CDP Use Cases: What Users Want

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CUSTOMER
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CDP Institute Use Case Generator Results

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CDP Institute Use Case Generator Results

Executive Summary

This study analyzes aggregate results from use cases that CDP Institute members have entered into the Institute's online Use Case Generator. Key findings include:

- **CDP use cases are focused on existing customers.** Working with known customer data is the traditional core application for CDPs. While many use cases listed awareness and acquisition as goals, nearly all of these cases also listed customer value (cross-sell and upsell) and retention. This suggests that most users are not yet looking for a CDP to replace existing adtech systems. However, it's likely that many will use CDPs to feed audiences to ad systems for direct contact and as the basis for look-alike prospecting models.

- **Detail data is key.** The most important CDP data types are personal identifiers, web behaviors, and purchase transactions. These provide access to detailed customer profiles that existing systems often do not collect or discard after calculating summary values.

- **CDPs are both platforms and applications.** Nearly one-third of the use cases cited data assembly as their primary product, while exactly one-third cited outbound campaigns or real-time interactions. These types of use cases involve different types of data, staffing, measurement, capabilities, and connectors. CDP project teams must ensure they assemble the right resources to match their purpose, and recognize that most application use cases require data assembly as a precursor.

- **It's easy to start small.** Most CDP use cases require a handful of inputs, staff types, and system capabilities. This means the CDP can begin to deliver value fairly quickly – so long as project teams identify in advance the right resources for their initial applications and focus on delivering them.

- **Incremental deployment is the best approach.** Different use cases involve different sets of data, users, and capabilities. Deploying several applications that use the same resources will give the fastest return on the CDP investment. Deployments can then extend incrementally to applications that require adjacent sets of resources. Moving across department lines will require the most change, so it should be deferred until later stages of the project.

- **It's critical to engage future users.** While initial applications may have limited goals and require relatively few resources, long-term objectives include a wide range of applications that will involve a broad variety of data sources, user types, departments, and activation systems. Working with future business users to identify these in advance is essential in selecting a CDP that will meet future needs and in setting the most effective deployment sequence.

CDP Institute Use Case Generator Results

Introduction

In October 2020, the Customer Data Platform Institute deployed a free online Use Case Generator aimed at helping members define their CDP requirements. The Generator leads users through a structured set of questions about their use case goals, data sources, functional requirements, staff needs, and metrics, and returns these in a standard format. This study analyzes results from 73 completed entries. Special thanks to Brent Dreyer for executing the Use Case Generator project.

Use Case Generator Operation

The Use Case Generator collects the following information:

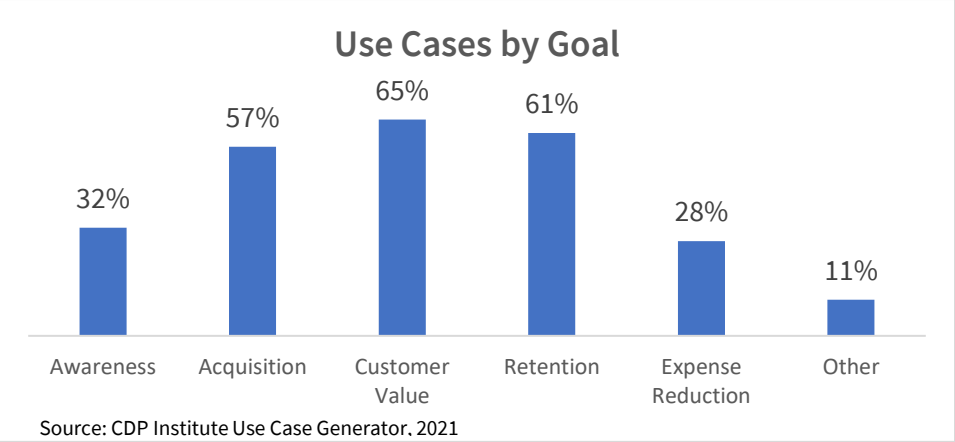
- **Description**: use case name, problem addressed, benefit expected, and solution.
- **Goals**: the business goals of the use case. Users can select one or more from a list including: awareness, acquisition, customer value, retention, expense reduction, and other.
- **Industry**: users select from a list of industries. (See Appendix for details.)
- **Systems or channels:** users select from a list of systems and channels, and can specify for each whether it provides data to the CDP, receives data from the CDP, neither, or both.
- **Data types:** users select from a list of data types that are needed, such as personal identifiers, transactions, and web behaviors. The system does not specify which systems provide or use each data type.
- **Product:** users select from a list of use case products (called "purposes" in the survey) including data assembly, data analysis, predictive models, outbound campaigns, real-time interactions, cross-channel orchestration, or other. These are treated as a sequence of tasks or stages in a maturity model, where each item is a precursor to the items that follow. Users are allowed one selection, which should be the highest-level goal on this list.
- **Tasks**: after the user selects the use case product, the system presents each task that precedes that product in the sequence. For each task, users are presented with a list of specific system **capabilities**, **staff** types, and metrics **(Key Performance Indicators**) and asked to select which are needed.
- **Features:** users are offered the option of specifying which of 24 CDP features their use case requires. This corresponds to the list of features used in the CDP Institute Vendor Comparison report. (See Appendix for details.)

After the user has completed making entries, the system converts the replies into a standard use case format and returns this by email as a Word document.

