



**wondaris**  
CUSTOMER DATA PLATFORM



## Customer Data Platform Buyers Guide

POWERED BY XPON



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Overview



This guide provides an overview of a Customer Data Platform (CDP), when and where it is most valuable, and vendor selection criteria to consider when looking for a CDP provider.

It outlines essential platform deliverables for RFI's (Request For Information), and offers suggested use cases and implementation approaches to help reduce the time to realising value from investing in this technology.

Designed to help you identify and engage the right internal stakeholders for the best investment decisions, we address the most frequently asked questions from various stakeholders within the business.

Do I need a CDP?

The first and most important requirement to establish is whether you actually need a CDP?

Our view is that all businesses should have a centralised single customer view of their customers, this is the foundation required to build a strong understanding of your customers and give you the information you need to create more personalised and profitable relationships with your customers

So before embarking any further on this journey it's probably worth asking and answering the question **"Do I really need a CDP?"**.

Here a few basic questions you should be able to answer **YES** to before exploring a CDP solution:

- YES** Are you currently tracking your marketing and sales activities on different apps or platforms?
- YES** Do you have paid media campaigns running across multiple channels?
- YES** If yes, do you know if the campaigns are running based on 3rd party advertising cookie data?
- YES** Are you uncomfortable with or uncertain about how effective your customer marketing activities will be once 3rd party cookies are deprecated in 2023? Or, if advertising on Facebook or Google, have you begun to see a drop in effectiveness on ad campaigns?
- YES** Do you have a requirement to be GDPR, CAN-SPAM2 or CCPA compliant with your marketing activities?
- YES** Is data security and governance a priority for your business, beyond just the marketing function?

If you have answered **Yes** to most of the above questions, your marketing would benefit greatly from implementing a CDP solution.

If you answer **NO** to any of the following questions, then you should explore a CDP solution more seriously as part of responsible corporate governance, particularly with respect to cyber-resilience and customer data privacy regulations:

- NO** Do you know how to avoid any loss in effectiveness from your paid marketing efforts once 3rd Party Advertising cookies are deprecated? [Note: This has already begun, with Google expected to cease 3rd party tracking in 2023!]
- NO** Do you have a single view of your customers' buying habits and pre-purchase attributes?
- NO** Do you have quick and easy access to customer insights and audience profiles?
- NO** Do you have access to dedicated Data Science and Analytics teams for marketing workloads?
- NO** Is your business compliant with all necessary regulations with regard to customer data and privacy? If so, is this compliance updated automatically?



# What is a CDP?

The primary goal of a CDP is to provide a unified omni-channel view of your customer and 1st party marketing data. And provide you with the insights required to help engage your customers more personally and effectively at scale.

- Connecting, centralising, and automating data sources to build a **single customer view**, helping you understand your customers.
- Create and view **high-value audiences** and send those audiences to your marketing channels for personalisation and optimisation.
- Activate your 1st party** to multiple channels and surfaces.
- Enabling you to **govern your data**, control access, and implement security protocols at scale.



# Core CDP Functionality

Individual CDP features and functionality can vary broadly between vendors, so much that the CDP Institute has offered a framework to categorise CDP types rather than force a singular definition of CDP. Nevertheless, most CDPs will include the following core functionality in order to help you leverage your customer data more effectively:



## Centralisation

The ability to ingest raw data from multiple online and offline sources into a single depository for the purposes of unifying the data and creating a single customer view (SCV).



## Enrichment

Collection of services or capabilities that help add value to and create a competitive advantage from your customer data.

This is usually either through adding more depth or context to your existing data.

For example, these can be from of 2nd party data enrichments such as adding postal addresses from external sources and or adding greater context through data models such as propensity to purchase scores.



## Intelligence

Surface audience insights and high-value segments from within your data and present the data in an actionable format.



## Activation

The ability to push audiences to activation or intelligence platforms and surfaces.

