CDP Institute Member Survey:

The Path to CDP Success

November 2021

CUSTOMER
DATA PLATFORM
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Contents

Executive Summary

The CDP Institute's member survey offers new insights into sources of CDP success:

- **Organizational readiness, not technology, is the greatest challenge for new deployments.** Organizational readiness was the most common problem listed by members with a deployed CDP, cited by 25%. By contrast, just 6% listed failure of their chosen CDP system to perform as expected. Companies that treat CDP as a technology project are making a mistake from the start.

- **Successful deployments start with modest objectives.** Members receiving high value from their CDP prioritized basic goals including the unified customer view, loading complete data, privacy compliance, lower reliance on IT support, and less time spent on data management. Members reporting lower value were more likely to seek capabilities that rely on external systems and business users, such as cross-channel orchestration, message selection, and improved delivery.

- **Effective projects build widespread support.** Low-performing CDP projects struggle to engage marketing staff, IT staff, and senior management. As a result, they often need to redo work that was based on a poor understanding of user needs. High-performing CDPs are more likely to cite administrative hurdles such as budgeting and cross-department cooperation and practical challenges such as data quality and extraction.

- **The industry is learning from experience.** Since 2019, companies have become more likely to identify organizational issues as customer data obstacles, and less likely to mention technical challenges. Focusing on the right problems should lead to better future results.

Other findings from the survey include:

- **Continued progress towards data unification and CDP adoption.** Nearly one-third of consumer businesses (32%) have a unified customer database, compared with 23% in 2017. CDP deployment in this group is now 24%, up from 10% in 2017. The share of survey respondents from consumer businesses, a measure of user interest in CDPs, has grown from 33% in 2017 to 41% in 2021.

- **Clear understanding of CDP purpose.** Large majorities of respondents agree the top CDP benefit is a unified customer view (63%) and the most important capabilities are loading data from all sources (75%) and identity matching (57%). Benefits enabled by CDP, such as better analytics and message selection, rank highly but are clearly subordinate. Operational benefits such as spending less time on data management are the least important.

- **Growing global interest.** A rising share of respondents is based outside the Americas. The Americas still has the highest deployment rate (26%), compared with 21% in Europe and 20% in Asia Pacific. In-process deployments are highest in EMEA while planned future deployments are highest in APAC.

- **Privacy progress has stalled.** While the vast majority of firms (85%) attempt to comply fully with privacy regulations, the share that exceed the legal minimum has declined from 28% in 2020 to 22% in 2021. The trend appears across all business types and regions. It seems that the initial panic over privacy has subsided and attention shifts to new crises such as the coronavirus pandemic.

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Introduction

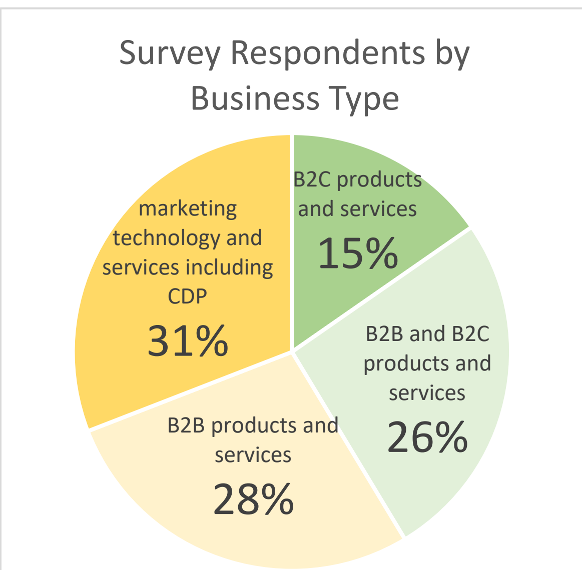
Customer Data Platforms are hard. The CDP Institute's latest member survey found that just 23% of consumer marketers – the core group of CDP users – have completed their projects on time and on schedule, and only 58% of companies with a deployed CDP say it is delivering significant value. Most of the others are being improved, so they will probably deliver value in the future. Still, there is a gap between CDP promise and reality.

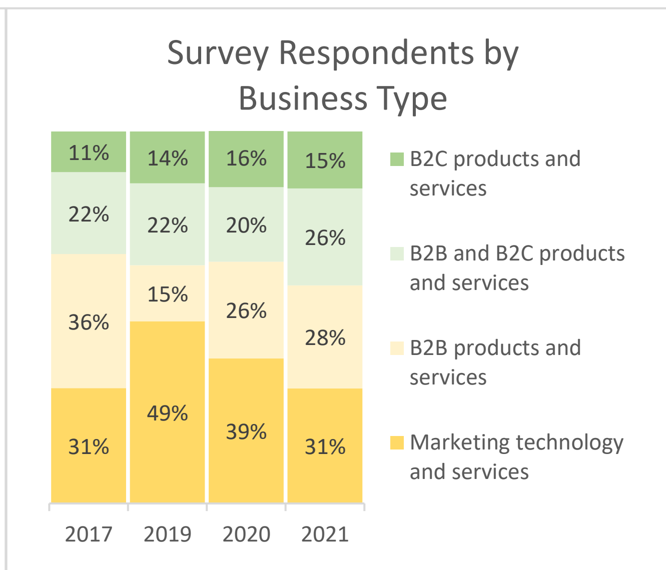
There's good news, too. Our research finds that significant differences between the most satisfied CDP users from others, as well as CDP users and non-users. Understanding these differences can help future CDP users improve their chances of success.

Background

In October 2021, the CDP Institute received 411 responses to an email survey of its membership. Forty-one percent (41%) worked at companies that sell to consumers or a mix of business and consumers, 28% sold primarily to businesses, and 31% sold marketing technology vendors and services.

The two sets of consumer businesses had similar profiles for company revenue, customer data architecture, CDP status, and CDP results, while B2B and martech firms were distinctly different. Because consumer businesses are the primary CDP users, most analysis in this report draws on answers from the consumer company respondents. (See Appendix A for profiles of the different groups.)

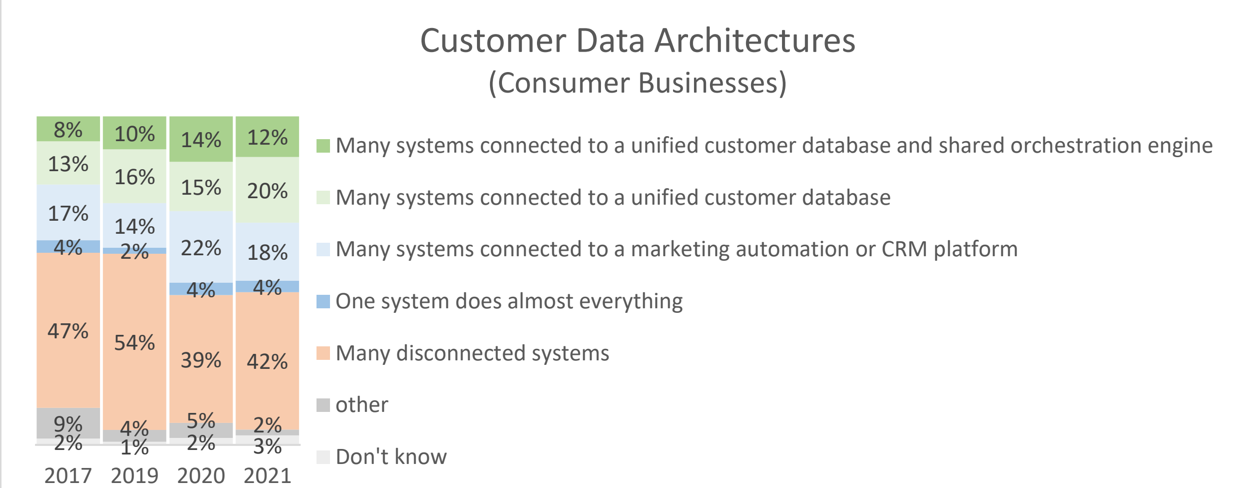




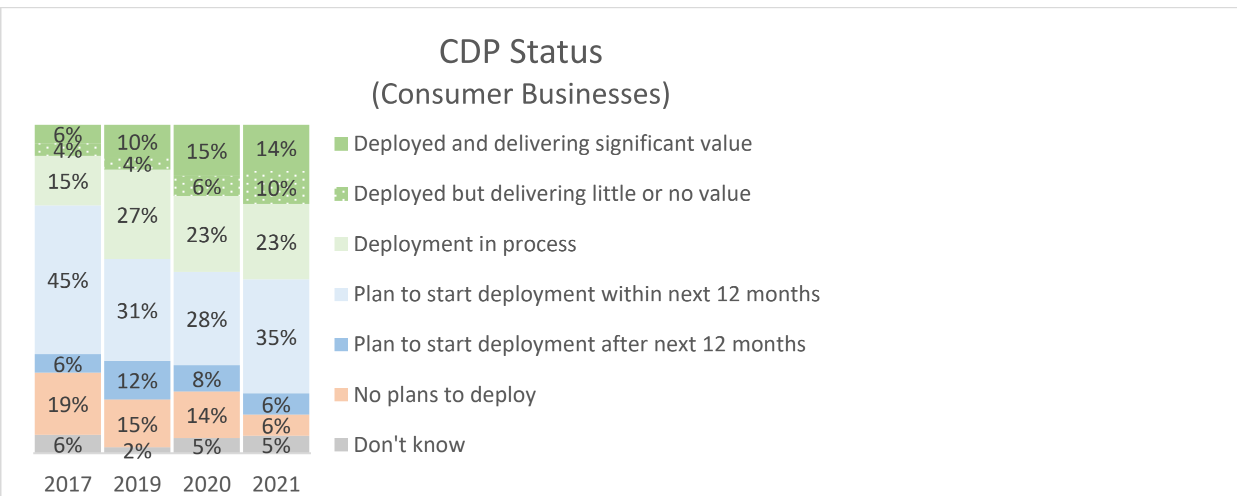
Findings: The Path to CDP Success

Companies are making progress with data unification and CDPs.