Results

Goals: Existing customers are the focus of CDP applications

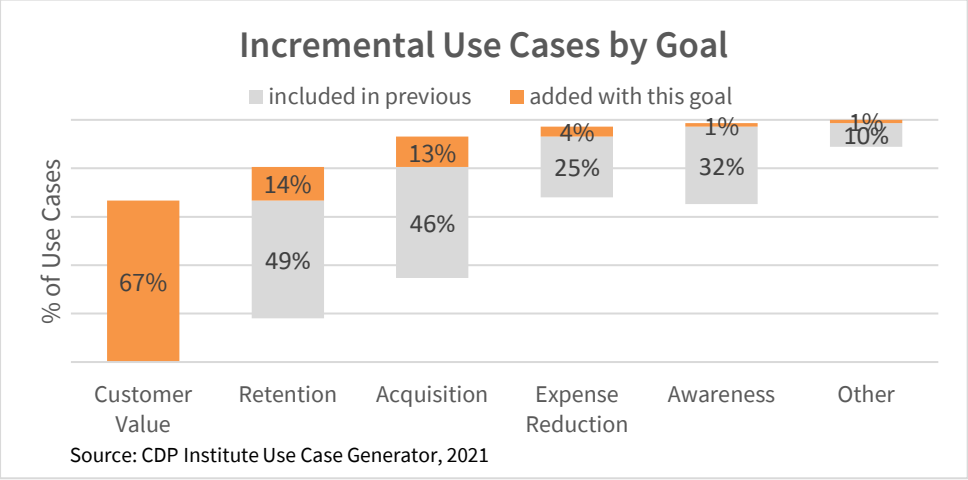
The most common use case goals were customer value (cross-sell and upsell) and retention, closely followed by acquisition. These are all goals that relate to existing customers, which are usually considered the focus of CDP applications.



Source: CDP Institute Use Case Generator, 2021

A surprising 32% of users also listed awareness as a goal, but this was nearly always in addition to one of the other goals. Just 1% of the users listed awareness by itself. Similarly, while expense reduction was listed by 28%, only 4% listed it alone.

Customer value alone accounted for 67% of use cases where a goal was specified, and 81% listed either customer value or retention. Nearly all (94%) listed customer value, retention, or acquisition.

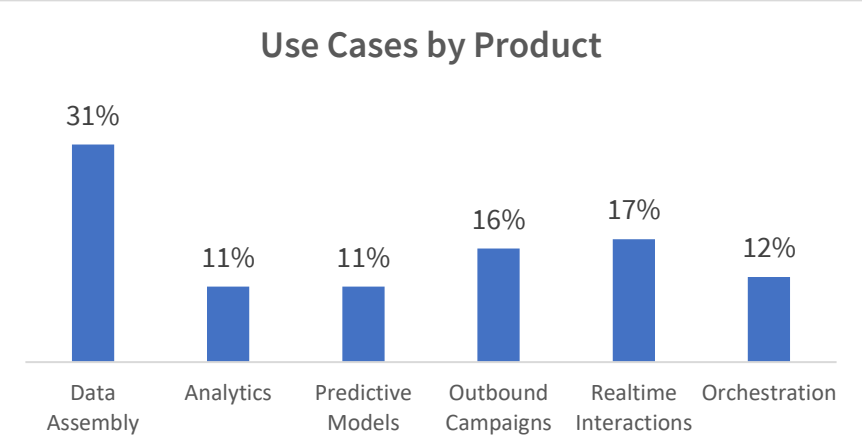


Source: CDP Institute Use Case Generator, 2021

Products: Data assembly creates value but many users want more.

The most common use case product is data assembly. This affirms that many CDP users see the primary purpose of their system as building unified profiles, which may then be used outside of the CDP. It suggests that the CDP can begin to deliver value as soon as the profiles become available.

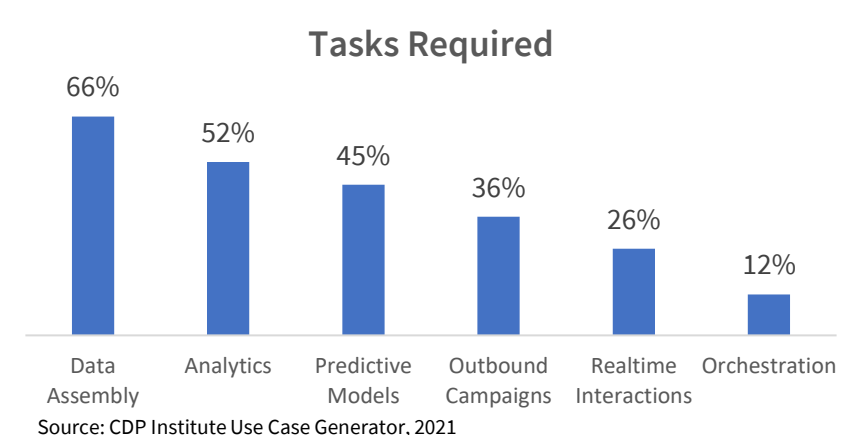
Yet marketing programs remain the ultimate goal for many users. The second and third most common purposes were outbound campaigns and realtime interactions, even though these come after analytics and predictive models in the task sequence. Answers to the staffing questions suggest that the users who did specify analytics and predictive models often had in mind purposes outside of marketing, such as sales or service. These results reinforce both that most CDP applications are within marketing and that CDPs have substantial use in other departments.