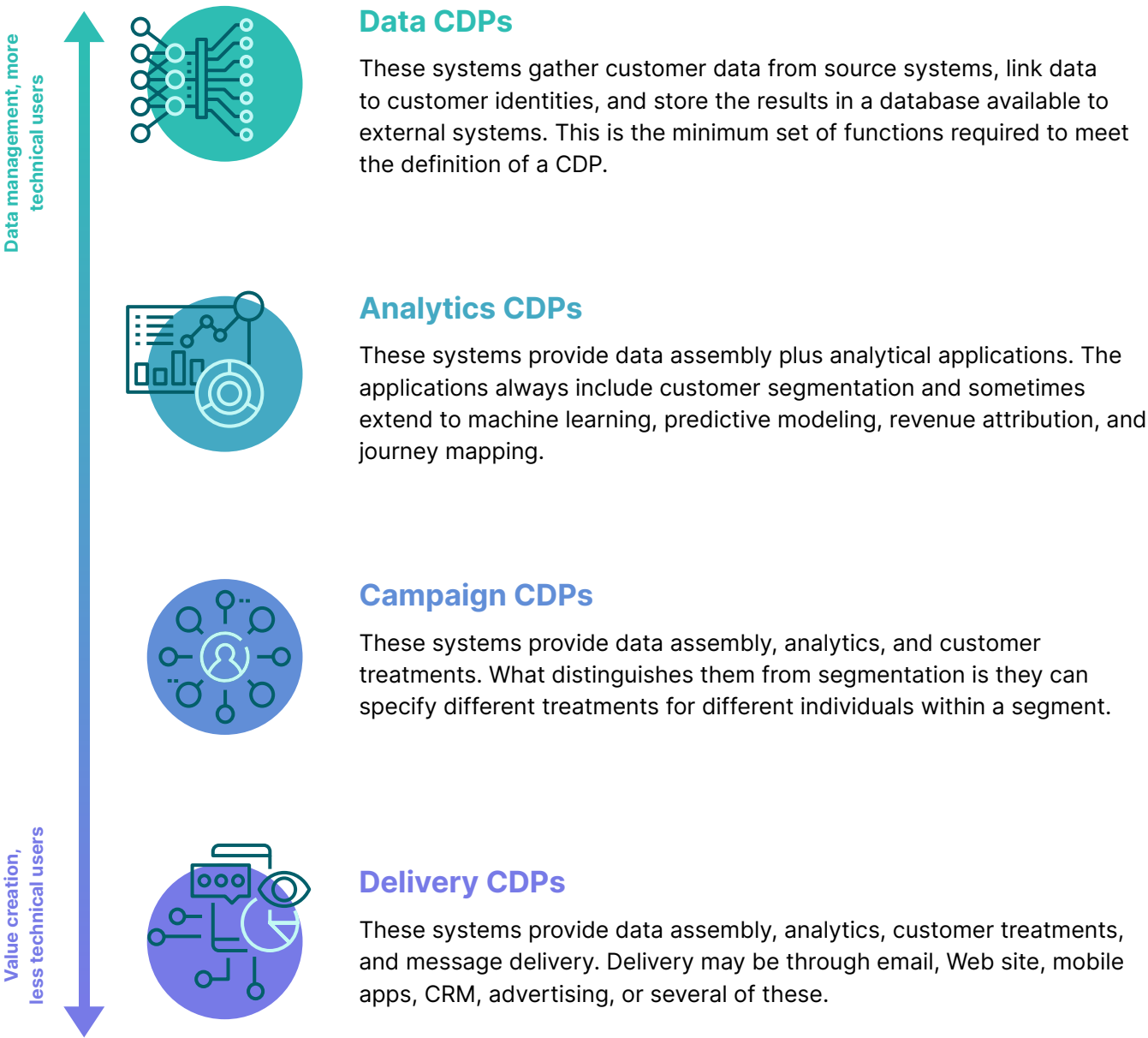
Some platforms may have inbuilt activation channels (such as email) however it's imperative that activation capabilities are not limited to their own channels.

To ensure you can empower all of your MarTech and BI ecosystem with your data, the CDP should be capable of pushing or activating audiences through multiple channels.

Types of CDPs

There is still no definitive definition of what a CDP is in its entirety, as such there is a broad range of functionality or capability between vendors. This disparity in capabilities can make assessing providers difficult, however the [CDP institute](#) does provide some framework for categorising different offerings.

The CDP Institute groups CDP vendors into four categories, each category will generally include functions provided by the previous categories however there are still significant disparity in both capabilities and functionality within each category among vendors.