The share of consumer businesses with a unified customer database has increased steadily over time, from 21% in 2017 to 32% in 2021. Companies using a marketing automation or CRM system as their central platform have remained roughly the same and the share of companies disconnected systems has fallen.

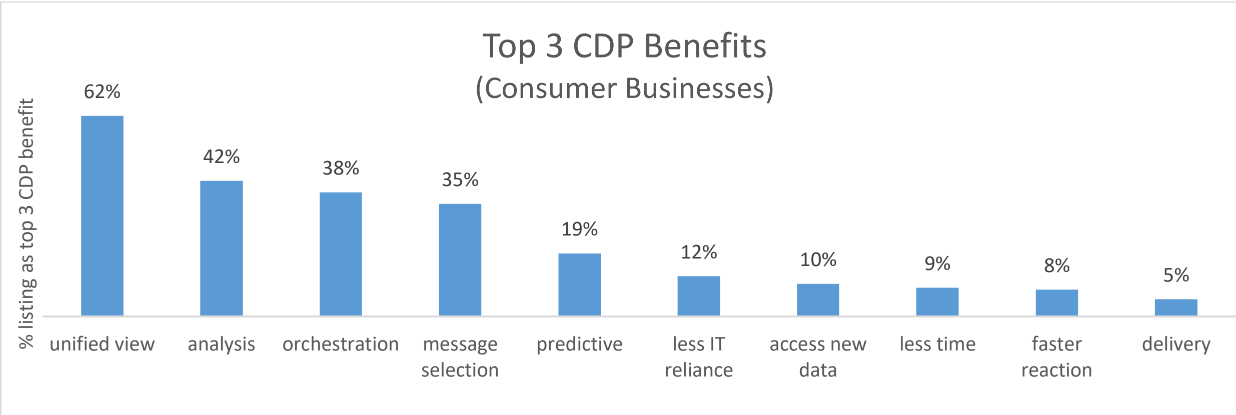


CDPs show an even more rapid growth, from 10% deployment in 2017 to 24% in 2021. Deployments in-process and planned for the next twelve months have also grown despite some period-to-period fluctuations. Companies with indefinite plans (deploy after twelve months, no plans, and unknown) have decreased sharply over this period.

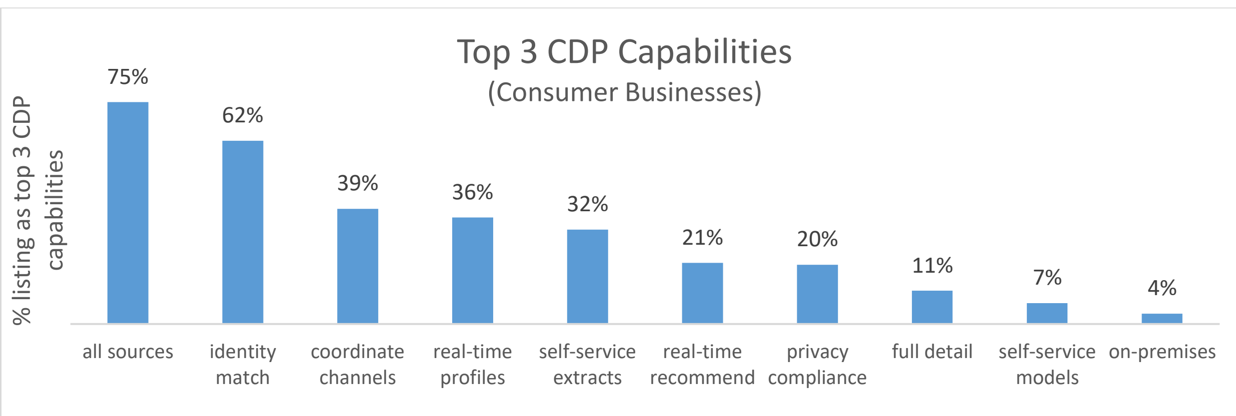


Respondents have a clear view of CDP purpose.

While CDPs can be used for many things, respondents show a clear understanding that their primary purpose is to build customer profiles. Unified customer view ranks far ahead of all other benefits across all consumer and mixed respondents.



Similarly, collecting data from all sources (75%) and identity matching (62%) are by far the top two capabilities.



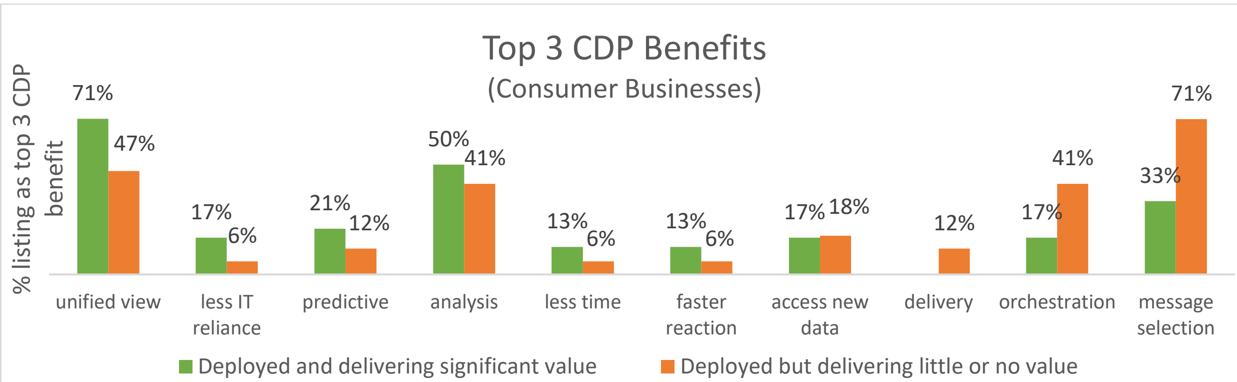
Successful CDP users have modest expectations.

The majority (58%) of respondents with deployed CDPs said they were delivering significant value. A large majority (82%) of the others are still being worked on, so they are likely to yield higher value in the future. Still, it's worth exploring what high-value CDP owners are doing differently.

The most prominent difference is that high-value CDP owners have more pragmatic expectations for CDP benefits and stronger focus on basic capabilities:

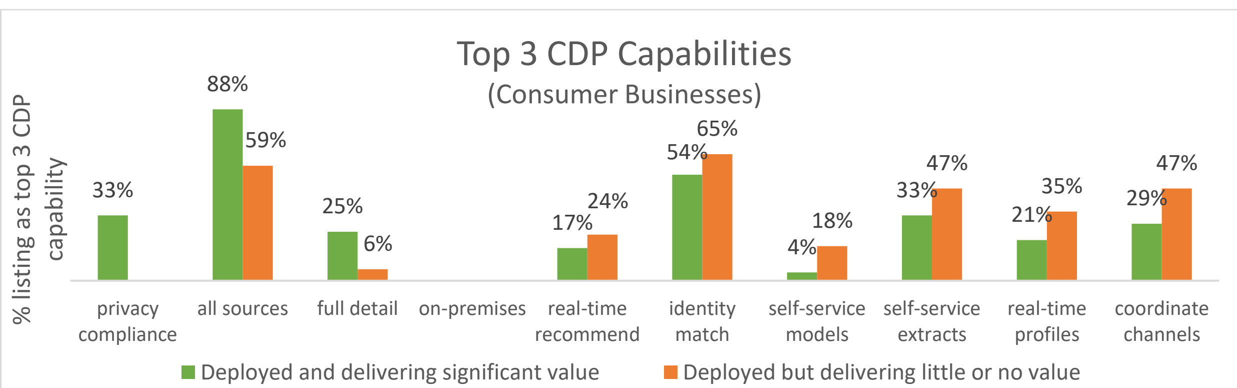
- High-value CDP owners are more likely to list CDP benefits of building a unified customer view, less reliance on IT, predictive and general analytics, faster reaction and less time spent on data management. These are basic CDP functions or improvements in data management operations. They are benefits delivered by a functional CDP regardless of external factors.

- Low-value CDP owners are more likely to list advanced CDP benefits of message selection and experience orchestration. These depend heavily on staff and systems beyond the CDP itself.



- High-value CDP owners are more likely to list CDP capabilities of privacy compliance, capturing data from all sources, and retaining full detail. These are basic CDP requirements.

- Low-value CDP are more likely to list cross-channel coordination, real-time profiles, self-service data extracts, and self-service predictive models. Again, these are advanced functions that rely on user skills and cooperation across the company.