Source: CDP Institute Use Case Generator, 2021

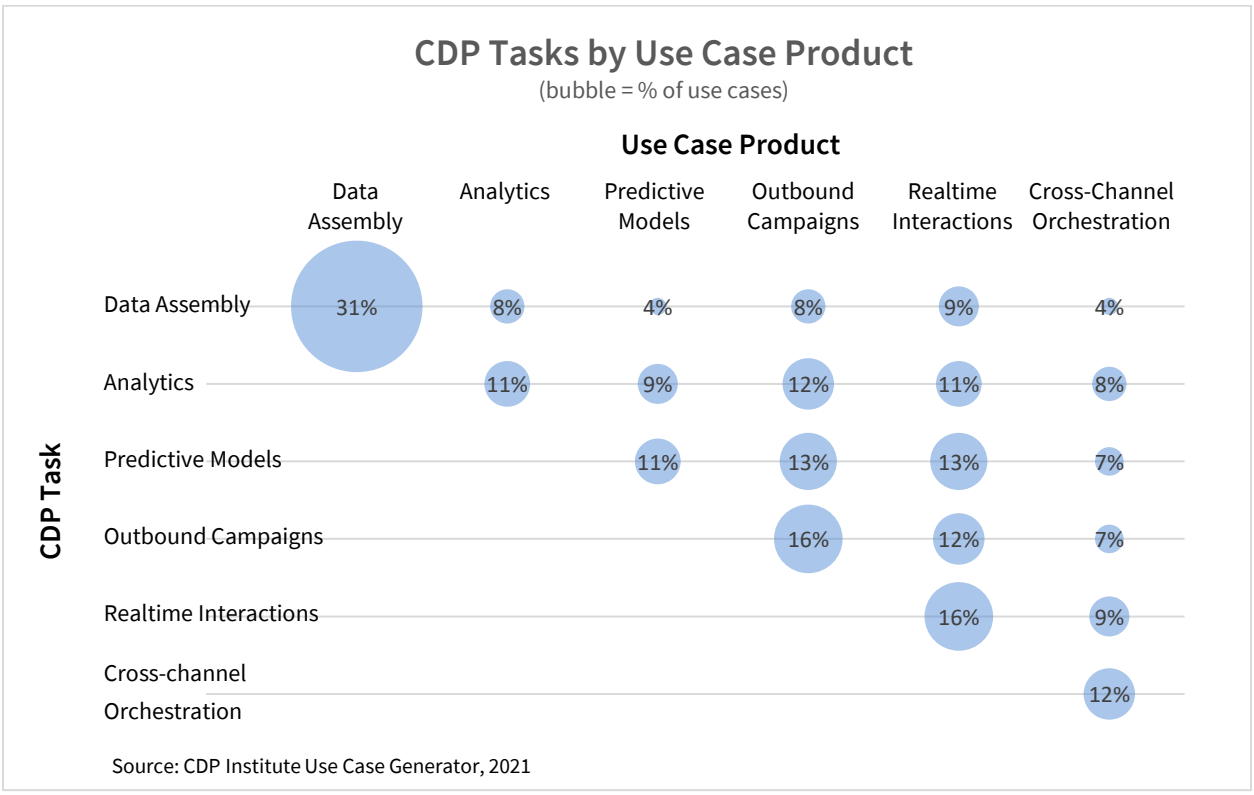
Tasks: Capabilities are deployed in sequence.

Advanced CDP products such as interactions and orchestration require basic tasks as a foundation. As a result, the most common task is data assembly, followed by analytics and predictive models.



Source: CDP Institute Use Case Generator, 2021

A closer look at tasks vs purposes confirms the relationship: the majority of cases require lower-level tasks leading up to their final purpose. Somewhat surprisingly, the ratio is lowest for data assembly, which is required by only about half of the campaigns, interaction, and orchestration use cases. This may indicate that those use cases were built by people who already had customer profiles available.



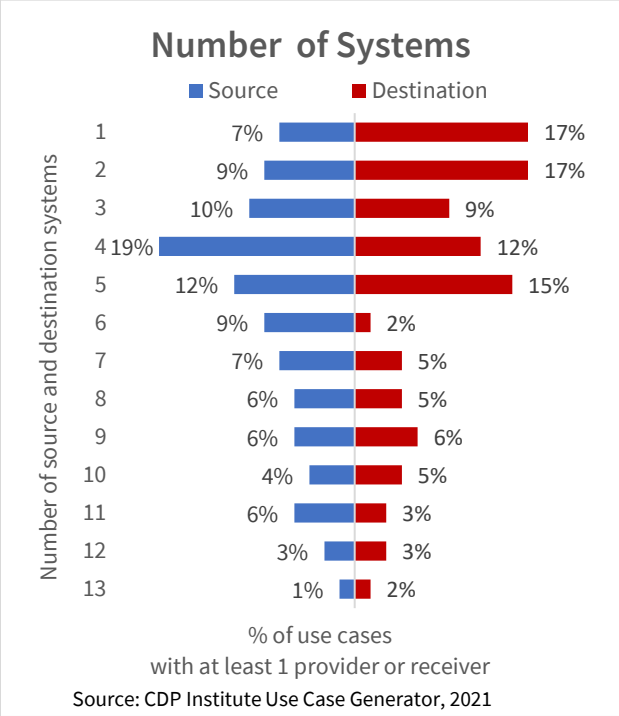
Source: CDP Institute Use Case Generator, 2021

CDP Institute Use Case Generator Results

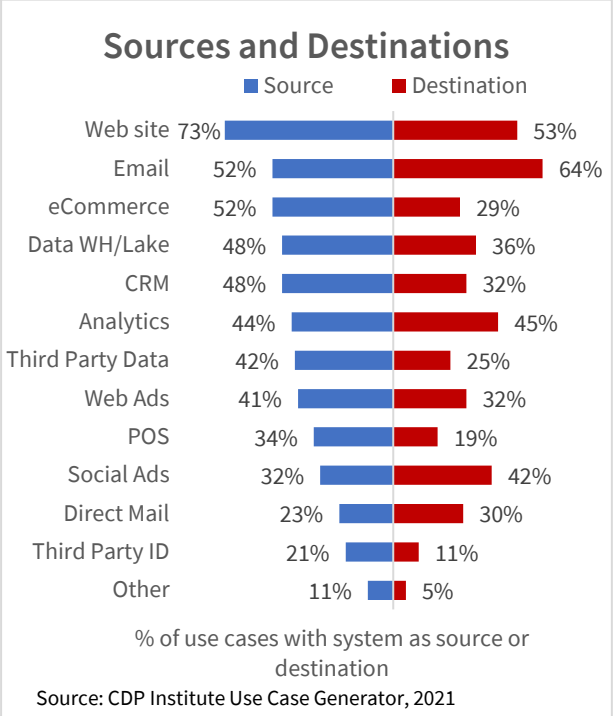
Data Sources: A few sources are enough to start.

CDPs can deliver value without loading all data about each customer: one quarter of the use cases required three or fewer data sources and the average across all cases was 5.2 sources. The numbers are even lower for destination systems: 4.3 average and one quarter with two or fewer destinations.

The most common sources were websites, email, and ecommerce systems, while the most common destinations were email, websites, and analytics.

