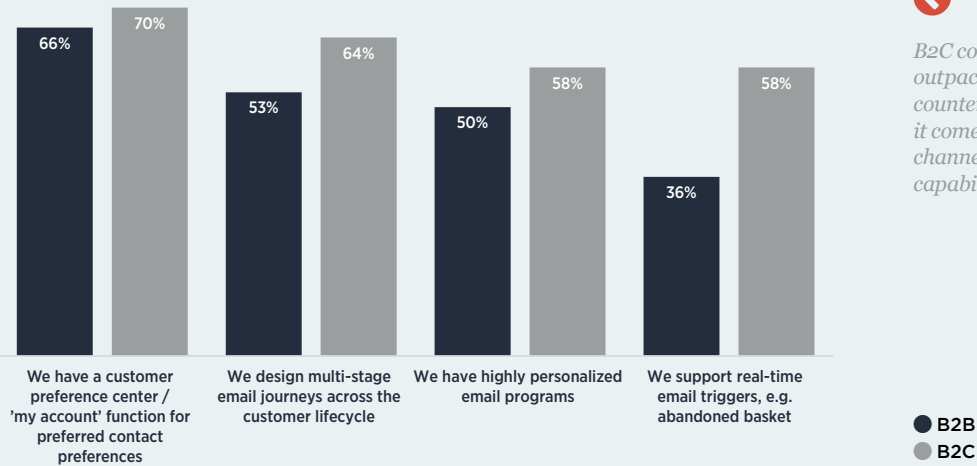
The Zero Moment of Truth (ZMOT) and Micro-Moments⁷ concept developed by Google has, in effect, repurposed the Digital Body Language approach for B2C marketers, albeit with a heavy focus on acquisition (which is understandable when you consider how Google makes its money!).

It is one thing to understand and apply the theory to the design of B2C CX and CRM programs in a balanced and circumspect manner right across the purchase journey and customer lifecycle, but it is another to deliver these experiences to consumers at scale and speed. That is where a CDP comes in as a key enabler of real-time, cross-channel personalization at scale, and better utilization of first- and third-party data.

Our research suggests that B2C marketers are now taking a lead in the adoption of CDPs and, in some areas, leapfrogging their B2B peers in the uptake of the kind of sophisticated marketing techniques that these platforms can enable. More than half (53%) of B2C companies surveyed say they are currently using a CDP platform, compared to 48% of their B2B peers (*Figure 18*).

7. <https://www.thinkwithgoogle.com/marketing-resources/micro-moments/zero-moment-truth/>

FIGURE 19
Proportion of respondents agreeing ('strongly' or 'partially') with the following statements relating to their outbound channel optimization capabilities

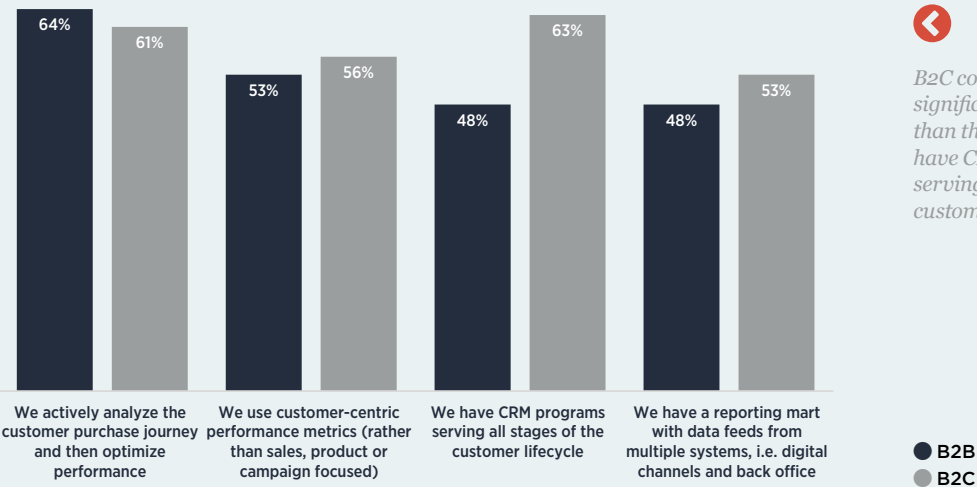


B2C companies are outpacing their B2B counterparts when it comes to outbound channel optimization capabilities.