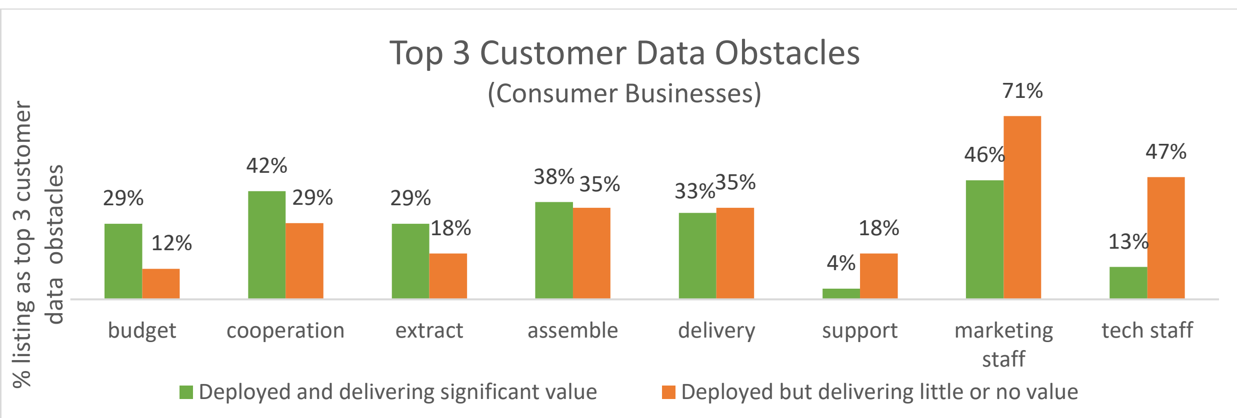
The pattern is clear: companies achieving high value from their CDPs have defined that value as basic capabilities and benefits, while companies reporting low value had much more ambitious goals that depended on factors beyond the CDP itself. These goals take longer to reach, so firms reporting low CDP value now are likely to achieve higher value in the future. Regardless, the lesson is that companies planning a CDP deployment should focus initial expectations on basic benefits and capabilities. Once their CDP is delivering basic values from more efficient operations and analytics, users can move to more sophisticated activities.

Successful CDP projects overcome resource issues.

Hindsight gives companies with a deployed CDP a clear picture of what obstacles they faced.

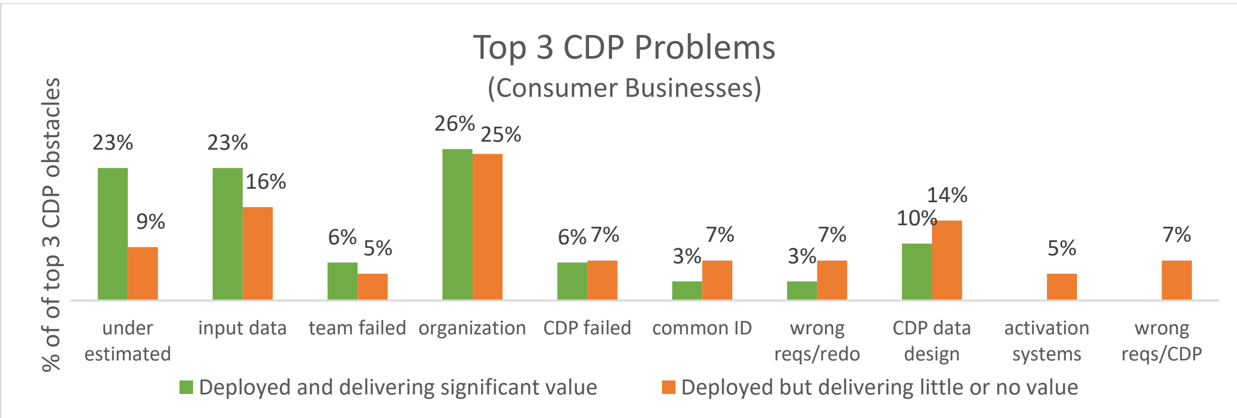
- High-value CDP owners were more likely to cite customer data obstacles that require resources throughout the organization, including budgets, cooperation across departments, and extracting data from existing systems. When asked specifically about problems faced by their CDP project, they most often cited input data and underestimated resource needs. They must have found solutions to these problems, or their CDP would not be delivering high value. Notably, very few high-value CDP owners cited lack of management support as an obstacle – suggesting that this support was a key tool for removing obstacles to their success.

- Low-value CDP owners often did cite lack of management support as an obstacle. They also cited related issues of gaining cooperation from marketing and IT staff, as well as mistakes during the deployment process such as failing to define requirements correctly, picking the wrong CDP, starting with a poor data design, developing identity unification methods, and connecting with delivery systems. These are errors that can be fixed over time, reinforcing the belief that many of these projects will eventually return a high value to their organizations.



- Organizational readiness was the most-cited obstacle for both sets of respondents. This was defined broadly as not being prepared to use the CDP due to lack of skills, training, alignment, planning, etc.

  This may be the most important finding from the entire survey, because many companies approach CDP as a technical rather than organizational challenge. In fact, true technical failure – indicated by a CDP that did not perform as expected – is among the least cited problems for either group.

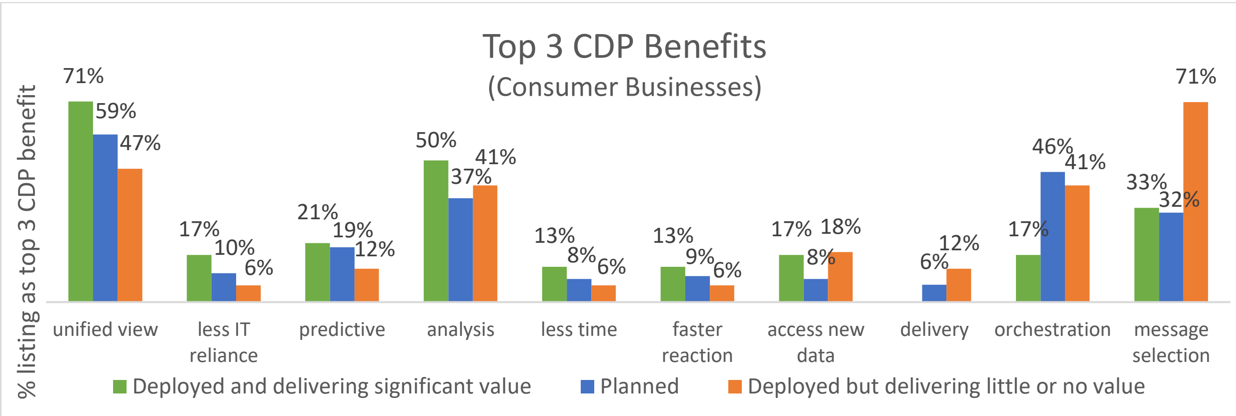


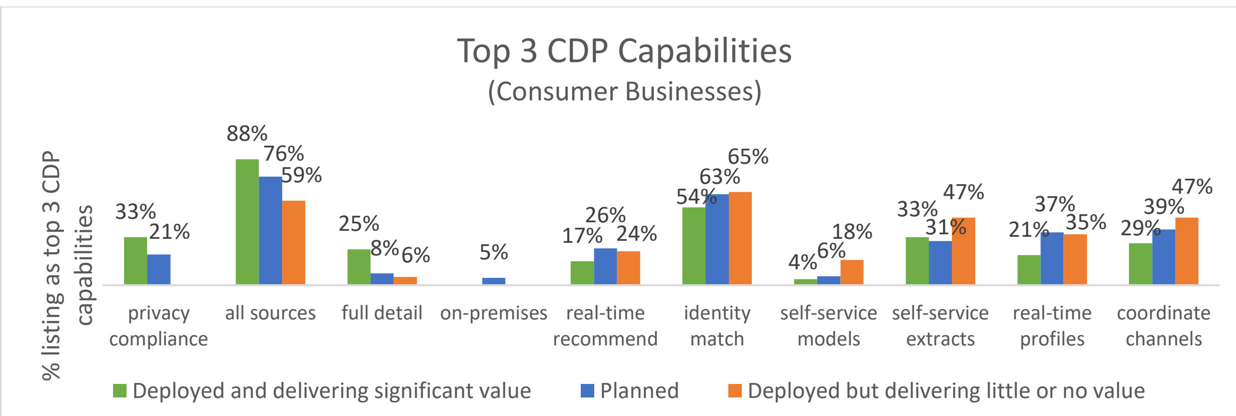
Again, the implications are clear: companies that fail to engage their marketing and technology staff early in the project are likely to make expensive mistakes that take time and resources to rectify. Organizational readiness is the biggest obstacle faced by both successful and struggling CDP projects: the difference, presumably, is that the successful projects found the resources to create organizational readiness, while the struggling projects did not. Companies ignore this lesson at their peril.

