

Customer data platforms (CDPs):

Building blocks of the data-driven
marketing organization



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Something bigger is happening today

The global pandemic accelerated the pace of digital change and abruptly tossed businesses into the future. This disruption brought challenges and opportunities for organizations to modernize operations and prepare for what might come next.

Businesses face near-term risks: too many initiatives and a scarcity of resources. According to IDC, 25 percent of company-wide projects have six-month deadlines and 20 percent of projects were delayed due to a lack of skilled

resources.¹ Systems are fragmented, with data often scattered across silos. The pressure is on businesses to move to the cloud, attain operational excellence and improve customer-facing experiences. What does it mean for a marketing organization to be data-driven in this environment? This eBook examines the role of customer data platforms (CDPs) in making first-party data actionable, including advanced use cases, and how organizations can realize the benefits of a CDP.

1 IDC, IDC Survey Spotlight, Doc # US48134521. (October 2021)

25% *of company-wide projects have six-month deadlines*

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Chapter 1: How do customer data platforms (CDPs) work?

Customers engage with brands in many ways, including email, SMS, social media, landing pages, authenticated portals, digital ads, mobile apps, direct mail and search engines. Their behavior is key to unlocking insights about what they are looking for, how they are interacting and when they might convert. How do marketers track this and create a consistent, cohesive profile?

Enter customer data platforms (CDPs). A relatively new instrument in the marketing toolbox, CDPs collect data in real time from multiple sources to create a unified customer profile. It then makes the data available to other marketing systems, enabling brands to create personalized and memorable experiences at scale.

In the privacy-focused landscape of [GDPR](#), [CCPA](#) and other compliance regulations, the need for a common view of customer data has intensified. CDPs are set to take center stage. It is not a moment too soon, with Google Chrome™ joining the ranks of Safari® and Firefox® in 2023 in phasing out third-party cookies. It will soon become more difficult for advertisers to track and target users across multiple sites and first-party data is the only path forward.

Wait—what is first, second and third-party data?

First-party data is the information brands collect directly from customers. It includes data from behaviors, actions or interests demonstrated across a brand's website, mobile app or another channel.

Second-party data is collected by another source and shared with a brand through a partnership. In a sense, it is someone else's first-party data.

Third-party data is collected from various sources and sold to brands by an organization with no direct relationship with the user. It may be compiled from various websites and platforms and then bundled together by the seller of the data.



Chapter 1: How do customer data platforms (CDPs) work?

All of these datasets are useful in orchestrating effective marketing and communication activities. However, first and second-party data are collected only after consent from customers, whereas third party data is collected without their consent or knowledge.

CDPs in action

So, how do CDPs work? Imagine this. An anonymous user visits a digital property. They fill out a form, request a white paper, download a document, sign up for a newsletter or provide their email to become a known user. This could trigger the company's lead scoring to identify an ideal customer profile, allowing marketers to tailor downstream

communications and experiences. In the background, a CDP, such as OpenText™ Experience CDP, is collecting information from Google Analytics™ and BigQuery™ to create a profile as the user moves along the buying journey. That data then becomes available in the tech stack in this case, through OpenText™ TeamSite™ and OpenText™ Exstream™, to leverage for personalization. The aggregated profile is available via API, so that marketers can leverage data points and user attributes in designing custom and seamless communications and experiences. In other words, Experience CDP allows businesses to deliver the right interaction at the right time, in the right place and the right context.



Chapter 2: Make first-party data actionable for personalized customer experiences and communications

Using a CDP to create a user prediction pipeline increases customer loyalty through personalized engagements. By tapping into machine learning, a user prediction pipeline generates models that score users based on how likely they are to complete a certain action online or offline. Marketers can then produce responsive audience segments based on their user propensity score. This is full data to delivery automation, including dynamic audience segmentation, to feed the activation workflows. CDPs capture behavior, mine insights and become part of the user's profile. There are three use common use cases for CDPs:

B2B lead scoring

Lead scoring assigns values, often in the form of numerical points, to each lead generated for the business. The process helps sales and marketing teams prioritize the leads, respond appropriately and increase conversion rates.