Looking at the relative levels of sophistication in the realm of outbound channel optimization (predominantly email), B2C-focused organizations are now outpacing their B2B peers (Figure 19). Almost two-thirds (64%) of B2C companies say they 'design multi-stage email journeys across the customer lifecycle', compared to just over half (53%) of B2B companies.

When it comes to how organizations are approaching customer data, the gap between B2B and B2C is, for the most part, less pronounced (Figure 20). B2B companies are more likely to say they 'actively analyze the customer purchase journey and then optimize performance', though less likely to agree with other statements, including having 'CRM programs serving all stages of the customer lifecycle'.

FIGURE 20
Proportion of respondents agreeing ('strongly' or 'partially') with the following statements relating to customer data



B2C companies are significantly more likely than their B2B peers to have CRM programs serving all stages of the customer lifecycle.

Section 6: Respondent profiles



FIGURE 21
In which region are you based?

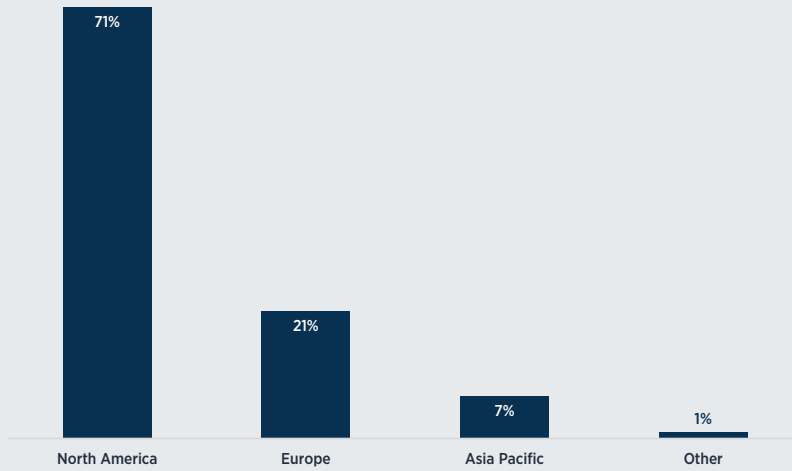


FIGURE 22
What is your level of seniority within the business?

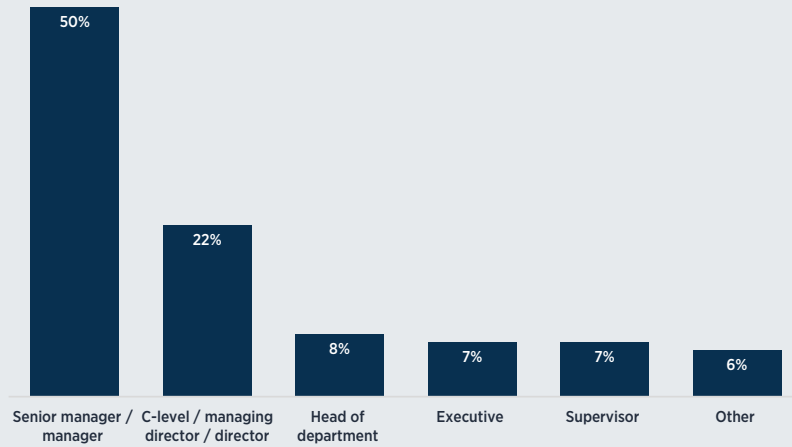


FIGURE 23
In which business sector does your company primarily operate?