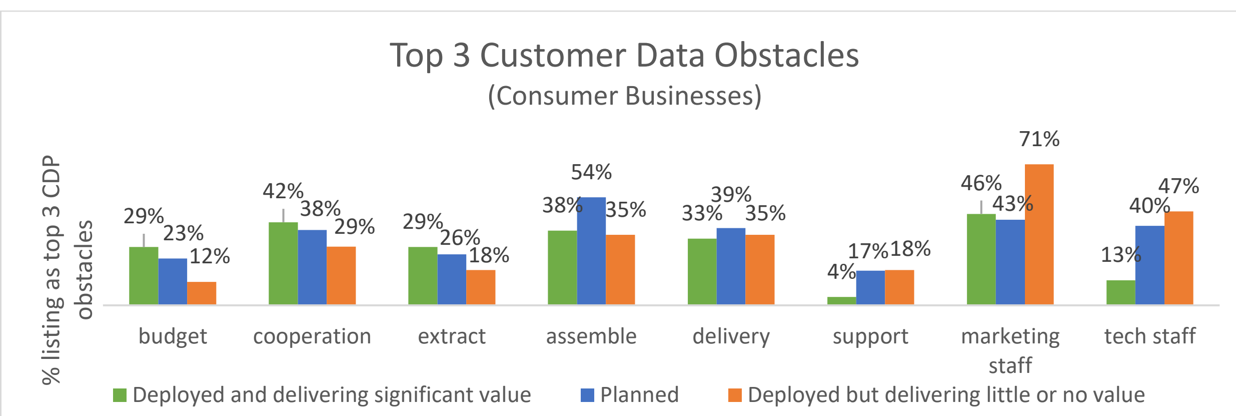
New deployments risk repeating old mistakes.

Respondents with a planned or in-process CDP deployment generally give answers that fall between high-value and low-value CDP owners. Similarly, the average martech satisfaction score of the Planned group (3.70) falls between the 4.17 of high-value CDP owners and 3.28 of the low-value owners.

These results suggest the Planned group will ultimately split into a similar mix of high- and low-value deployments. This group can do better if they learn from their predecessors' experience.







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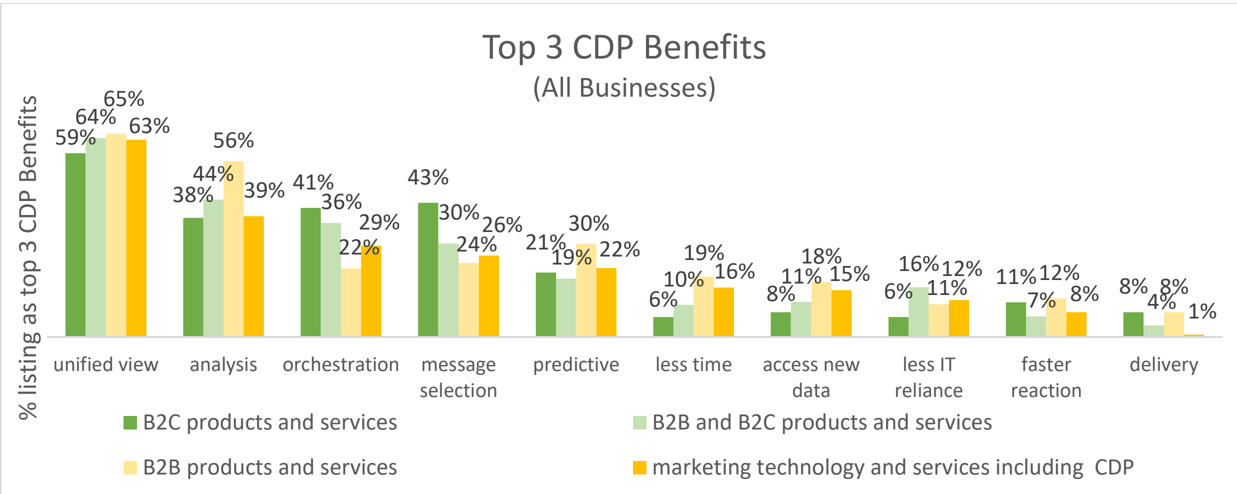
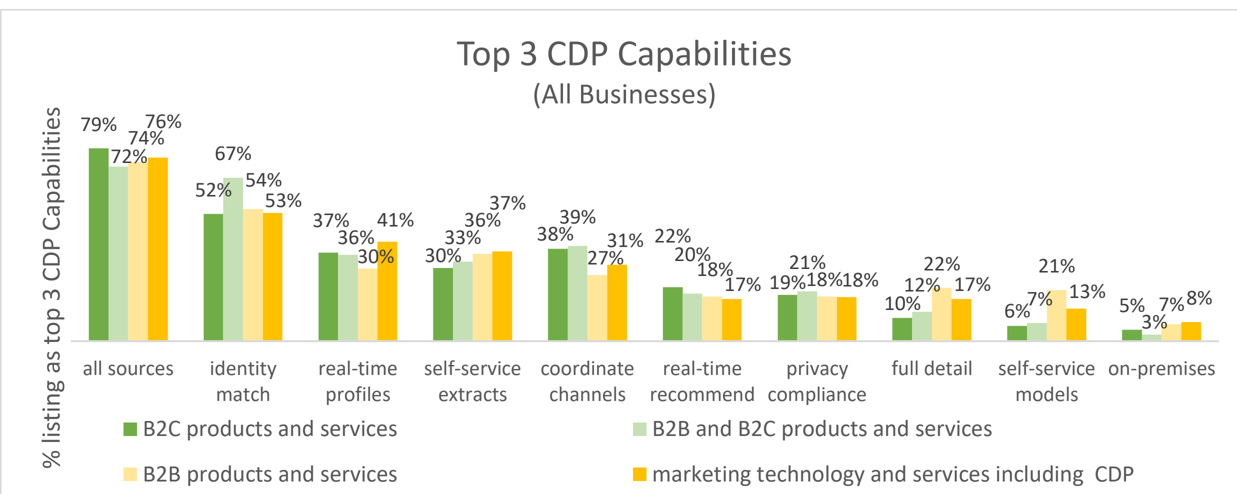
Martech vendors stress business user benefits and data obstacles

B2B and martech respondents also gave benefits and obstacles roughly the same rankings as consumer and mixed companies. The opinions of martech vendors carry special weight since they speak from experience across multiple clients.

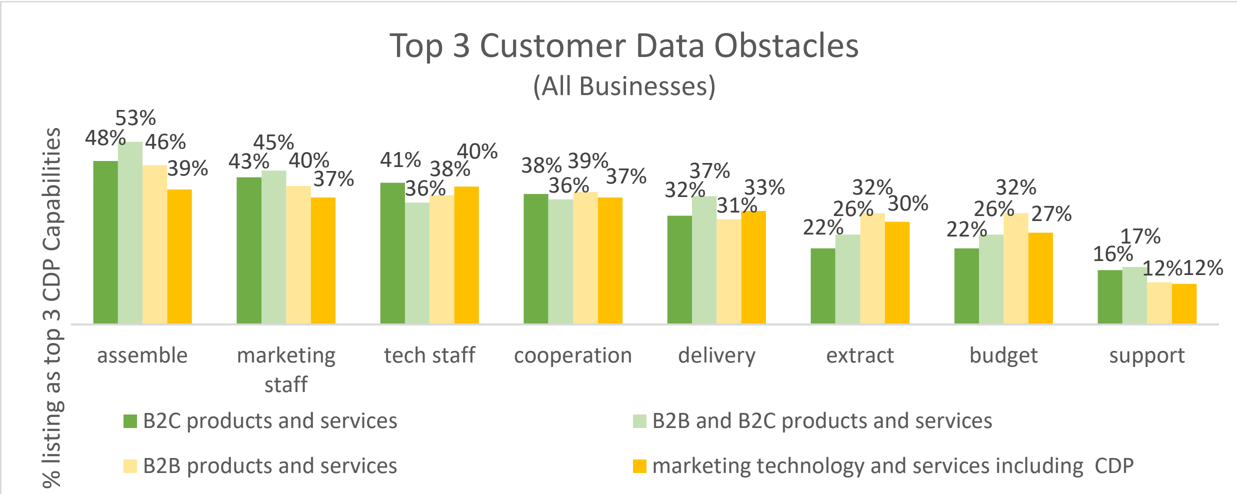
- CDP Benefits: martech vendor views resemble the high-value CDP owners, with higher weight on basic benefits such as less time spent on data management, and lower weight on advanced benefits like orchestration and message selection.