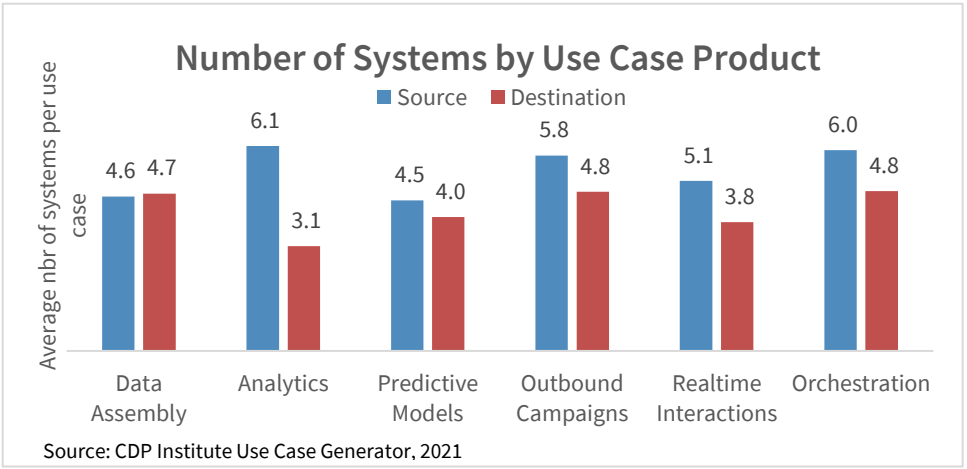


Source: CDP Institute Use Case Generator, 2021



Source: CDP Institute Use Case Generator, 2021

Data assembly and predictive model use cases require the fewest source systems, probably because they are pursuing specific applications that need specific data. Analytics and realtime interactions require the fewest destinations, perhaps for the same reason.



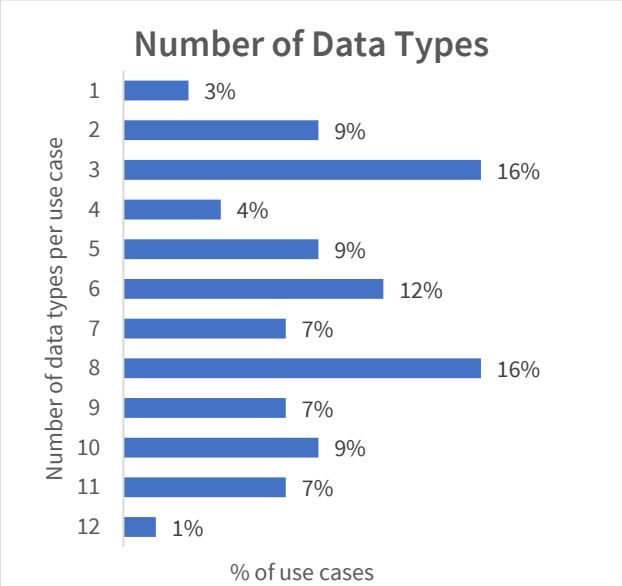
Source: CDP Institute Use Case Generator, 2021

CDP Institute Use Case Generator Results

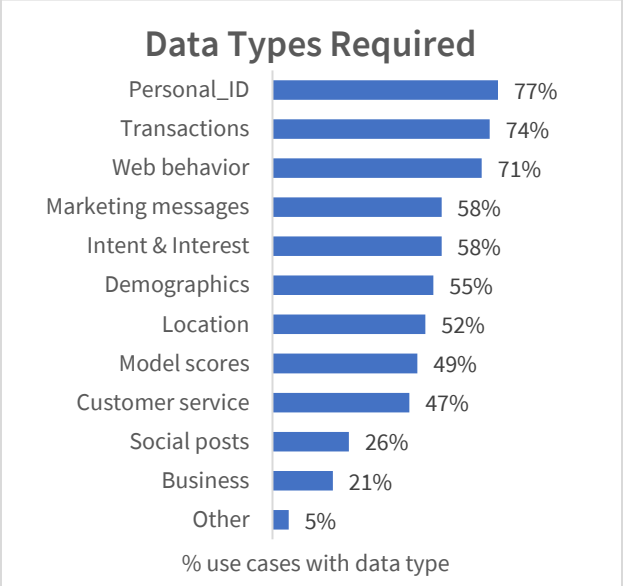
Data Types: Detail data is the primary CDP concern.

The average use case requires 5.9 data types, which is more than the average number of data sources. This reflects the importance of combining similar data from different sources to build a unified profile.

The most common data types are personal identifiers, transactions, and web behaviors. Each was required by nearly three-quarters of all use cases. This illustrates the importance of specific events in in CDP applications, compared with more generic information such as intent and demographics.



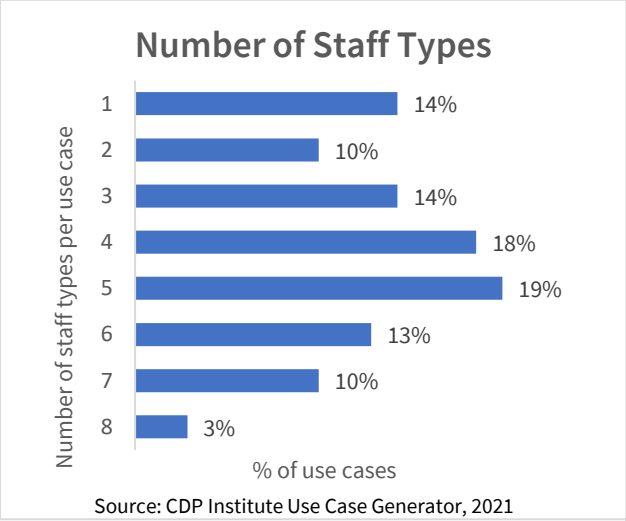
Source: CDP Institute Use Case Generator, 2021



Source: CDP Institute Use Case Generator, 2021

Staff by Task: Technical staff supports all use cases; business users are more specialized.

The average use case requires 4.1 staff types, although one-quarter require two or fewer. Martech is involved in 82% of use cases, more than any other group. Marketing operations and data science/ analytics staff are the next-most common. Marketing management is less involved than the other marketing groups, perhaps reflecting delegation of work for execution.