CDP vs CRM

Many businesses are currently relying on their CRM to manage all aspects of the consumer life cycle and track how much revenue a customer is generating during the course of their relationship. A good CRM can certainly assist to convert a prospect into a paying customer. However, the limitation here is that the focus is primarily on transactions; there is much more to cultivating a successful and loyal brand relationship with consumers than that moment they convert.

Most ‘conversions’ will be the result of multiple interactions with a brand’s social media, blogs, product lists, e-commerce sites, other aggregate platforms, and more. Most of this data likely goes unseen by a CRM and therefore it may not present a complete picture of how consumers are engaging with your business.

A Customer Data Platform can ingest all of this data (in addition to using CRM data) to deliver a unified view of these consumers, and clearly maps out the customer’s journey, decision-making process, preferences, and needs.

| Capability  | CRM | CPD | CRM+CDP |
|---|-----|-----|---------|
| Raw data ingestions (structured and unstructured) | ✗   | ✓   | ✓       |
| Unidentified marketing data                       | ✗   | ✓   | ✓       |
| Manual data entry                                 | ✓   | ✗   | ✓       |
| Manual audience selection by attribute/Behaviours | ✗   | ✓   | ✓       |
| ML /AI generated audience insights                | ✗   | ✓   | ✓       |
| Predictive analysis                               | ✗   | ✓   | ✓       |
| Sales/Customer support                            | ✓   | ✗   | ✓       |
| Email marketing capabilities                      | ✓   | ✓   | ✓       |
| Digital marketing and activation campaigns        | ✗   | ✓   | ✓       |
| Pipeline management, sales reporting, forecasting | ✓   | ✗   | ✓       |
| Ability to push data into BI tools                | ✓   | ✓   | ✓       |

## CDP Use Cases

A CDP can be used to solve and leverage multiple challenges and opportunities within a business. Once you've decided to explore a CDP solution, consider which use cases will be of greatest value to your marketing or your business. Some might be use cases that you would need to access right away, while others might be less of a priority for your marketing needs. Regardless of which or how many use cases you require, choosing the right CDP should allow you access to the full functionality to centralise data and to activate audiences against a number of different audience/marketing strategies as you grow. Here is a list of the most popular use cases available with CDP solutions:

### ✓ Exclusions List

Use existing customer profiles and behaviours from online and offline data sources to build exclusion lists and reduce wastage on digital media channels.

### ✓ Dayparting

Segment audiences by transaction and daypart to identify purchase trends and optimise media spends.

### ✓ Calculated Lifetime Value

Identify high-value customer segments and build audiences.

### ✓ Seasonal Audience Trends

Identify and target your audience based on seasonal transaction trends.

### ✓ Recency/ Frequency/ Monetary Value

View customer sets by RFM; set specific exclusion lists and re-engage lagging/ churned clients.

### ✓ Abandoned Cart

Retarget customers that have abandoned carts for exclusive offers and discounts.

### ✓ Product Affinity

Group customers by product and interest affinity to drive increased engagement and personalisation.

### ✓ Multiple Regional Views

View ML/AI models and audiences by region for more relevance.

### ✓ Omni-channel Purchasing

Unify online and offline purchase data to a single customer view.

### ✓ Predicted Churn

Utilise the predicted churn model to identify at-risk customers for one-to-one activation.

### ✓ Lookalike Audience

Use attributes and behaviors from existing customers to seed lookalike audiences.

### ✓ Clusters

Group audiences through AI-identified commonalities to unlock unique personalisation opportunities.

### ✓ Retention

Drive increased engagement and client retention.

## Insights and Models

In order to action most of the use cases listed above, your CDP will need both the ability to build custom audiences and leverage a variety of data models to help quickly identify high-value audience segments.

**A CDP with strong insight capabilities should give you access to:**

- Statistical Modelling
- Machine Learning Models
- AI Models

If your marketing team will be the primary user/beneficiary of the CDP, it is important to consider CDP solutions that offer these models via a no- or low-code user interface (UI) and present data in a relevant format for activation into marketing platforms. If you do have dedicated access to Data Science and Analytics resources, as well as development capabilities for your CRM, it may be less important to find a CDP with the same no-code UI.