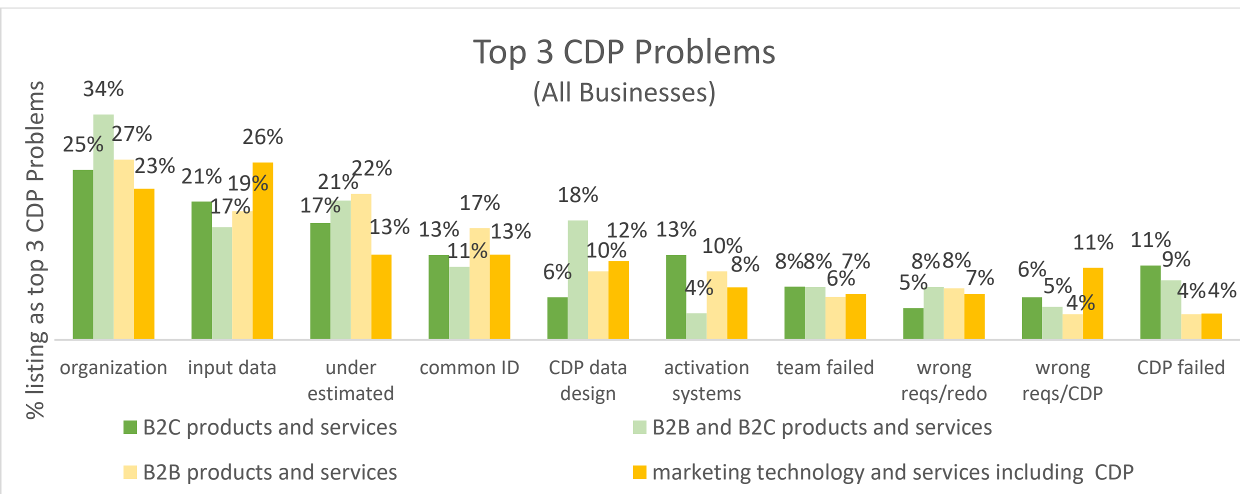
- CDP Capabilities: martech vendors share some opinions with high-value CDP owners, notably in placing more weight on full data details and less on identity match and cross-channel coordination. However, they place more value on features that enhance business user productivity, including real-time profiles, self-service data extracts, and self-service predictive models. One interpretation is that the vendors recognize that CDPs need to provide direct user benefits in addition to building customer profiles.



- Customer data obstacles: martech vendor views also largely match high-value CDP owners, with more stress on data extract and budget challenges and less on marketing staff or management support. Interestingly, they are considerably less likely to report problems with the profile assembly process itself, although they still rate it as the top obstacle to success.



- CDP problems: martech vendors were the only group to rate input data as the most common problem. They gave less weight to organizational readiness and underestimated budgets, although nearly all groups put those three items in their top three. This echoes industry conventional wisdom that bad data is the most common CDP delivery issue.



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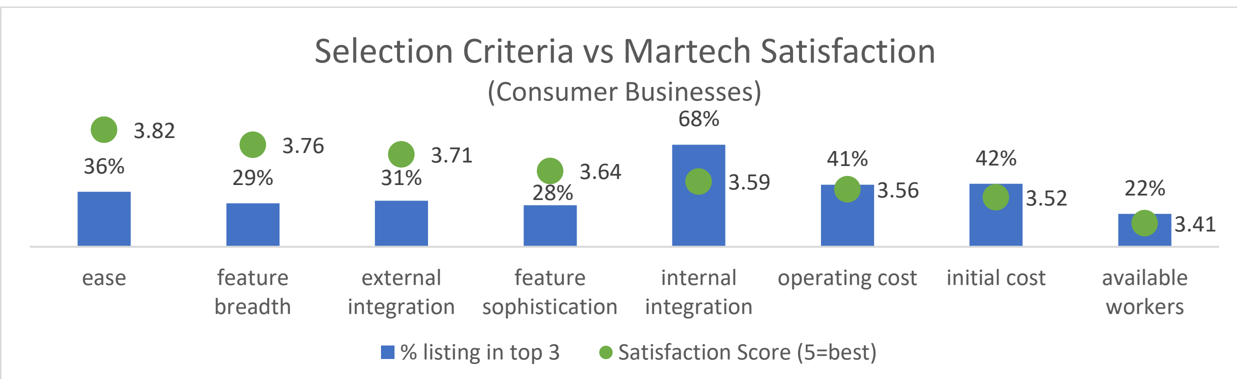
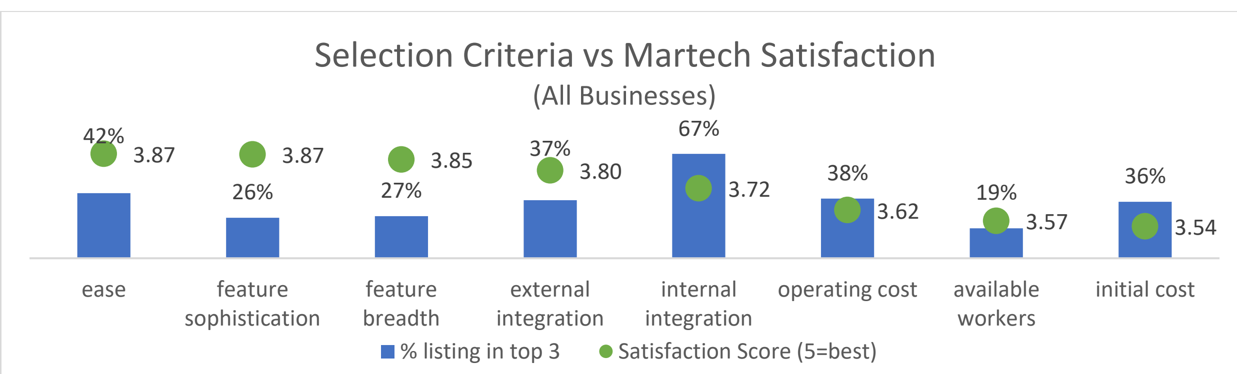
Selecting well is not enough.

The survey found a significant difference between which martech selection practices are most common and which practices accompany high satisfaction scores. Again looking only at consumer businesses:

- The criteria associated with the highest satisfaction scores, including ease of use, feature breadth, external integration, and feature sophistication, were among the least commonly used. These are measures that indicate a thorough selection process, which is likely to be more effective.
- The most common selection criterion, internal integration, was associated with a middling satisfaction score. While internal integration is important, it cannot be the only consideration.
- The second and third most common criteria, initial cost and operating cost, were associated with below-average satisfaction levels. Companies that focus on are likely to regret their choice.
- The lowest satisfaction rate (3.41) was associated with selecting tools on the basis of whether workers familiar with the tool were available (22%). This may mean that these firms were hoping to reduce training investment – always a poor place to save money.

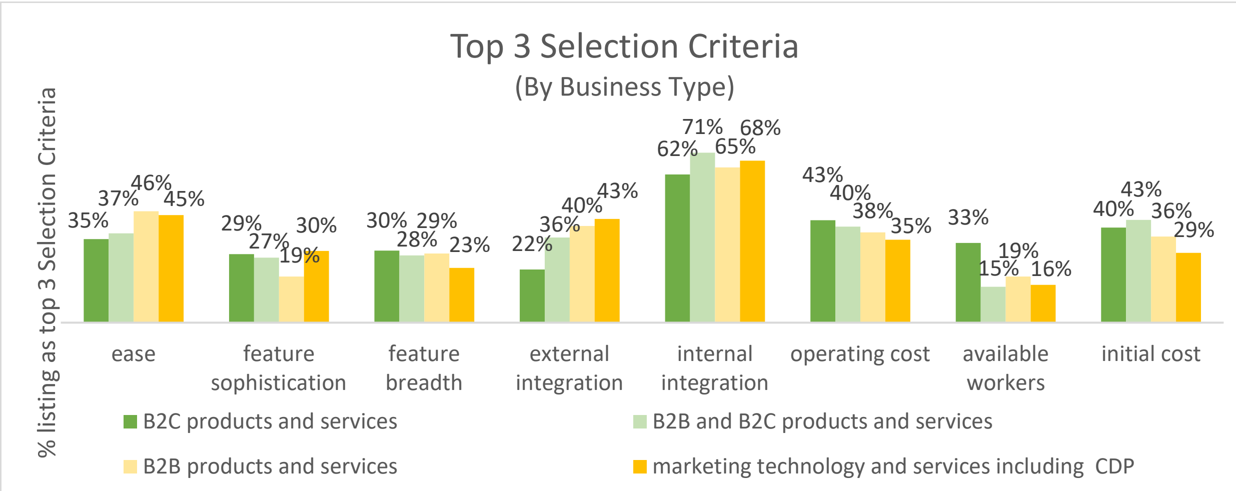


Including respondents from non-consumer businesses (B2B and martech) yields similar results. Internal integration remains the most common selection criteria and correlates with an average satisfaction rate; cost and available workers correlate with low satisfaction; and ease, features, and external integration correlate with high satisfaction.

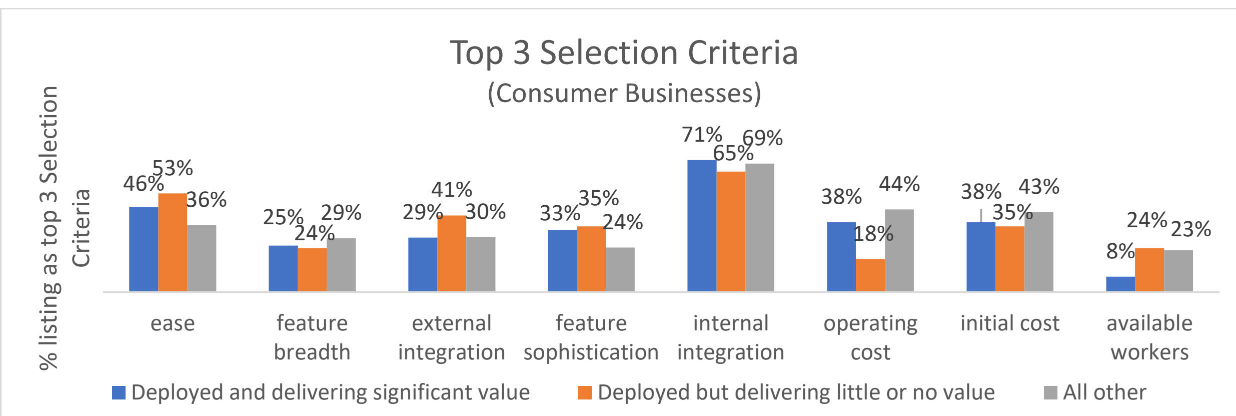


Martech vendors and CDP users are selection experts.