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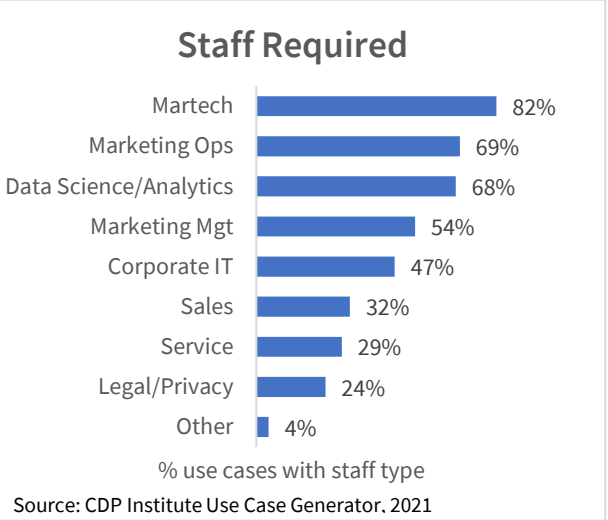

Source: CDP Institute Use Case Generator, 2021

A closer look at involvement by use case purpose supports this to some degree. Marketing management shows less involvement in outbound campaigns, realtime interactions and especially in cross-channel orchestration than martech, marketing ops, or data scientists. Marketing management, sales, and service teams all show particularly high involvement in predictive modeling products, suggesting that these are targeted at specific departmental goals. Privacy teams are most involved in analytics and cross-channel orchestration, where ensuring permissible data use is especially difficult. Corporate IT is most involved in data assembly and predictive models, most likely in their role as data gatekeepers.

The broad conclusion from these results is that a core team of martech, analytics, and IT staff can deploy the CDP, but business users from marketing, sales, service, and other departments must be added to gain value from the system. The corollary is it will be easier to deploy deeply in one department than to spread early training and integration efforts across multiple departments.

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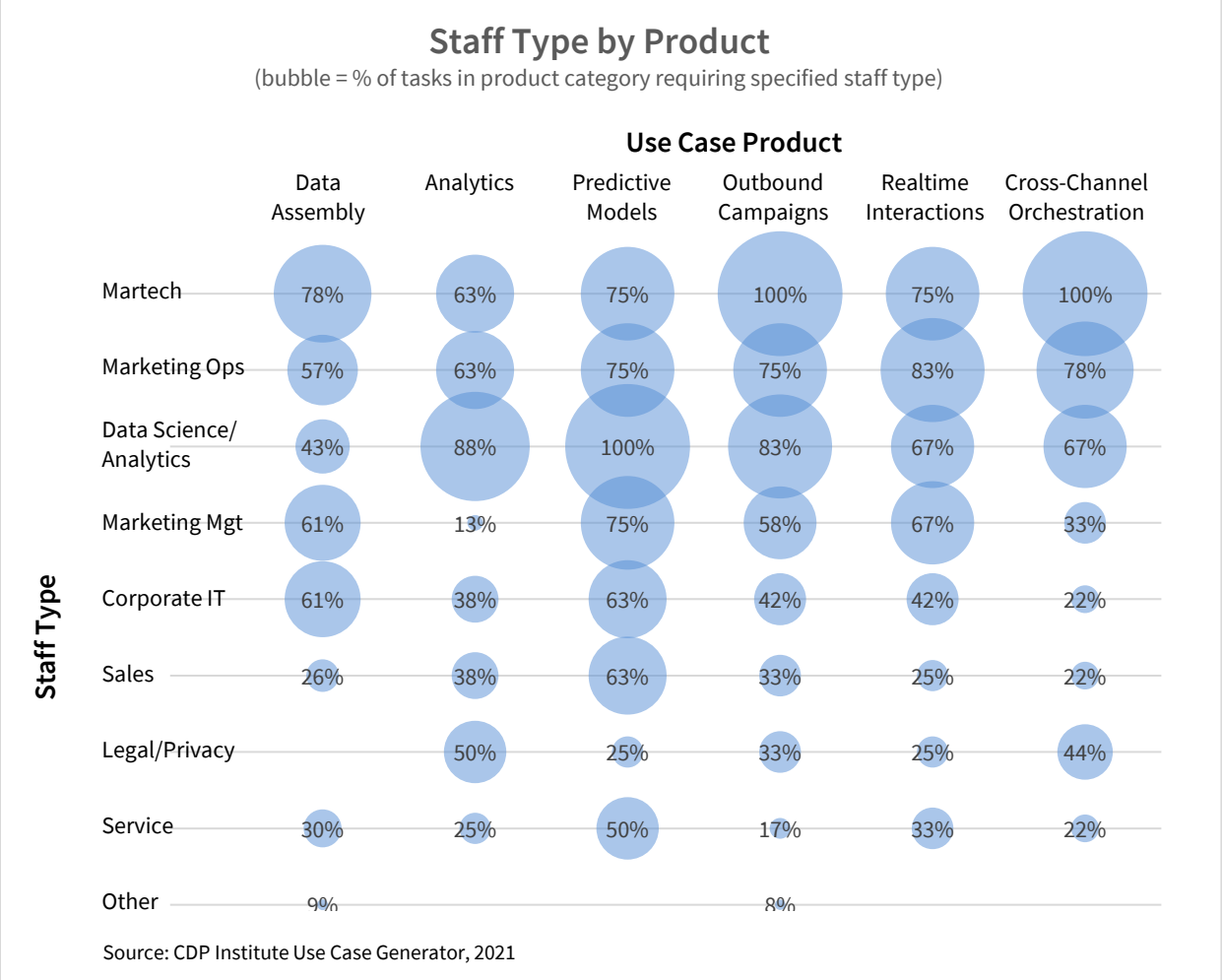
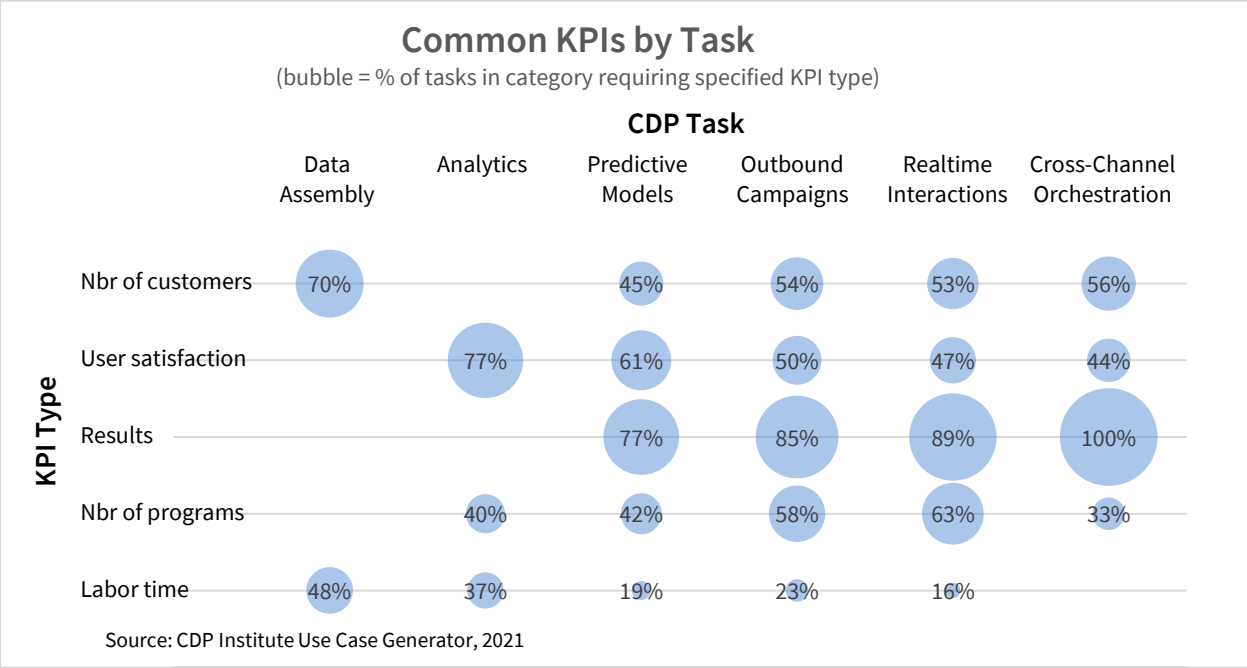