Marketers can deploy custom tags on their website using Google Tag Manager and set up rules so the tags generate scores. Google Analytics stores the scores using custom dimensions. Through Google's robust ID system, this can be integrated with users who have already performed actions on the site or even with new users who then become known users.

Lead scores in the custom dimensions can augment the user profile already stored in the CDP and help create audiences or different types of cohorts for further analysis. The integration between Experience CDP and Google Analytics makes it easy to pull data and audiences into a profile, making it available to the downstream tech stack.



Chapter 2: Make first-party data actionable for personalized customer experiences and communications

Managing an unsubscribe list

Tracking communication preferences is critical, especially in large organizations across different business units. Typically, users visiting a landing page with custom tags are captured and the unsubscribe is added as another custom dimension to their profile. This group of users is placed into a suppression list, which is used to prevent further communications going out to them via email, SMS, telephone or other channels. Marketers can then apply this list to their other marketing lists to better refine their audiences.

Predicting churn risk—personalized win-back offers

A common way to use machine learning is to examine customers' activity history to identify those at risk of churning. With this information readily available, marketers can provide personalized offers or other win-back incentives to minimize the churn.

Google BigQuery makes it easy to ingest data in different formats, while Google's Data Transfer Service can import data from hundreds of applications such as Amazon, Salesforce®, other CRMs, ERPs and other clouds. Aggregating audience data allows marketers to deliver contextual experiences downstream in activation applications, such as a CMS or communications platform. BigQuery ML enables marketers to build machine-learning models that previously would have required the services of data scientists.



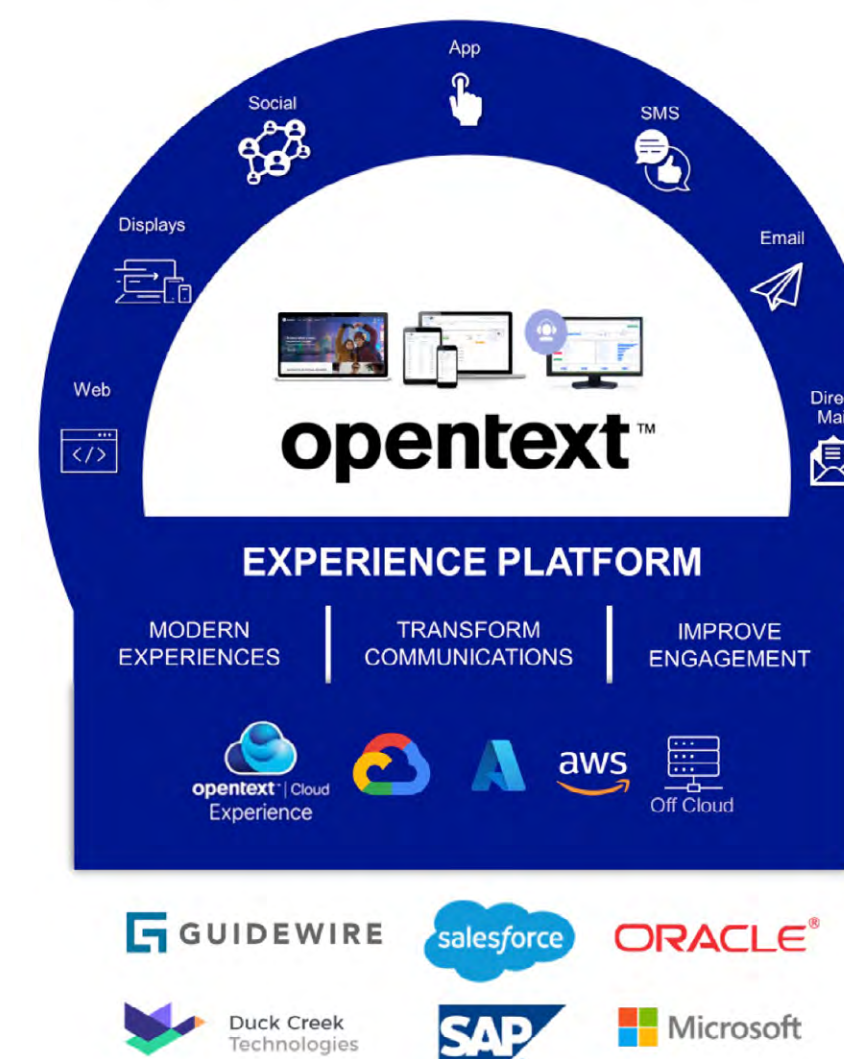
Chapter 3: Tap into CDPs for more advanced use cases