Looking at results by business type, martech vendors – presumed experts at system selection – are indeed more likely to select based on the high-satisfaction criteria including ease, external integration, and feature sophistication, and less on low-satisfaction items including initial cost, operating cost, and available workers.



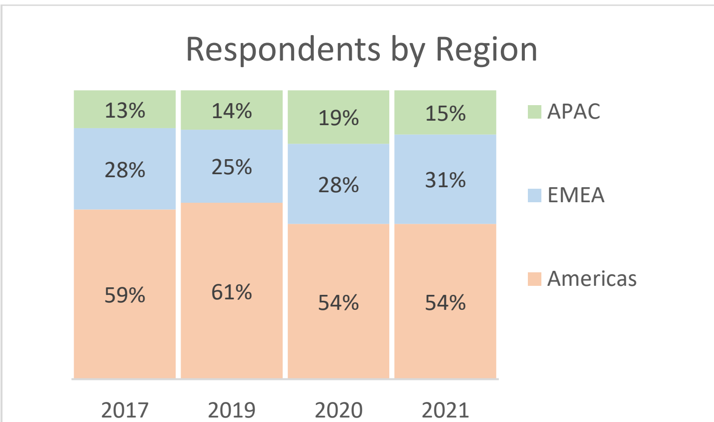
More surprising, the high-value CDP owners do not consistently use high-satisfaction criteria more often than low-value CDP owners. But both groups are more likely to use the high-satisfaction criteria than companies without any deployed CDP. This helps to explain why CDP product failures rank low on the list of project problems. It also reinforces the larger point that solving technical issues is not enough to ensure CDP success.



Regional Results

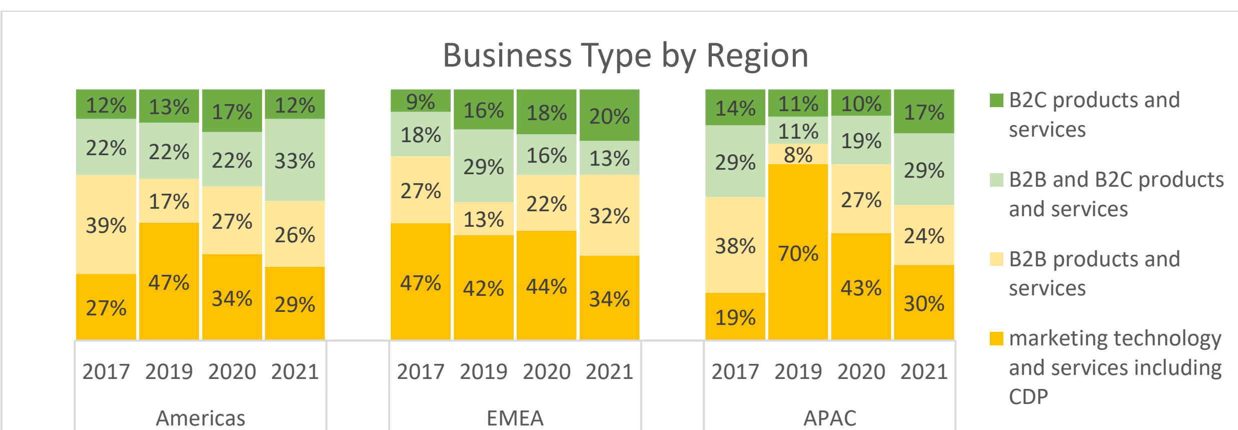
CDPs are growing faster outside the U.S.

Americas-based firms led in the development and adoption of CDPs, although growth is now faster in other regions. This is reflected in an increasing share of respondents outside the Americas. Because the CDP Institute is U.S.-based, the share of Americas-based survey respondents is probably higher than the true share of CDP users and vendors.



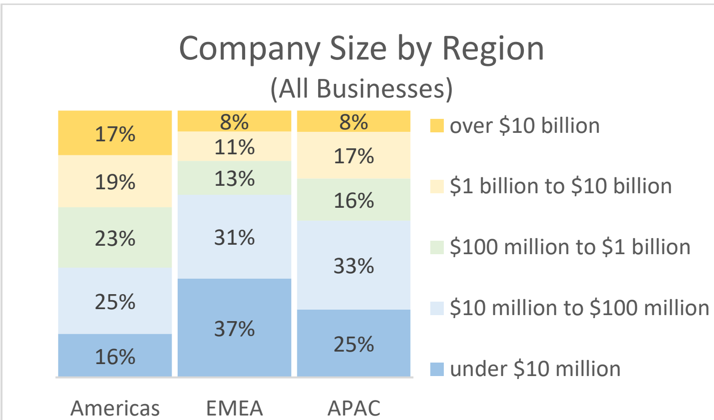
Interest is growing among consumer businesses.

Consumer businesses represent 44% of Americas respondents and 46% of APAC respondents, but only 33% of EMEA respondents. The fraction of consumer respondents has grown in all regions over time, reflecting increased interest in CDPs beyond the vendor community.



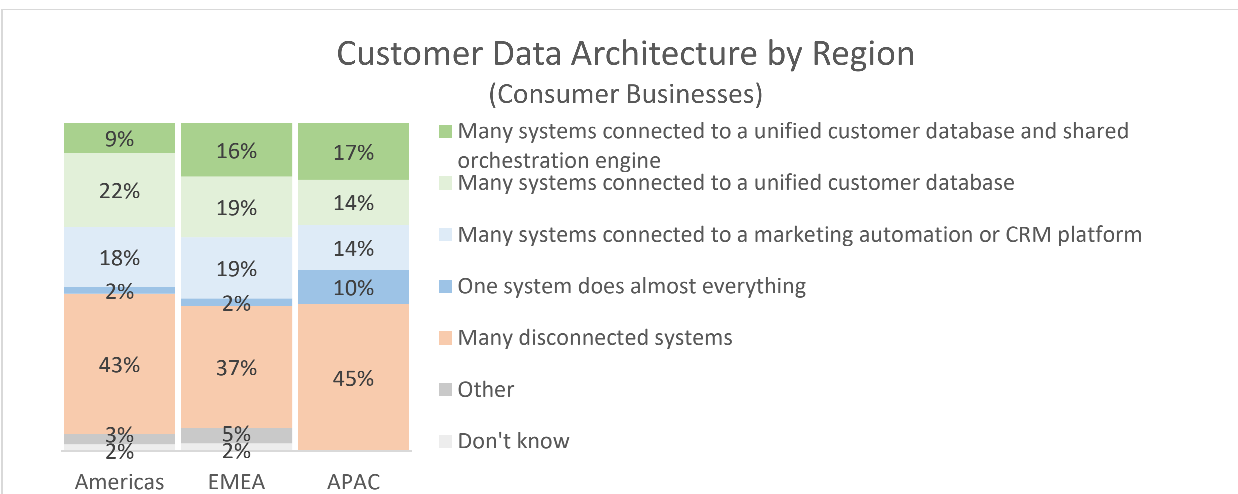
EMEA and APAC companies are smaller.

Companies in EMEA and APAC are substantially smaller than companies in the Americas. While 41% of Americas-based firms report under $100 million revenue, 68% of EMEA and 58% of APAC firms fall into this category. This probably reflects the higher share of vendors among European respondents, as well as earlier adoption of CDP by U.S.-based large consumer firms.



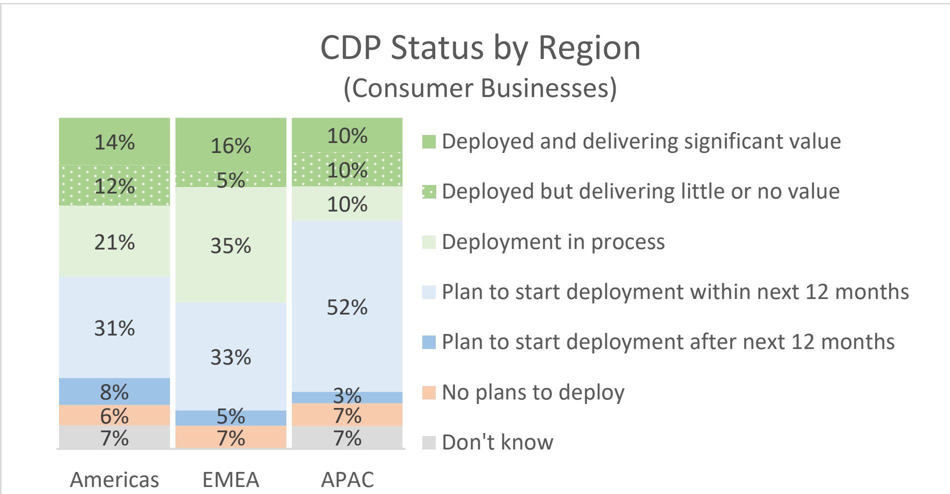
EMEA reports most unified systems.