Source: CDP Institute Use Case Generator, 2021

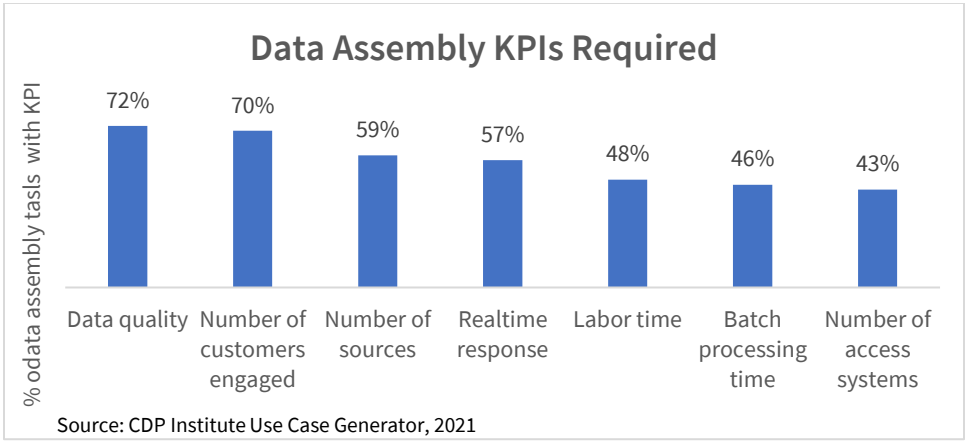
KPIs by Task: Users measure results when they can and inputs when they must.

Each task has its own set of possible Key Performance Indicators, for a total of 30 across all tasks. Most fall into five categories (number of customers engaged, number of programs created, user satisfaction, labor time, and results) that are options for nearly all tasks. A few are specific to data assembly.

Over-all, the average use case requires 6.2 KPIs across its 2.4 tasks, or an average of 2.6 per task. The most common KPIs over-all are number of users engaged and user satisfaction, but the most common KPIs for individual tasks are data quality for data assembly, user satisfaction for analytics, and results for predictive models, outbound campaigns, realtime interactions, and cross-channel orchestration.



The pattern is that users prefer to measure results when available, and will use indirect measures such data quality and user satisfaction when it is not.



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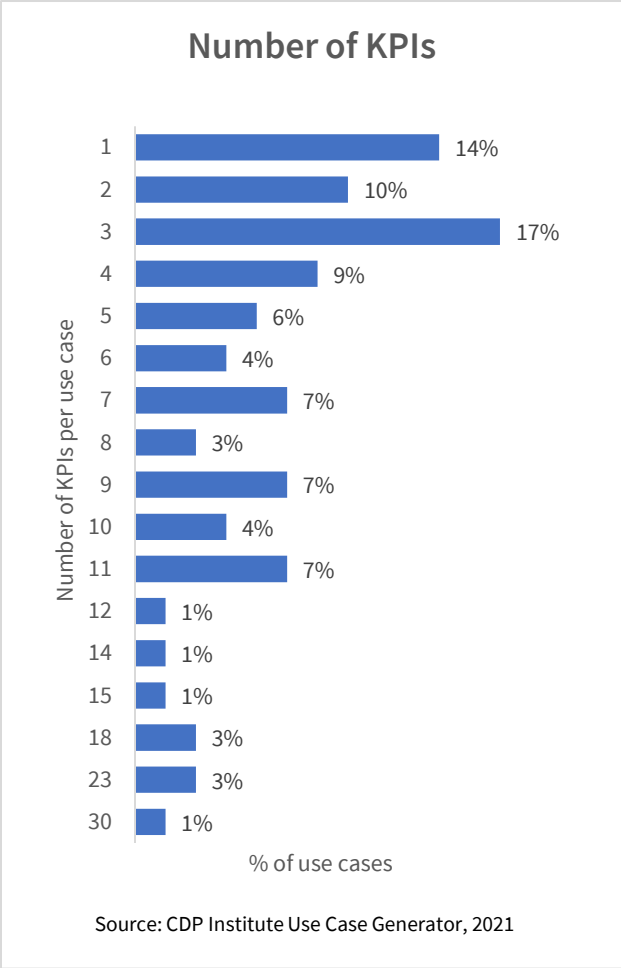