OpenText™ Experience Platform on Google Cloud™ powers connected data and experiences. It combines first party data, including web experiences and communications, into customer journeys. Think of the different areas of a typical company offering multi-device experiences, including maintaining a website, distributing business communications, sending messaging and operating a call center. Traditionally, some or all these systems are siloed and handled by different departments. Experience CDP leverages data across various applications, allowing practitioners to work from the same data set to ensure seamless experiences and communications to customers and deliver a consistent brand promise.

How would this work with the OpenText Experience Platform? A marketer creates different variants of pages in TeamSite and applies segments based on the audience membership and profile of the user. Another team member designing communications in Exstream can leverage the same variant. Experience CDP ensures the same audience in both places is available to different users designing for the same ideal customer profile, which helps ensure a consistent experience across the entire customer journey from acquisition to retention.

Targeting with Google Audiences in TeamSite allows brands to automatically remarket to anonymous users as their interests and behavior data are updated. Remarketing with Google Audiences ensures that visitors view the most compelling information to ensure conversion. The opportunity continues even after conversion, so customer behavior should inform each interaction.

Frictionless Experiences



opentext™ EMPOWERS BUSINESSES TO DRIVE ENGAGEMENT

CORE FOR MODERN EXPERIENCES | TRANSFORM COMMUNICATION

DOT COM WEBSITE	AUTHENTICATED WEBSITE	INTRANET WEBSITE
CUSTOMER COMMUNICATION MANAGEMENT		DIGITAL ASSET MANAGEMENT

ADD-ONS FOR IMPROVING ENGAGEMENT

MEDIA CENTER	DIGITAL EXPERIENCE CENTER	REAL TIME MESSAGING	EMPLOYEE PORTAL
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ADVANCED FOR IMPROVING ENGAGEMENT

WEB BASED PERSONALIZATION	SUPPLIER PORTAL
JOURNEY ORCHESTRATION	

Chapter 4: Realize the benefits of a CDP

Data-driven is a buzzword that often peppers marketing discourse, exposing a chasm between the ideal and real worlds. Predictive systems, machine learning and AI-driven automation can be used unevenly throughout organizations. Manual processes hide in plain sight yet often underpin critical functions, and legacy systems can cause fragmentation.

Adopting a CDP is a concrete step toward recognizing the power of data. It empowers employees to improve processes by transforming decision-making. It can be a pivotal step in advancing a vision and data strategy for the marketing organization, further demonstrating a commitment to data literacy and embracing a truly data driven culture. A CDP prepares marketing organizations for success in an era where privacy is paramount and trust is earned.

Talk to us

about how the OpenText Experience Platform, powered by Experience CDP, TeamSite and Exstream, can help drive better customer experiences to increase conversions and boost loyalty.



The bottom line?

A CDP is a core building block for marketing organizations where data informs every decision, interaction, process and campaign. It enables leading brands to design truly differentiated customer and employee experiences that cultivate loyalty.

Further reading:

Unlock your customer data webinar: How to drive better customer experiences – [Watch the webinar](#)

Demise of third-party cookies and the rise of first-party data – [Read the eBook](#)

Six things for marketers to keep in mind as the cookie crumbles – [See the blog](#)

How to center customer communications in your first-party data strategy – [See the blog](#)



About OpenText

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