Among consumer firms, EMEA reports slightly more companies with a unified customer database than either the Americas or APAC. EMEA also reports fewer disconnected systems.



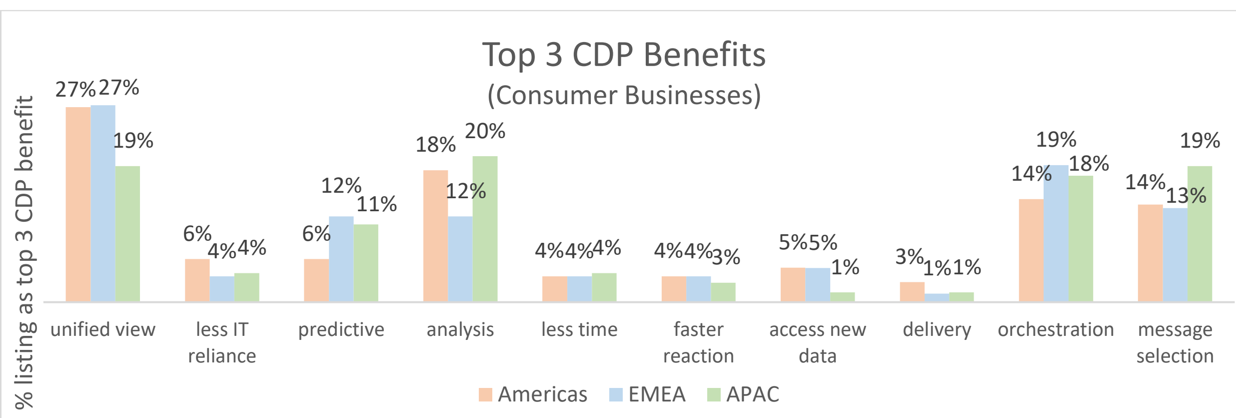
Americas leads in CDP deployments.

Looking specifically at CDPs among consumer firms, the Americas shows a higher deployed share, EMEA shows the largest share in process, and APAC shows the most planned start within the next twelve months. This supports the common view that the U.S. is the most mature CDP market, followed by EMEA, which is trailed by APAC.



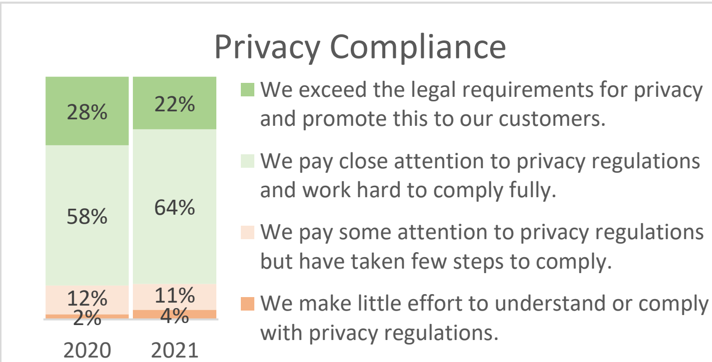
APAC is least mature.

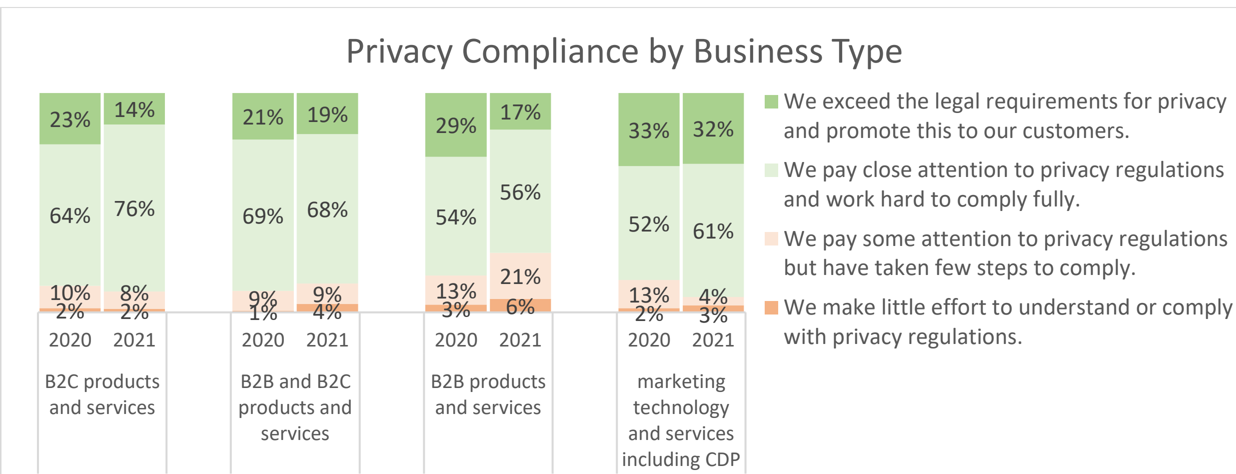
APAC firms also show substantially more interest in orchestration and message selection as CDP benefits and less in the unified view. These are attitudes associated with less CDP experience and low-value deployments. This reinforces the view of APAC as the least mature CDP market.

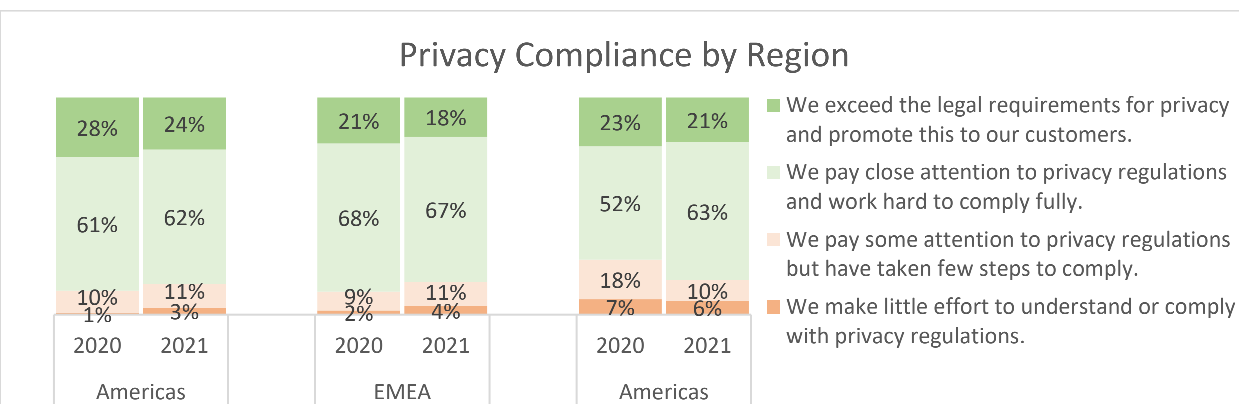


Privacy on Hold

Respondents reported a slight drop in over-all privacy compliance compared with last year's survey, and an even sharper decline in firms seeking to do more than meet their legal obligations. The decline appeared across all business types and regions. It probably reflects a mix of lax enforcement by regulators and a shift to other priorities as firms continue to adjust to the coronavirus pandemic and other crises. American firms remain the most likely to use privacy as a differentiator that they promote to the customers.

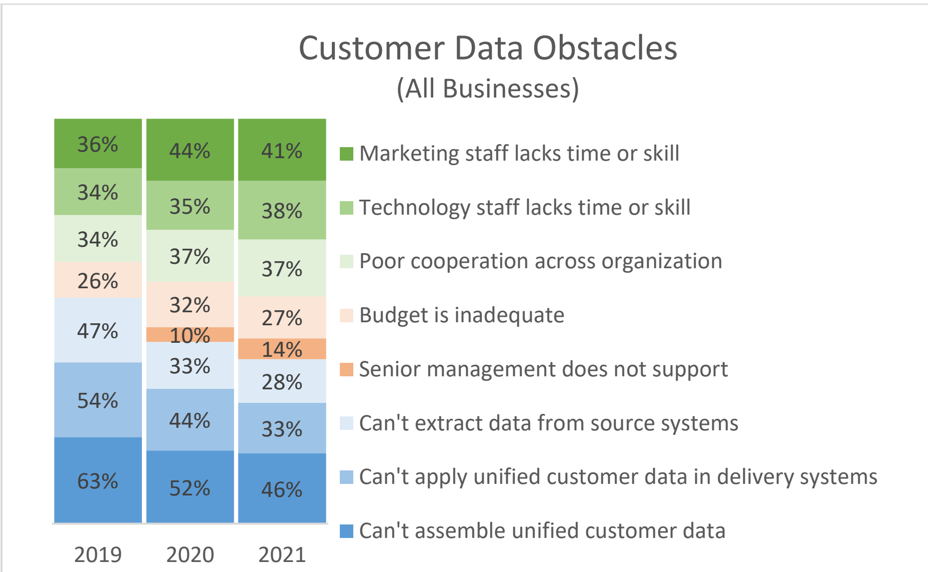






A Brighter Future

Here is one final piece of encouraging news: when asked about obstacles to using customer data, respondents in recent surveys have cited fewer technical issues (extracts, assembly, and application) and more organizations issues (marketing and IT staff, cooperation, and management support).