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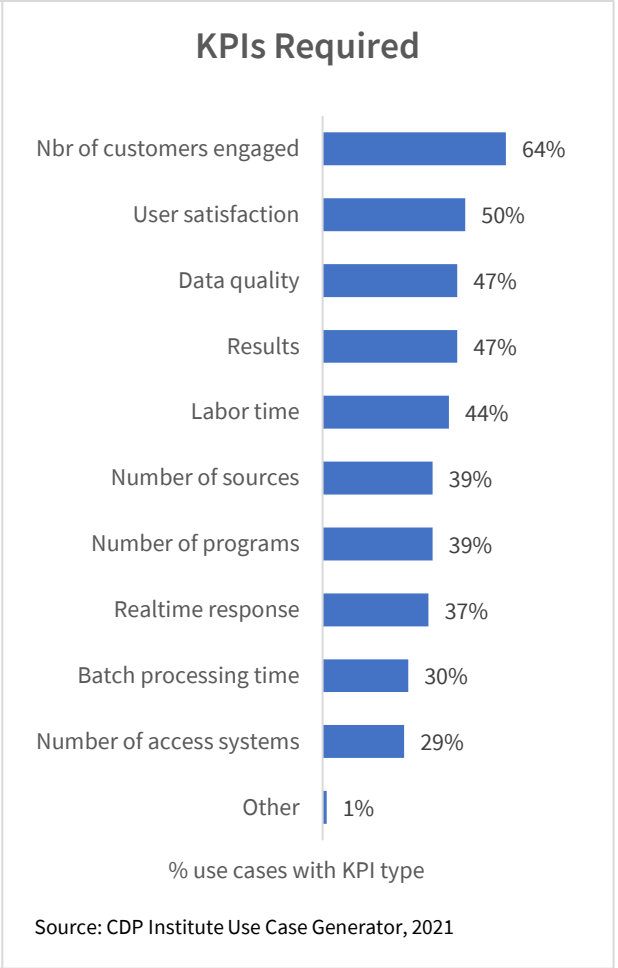
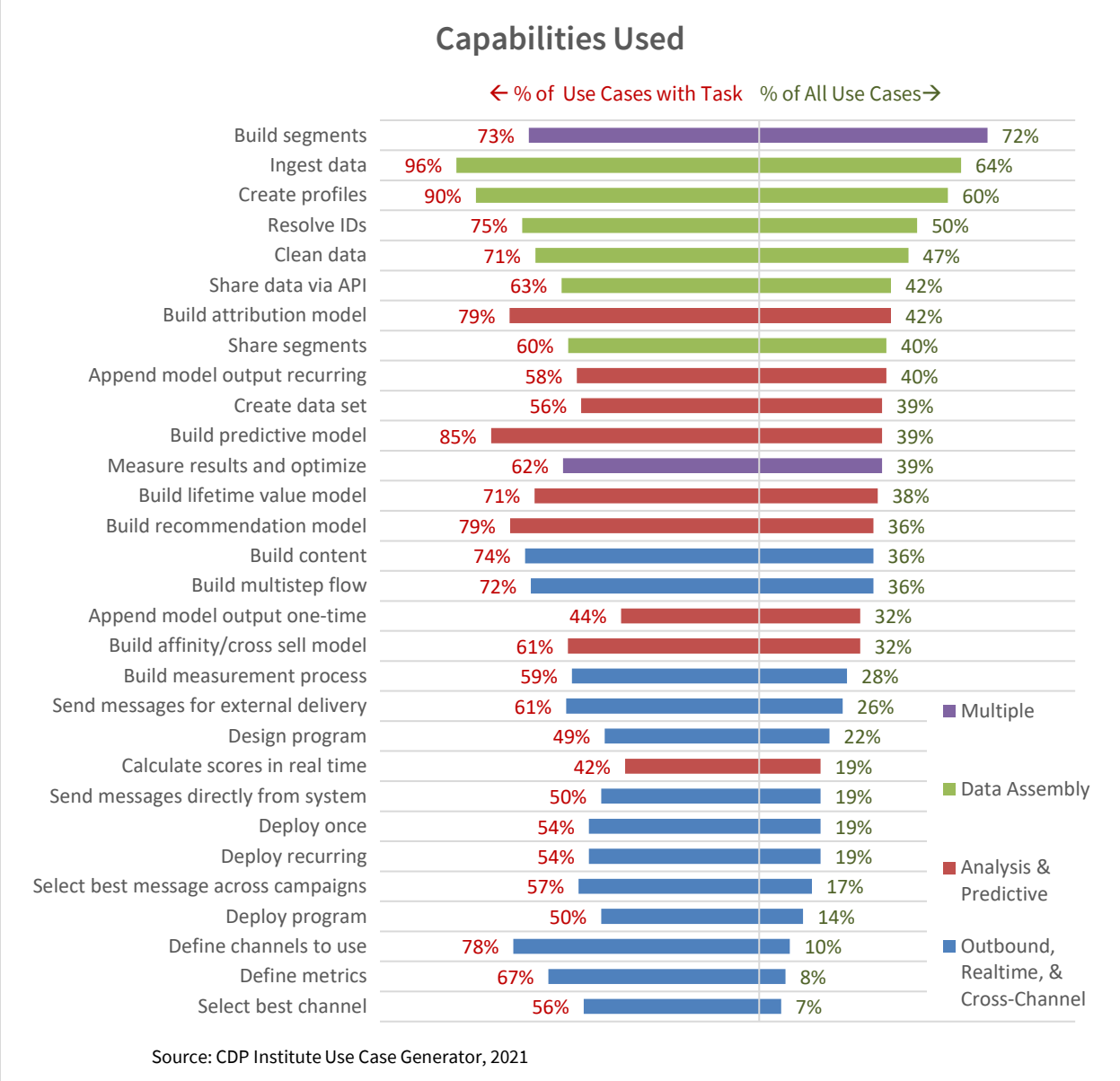


Source: CDP Institute Use Case Generator, 2021

Capabilities by Task: Few requirements are shared across most use cases.

Each task has its own set of capabilities. Different sets apply to data assembly; analysis and predictive modeling; and outbound campaigns, realtime interactions, and cross-channel orchestration. Two capabilities, building segments and optimizing results, apply across these boundaries. There are 53 capabilities across all task types.

Looking across all use cases, the most commonly required capabilities relate to the most commonly required tasks: data assembly, followed by analytics and predictive models, and then by campaigns, interactions, and orchestration. But even the most common capability, building segments, is used by just 72% of use cases. Only three capabilities are needed by more than 50%.