Access to these models may be gated by package/access levels. So, when evaluating pricing options, it is recommended to get a clear understanding of which use cases are most important to you, and which pricing/package enables access to those models for each vendor.


Once you have the business case for a CDP solution, an idea of which use cases will serve your business best and an understanding of which types of CDP might support your needs, you're ready to engage the relevant internal and external stakeholders to progress the decision process.

The following chart offers some common reasons stakeholders make a CDP decision. This might be useful if you aren't sure which budgets, executive sponsors, or colleagues may help you advocate for the best CDP solution.



Internal Stakeholder Benefits

What issues does CDP's help solve within my business?

|  |  |   |  |  |  |
|--|--|---|--|--|--|
| <div><div>CMO</div></div> <div>Activate 1st party data in multiple channels - future proof against 3rd party cookies.</div> <div>Access AI/ML and statistical models to identify high value audience to drive more effective marketing.</div> <div>Reduce dependency on technical resources/ departments.</div> <div>React quickly to market opportunities.</div> <div>No technical skills required to build, manage and execute audiences.</div> | <div><div>CEO</div></div> <div>Drive increased profit per customer - more effective marketing.</div> <div>Implement ML and AI to help drive improved business performance and scalability.</div> <div>Drive increased revenue acquisition.</div> <div>Reduced OPEX.</div> <div>Help manage security and governance of customer data, reduce risk.</div> | <div><div>CTO</div></div> <div>Manage and control access to 1st party data in a cloud-native and infinitely scalable platform.</div> <div>Data ownership - maintain full ownership and control of customer data.</div> <div>Reduce support and technical request from marketing department.</div> <div>Less complicated to set up and maintain, minimal disruption of the existing technology ecosystem.</div> <div>Helps meets security and compliance requirements, reduces human error.</div> | <div><div>CSO</div></div> <div>Access to improved data security and governance tool for marketing teams.</div> <div>Control access and distribution of sensitive data.</div> <div>Reduce risks - access customer data in a security privacy-safe environment with built-in safeguards to protect the integrity and security of data.</div> <div>Reduce risk, easier data contracting.</div> <div>Increase security and automatic hashing of sensitive data.</div> | <div><div>CFO</div></div> <div>Flexible pricing/payment options.</div> <div>Reduced OPEX.</div> <div>Reduced resource cost/ improved resource efficiency.</div> <div>Easier data contracting.</div> <div>Reduce risk.</div> | <div><div>Performance Marketeers</div></div> <div>Access to models rather than having to wait for data team to produce them.</div> <div>Speed to activate - create custom audiences quickly and easily to address short term market opportunities. (for example, geopolitical, social, weather).</div> <div>Drive more effective customer match rates in key digital advertising platforms for improved campaign efficiency and effectiveness.</div> <div>Confidence to use the data securely across third party activation platforms.</div> <div>Ability to ingest 1st party data into campaign analytics.</div> |
|--|--|---|--|--|--|



Buying Process

Implementing a CDP into your business generally requires buy-in from multiple stakeholders. To help reduce the time-to-value and to accelerate the implementation, we recommend engaging with key stakeholders throughout the process.

Engaging the broader stakeholder set also helps vendors provide a better solution for your business and reduces the time to value for the product.

All businesses are different, but typically, we find there are key touchpoints within the vendor selection process.

| Life Cycle Stage                                   | Responsible | Accountable | Consulted | Informed |
|--|-------------|-------------|-----------|----------|
| Need analysis                                      | CMO         | CMO         | CTO       | CEO      |
| Determine technical requirements                   | IT          | CTO         | CMO       | CIO      |
| Proposal and product demonstration                 | CMO CTO     | CMO         | CEO       | CIO      |
| Security review and audit                          | CTO CSO     | CTO CSO     | CMO       | CEO CIO  |
| Evaluate products and service                      | CMO         | CIO         | CTO       | CMO CSO  |
| Vendor recommendation and selection                | CMO CTO     | CTO         | CIO       | CEO      |
| Contract negotiations                              | CMO         | CMO         | CIO CTO   | CEO      |
| Legals   | CIO CSO     | CIO         | CTO CMO   | CEO CIO  |
| Signed contract                                    | CEO CIO     | CIO         | CMO       | CTO CSO  |
| Data contracting                                   | CTO CIO CSO | CTO         | CMO       |          |
| Data onboarding                                    | CIO CTO     | CIO         | CSO       |          |
| Audience strategy and use case workshop (optional) | CMO         | CMO         | CEO       | CIO      |
| Ongoing product support                            | CMO         | CMO         | CTO       |          |
| Ongoing audience strategy and support (optional)   | CMO         | CMO         | CTO       |          |