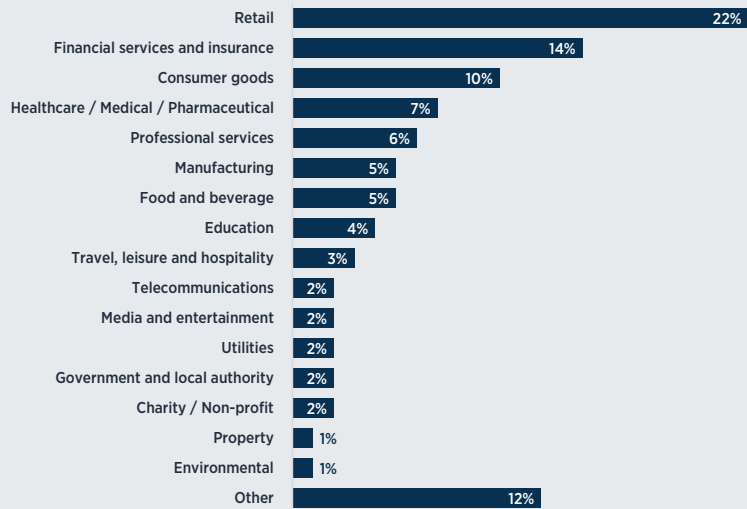


FIGURE 24
Is your organization
focused mainly on
B2B or B2C?

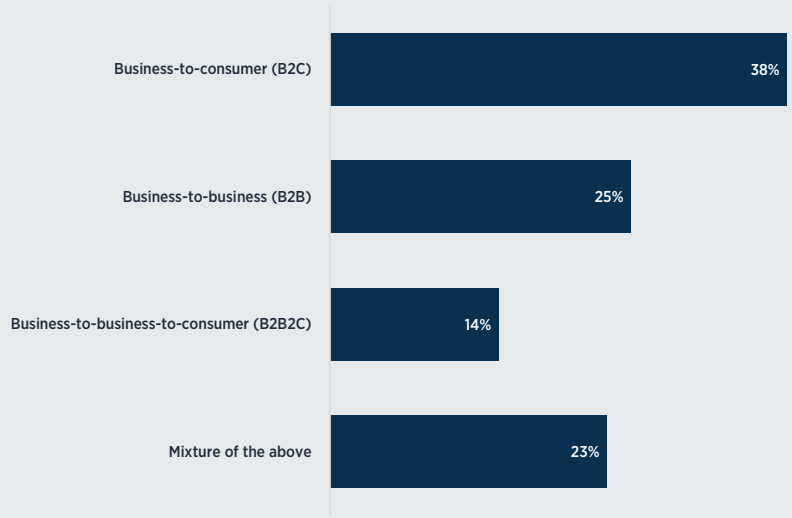
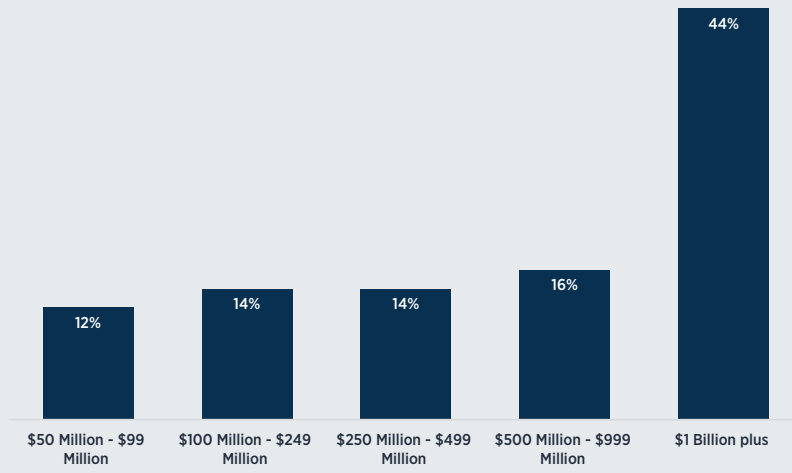


FIGURE 25
What is your annual
company revenue?



Get in touch



Please get in touch with BlueVenn if you would like to learn more about its customer data platform offering:

[✉ marketing@bluevenn.com](mailto:marketing@bluevenn.com)



If you are interested in producing high-quality B2B research, please contact London Research.

[✉ info@londonresearch.com](mailto:info@londonresearch.com)