This points to two positive trends:

- companies are more capable of solving the technical issues, due to greater familiarity and better tools
- companies are more aware of the need to address organizational issues, which have proven to be the biggest problem facing CDP projects

In sum: the industry has learned from past experience and is now more capable than ever of applying it for future CDP success.

Appendices

Detail by Business Type

	B2C products and services	B2B and B2C products and services	B2B products and services	marketing technology and services including CDP	all combined
Revenue					
under $10 million	14%	9%	34%	32%	24%
$10 million to $100 million	17%	23%	28%	38%	28%
$100 million to $1 billion	27%	19%	13%	19%	18%
$1 billion to $10 billion	27%	26%	15%	5%	17%
over $10 billion	14%	22%	10%	6%	13%

CDP Plans	B2C products and services	B2B and B2C products and services	B2B products and services	marketing technology and services including CDP	all combined
Deployed but delivering little or no value	10%	10%	4%	4%	7%
Deployed and delivering significant value	16%	13%	15%	30%	19%
Deployment in process	29%	20%	14%	13%	18%
Plan to start deployment within next 12 months	35%	35%	16%	18%	24%
Plan to start deployment after next 12 months	5%	7%	7%	6%	7%
No plans to deploy	6%	7%	34%	21%	19%
Don't know	-	8%	10%	7%	7%

	B2C products and services	B2B and B2C products and services	B2B products and services	marketing technology and services including CDP	all combined
CDP Experience					
We tried to deploy our CDP but did not complete the project	14%	7%	4%	5%	6%
We deployed our CDP but it took longer and/or cost more than originally planned	27%	26%	19%	13%	20%
We deployed our CDP on time and in budget	10%	11%	18%	41%	22%
We have never tried to deploy a CDP	49%	56%	59%	42%	51%

	B2C products and services	B2B and B2C products and services	B2B products and services	marketing technology and services including CDP	all combined
Customer Data Architecture					
Many systems connected to a unified customer database and shared orchestration engine	11%	13%	7%	13%	11%
Many systems connected to a unified customer database	21%	20%	11%	5%	13%
Many systems connected to a marketing automation or CRM platform	16%	19%	22%	29%	22%
One system does almost everything	3%	4%	7%	9%	6%
Many disconnected systems	46%	39%	40%	32%	38%
Other	3%	3%	8%	8%	6%
Don’t know	-	3%	4%	3%	3%

Consumer Business Detail by Region

CDP Problems	Americas	EMEA	APAC	All Combined
organization	31%	33%	21%	29%
underestimated	15%	23%	24%	19%
input data	16%	21%	17%	18%
CDP data design	17%	2%	14%	13%
common ID	10%	5%	24%	11%
CDP failed	9%	7%	14%	9%
team failed	7%	9%	7%	8%
activation systems	5%	7%	14%	7%
wrong reqs/redo	9%	2%	3%	6%
wrong reqs/CDP	6%	7%	-	5%

CDP Benefits	Americas	EMEA	APAC	All Combined
unified view	69%	53%	48%	62%
analysis	47%	23%	52%	42%
orchestration	37%	37%	45%	38%
message selection	35%	26%	48%	35%
predictive	15%	23%	28%	19%
less IT reliance	15%	7%	10%	12%
access new data	12%	9%	3%	10%
less time	9%	7%	10%	9%
faster reaction	9%	7%	7%	8%
delivery	7%	2%	3%	5%

CDP Capabilities	Americas	EMEA	APAC	All Combined
all sources	74%	79%	69%	75%
identity match	65%	58%	55%	62%
coordinate channels	40%	37%	38%	39%
real-time profiles	34%	40%	38%	36%
self-service extracts	35%	30%	24%	32%
real-time recommend	19%	21%	24%	21%
privacy compliance	16%	23%	28%	20%
full detail	10%	12%	14%	11%
self-service models	8%	5%	7%	7%
on-premises	3%	5%	3%	4%

Customer Data Obstacles	Americas	EMEA	APAC	All Combined
assemble	53%	35%	69%	51%
marketing staff	43%	51%	38%	44%
tech staff	40%	30%	41%	38%
cooperation	36%	42%	34%	37%
delivery	37%	35%	31%	35%
extract	27%	16%	31%	25%
budget	27%	19%	28%	25%
support	16%	21%	10%	16%

Survey Questions and Combined Results

Which best describes your company's business?	
B2C products and services	15%
B2B and B2C products and services	26%
B2B products and services	28%
marketing technology and services including CDP	31%

Region	
Americas	54%
EMEA	31%
APAC	15%

What is your company's approximate annual revenue?	
under $10 million	24%
$10 million to $100 million	28%
$100 million to $1 billion	18%
$1 billion to $10 billion	17%
over $10 billion	13%

What department do you work in?	
Marketing	31%
IT	17%
Corporate Management	16%
Data / Analytics	14%
Sales	11%
Consulting	2%
Product	2%
Operations	2%
Customer Service	1%
Other	4%

Which best describes the current state of customer-facing systems at your company?	
Many systems connected to a unified customer database and shared orchestration engine	11%
Many systems connected to a unified customer database	13%
Many systems connected to a marketing automation or CRM platform	22%
One system does almost everything	6%
Many disconnected systems	38%
Other	6%
Don't know	3%

Which best describes your company's plans regarding Customer Data Platforms?	
Deployed and delivering significant value	19%
Deployed but delivering little or no value	7%
Deployment in process	18%
Plan to start deployment within next 12 months	24%
Plan to start deployment after next 12 months	7%
No plans to deploy	19%
Don't know	7%

Which best describes your CDP deployment experience?	
We deployed our CDP on time and in budget	22%
We deployed our CDP but it took longer and/or cost more than originally planned	20%
We tried to deploy our CDP but did not complete the project	6%
We have never tried to deploy a CDP	51%

If you had trouble deploying your CDP, which of the following were problems? (Select all that apply.)	
Our organization wasn't prepared to use the CDP due to lack of skills, training, alignment, planning, etc.	23%
Our input data was missing or inadequate	18%
We understood our requirements but underestimated implementation time and cost	15%
We could not apply a common customer ID to data from different sources	11%
Our initial CDP data design was incorrect (data model, naming, segment labels, etc.)	10%
Our activation systems couldn't use the CDP data	7%
We understood our requirements but our implementation team failed to execute effectively	6%
We did not understand our requirements and had to redo the initial implementation	6%
We did not understand our requirements and selected an unsuitable CDP	6%
We understood our requirements but the CDP failed to perform as expected	6%

What are the most important benefits you expect from a CDP? (Please select your top 3 items.)	
Create unified customer view	63%
Improved data analysis and segmentation	45%
Improved orchestration of customer treatments across channels	31%
Improved message selection and personalization	29%
Improved predictive modeling and recommendations	23%
Less time spent on data management	14%
Access to otherwise-unavailable data	14%
Less reliance on IT resources	12%
Faster response to changing data management needs	9%
Improved message delivery	5%

What CDP capabilities are most important to you? (Please select your top 3 items.)	
Collect data from all sources, including CRM, Web sites, mobile apps, and third parties.	75%
Powerful identity matching and management	57%
Deliver customer profiles to other systems in real time	36%
Non-technical users can extract customer segments	35%
Coordinate customer treatments across channels	33%
Deliver offer/product recommendations to other systems in real time	19%
Support compliance with GDPR and other privacy regulations	19%
Retain full detail of all collected data	16%
Non-technical users can create predictive models	13%
On premises deployment	6%

What are your main obstacles to better customer data utilization? (Please select your top 3 items.)	
Can't assemble unified customer data	46%
Marketing staff lacks time or skill	41%
Technology staff lacks time or skill	38%
Poor cooperation across organization	37%
Can't apply unified customer data in delivery systems	33%
Can't extract data from source systems	28%
Budget is inadequate	27%
Senior management does not support	14%

How would you rate results of your company's recent investments in marketing technology?	
Highly satisfied	20%
Somewhat satisfied	45%
Neither satisfied nor dissatisfied	24%
Somewhat dissatisfied	9%
Highly dissatisfied	2%

What does your company generally consider most important when selecting marketing technology? (Please select your top 3 items.)	
Integration with internal systems	67%
Ease of learning and use	42%
Operating cost (fees and staffing)	38%
Integration with external systems	37%
Initial cost (acquisition and deployment)	36%
Breadth of features	27%
Sophistication of features	26%
Availability of workers, consultants and service providers familiar with the product	19%

Which best describes your company's approach toward customer data privacy regulations?	
We exceed the legal requirements for privacy and promote this to our customers.	22%
We pay close attention to privacy regulations and work hard to comply fully.	64%
We pay some attention to privacy regulations but have taken few steps to comply.	11%
We make little effort to understand or comply with privacy regulations.	4%

About the CDP Institute

The Customer Data Platform Institute provides vendor-neutral information about issues, methods, and technologies for creating unified, persistent customer databases. Activities include publishing of educational materials, industry directories, news about industry developments, best practice guides, and training workshops. Membership is free to individuals.

For more information, visit www.cdpinstitute.org