## Security and Data Governance

Your business might be more interested in using a CDP solution to service needs around data privacy and governance, maybe even more so than in using CDP to gain greater marketing efficiencies. Addressing both business needs throughout the vendor selection process will help reduce internal friction and shorten time to value.

Due to the nature of CDPs and the types of data they store and process, understanding the key security features and controls required by your business is a key part of the buying process and will be critical when choosing a vendor.

If you have a Chief Data Security Officer or Privacy Officer, we recommend meeting one-on-one with them to talk through your specific data privacy and security needs in addition to your planned stakeholder engagement.

### CDP Risk Profile

A CDP platform unifies, stores, processes and enriches customer data, primarily for marketing and communication campaigns. But if you are using multiple data sources, and collecting sensitive customer data or Personally Identifiable Information (PII), your business might have more

formal risk assessments to complete during the vendor selection process.

CDPs are generally considered as data products when assessed for risk but depending on the level of PII you plan to store in the CDP the risk will either be:

- **Low / moderate risk** - If the data does not include PII (Personally Identifiable Information) or Sensitive information.
- **Moderate / high risk** - If PII or sensitive data is stored and processed within the platform.

### Vendor Security Questions

To assist in discussing the needs of your business with the relevant stakeholders we have developed a downloadable security questionnaire.

[Available through this link](#), we recommend sharing this information internally and or including it as part of your vendor assessment process of RFI.

It focuses on key considerations and functionalities relating to the security, privacy, governance and access controls required to help your business meet consumer and regulatory requirements.

## Activation Channels

A good activation CDP will have the ability to push audiences into multiple channels and surfaces for activation these may include:

- **3rd Party digital media channels** like Google and Facebook and other demand-side platforms (DSP)
- **Campaign management and AdTech platforms**
- **Owned digital activation and CRM channels** such as MailChimp, Salesforce, HubSpot

- **BI and Analytics** places platforms, such as looker and Tableau

When assessing your vendors, be sure to check that your desired activation channels are available through the platform.

Some destinations might not be available as native integrations and may require the vendor to build connectors. This is not uncommon and generally something the vendors can build, but make sure you scope it in your proposal, as customer connection requests may be costly.

## Summary

The continued evolution of the digital landscape means the pressure on marketing teams to leverage the vast data available in an efficient and effective way to help drive more profitable customer experiences has never been more urgent.

The combination of consumer expectations around personalisation and brand engagement and a growing fear around privacy and data security has only been exasperated by the deprecation of 3rd party data.

Without access to reliable 3rd party data with the proper consent for marketing, staying competitive, and driving growth means businesses will need to leverage their own data to achieve their marketing goals.

Having the right tools in place is essential to delivering against these goals at scale. CDPs have been designed specifically to meet those needs.

Finding the right solution and getting buy-in from key stakeholders will help you compete in a global marketplace and leverage one of your more valuable assets (data).



## About WONDARIS®

*Wondaris® is a cloud-based customer data platform that helps companies quickly and easily build high-value audiences from their 1st party data and activate them into multiple marketing channels with simple, clickable workflows.*

*Wondaris® provides a complete data ownership and portability solution, with the ability to centralise data from any of the public cloud vendors, including Google Cloud Platform, AWS, Azure and Snowflake, either via the pre-built connectors or businesses' existing integration stack. Wondaris® offers businesses a privacy-safe, secure, and infinitely scalable environment to leverage and manage 1st party data to drive more effective marketing and better customer experiences.*

*Wondaris® is a wholly-owned subsidiary of XPON Technologies Group Limited (ASX:XPON) with operations in Australia, Vietnam and the UK.*



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Contact us for a  
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