Source: CDP Institute Use Case Generator, 2021

The picture is somewhat different when capabilities are related only to use cases with tasks that might require them. (See Appendix for details by purpose.)

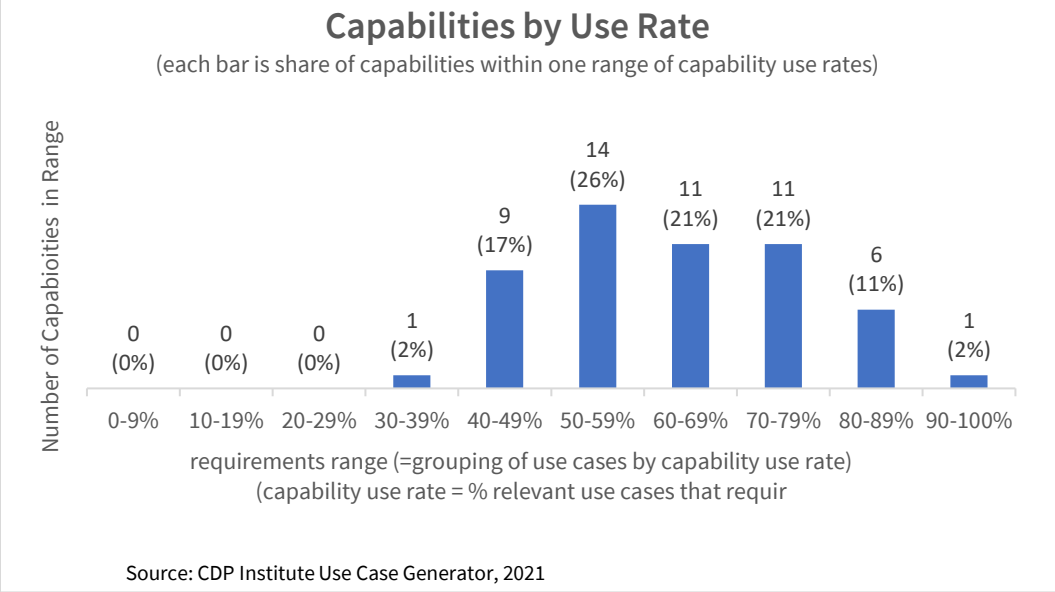
- Building segments is the most widely required capability, across 72% of use cases. It is an option across all tasks except predictive models.

- The two core data assembly capabilities, ingest data (96%) and create profiles (90%), are used by nearly all use cases involving those tasks. ID resolution (75%) and clean data (71%) are listed notably less often, perhaps because a significant fraction of users already handle those functions outside their CDP.

- Predictive models (85%), attribution models (79%) and recommendation models (79%) are the most common capabilities among analysis and predictive modeling tasks. Even tasks such as creating a data set (56%) and appending model results on a recurring basis (58%) are less common, again perhaps because users have other ways to achieve them. Calculating scores in real time is the least required capability (42%), suggesting that it applies to a set of specialized projects.

- Building content (74%) and creating multi-step process flows (72%) are shared by the most outbound campaign, realtime interaction, and cross-channel orchestration use cases. Defining channels to use (78%) is common but applies only to orchestration projects. Sending messages for external delivery (61%) is notably more common than delivering messages from within the CDP itself (50%).

What's most striking is how widely distributed the requirements are: only one capability is used by less than 40% of the tasks it relates to, and just seven are used by more than 80%.



Source: CDP Institute Use Case Generator, 2021

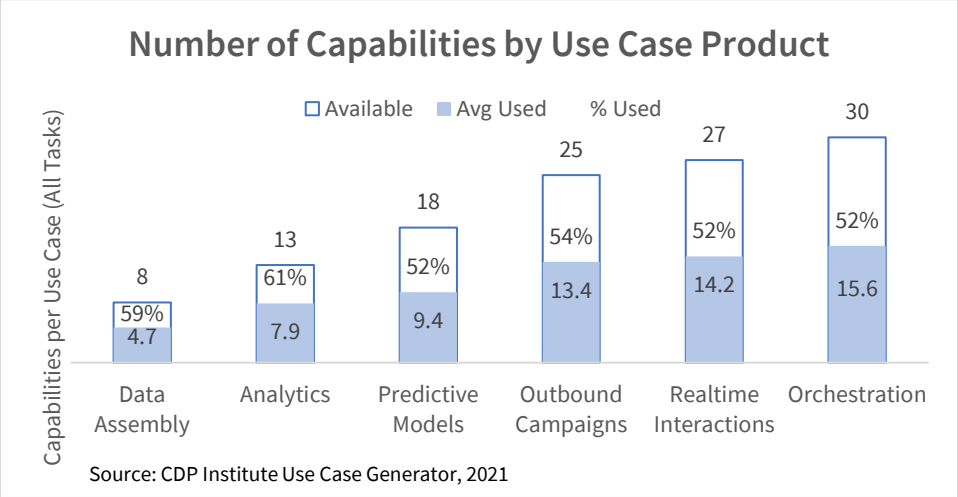
This has several implications for CDP buyers:

- Identify specific use cases in advance to ensure that the capabilities they require are available in the system you purchase. Since the requirements vary substantially from one case to another, you cannot safely assume that a system will include what you need.

- Look for capabilities beyond your specified use cases. Most selection projects focus on a relatively small set of sample use cases. While this is a reasonable way to expedite the project, recognize that you will ultimately want to expand beyond the initial use cases and that the added use cases are likely to add new requirements.

- Be especially careful when planning for use beyond a single department. Use cases for different departments are most likely to have different requirements. If you expect your CDP to serve multiple groups, be sure to include at least a few use cases from each group in your initial requirements definition.

The average number of capabilities per use case rises as the number of tasks increases, from 4.7 for data assembly to 15.6 for orchestration. However, the percentage of capabilities used declines, from 59% to 52%, as requirements become more specialized.



Source: CDP Institute Use Case Generator, 2021

Summary

CDPs provide both applications and a platform to support other applications. This is reflected in the distribution of use cases, which are clustered around the platform function of data assembly and the application functions of outbound campaigns and realtime interactions. These two types of use case have significantly different staffing, measurement, and functional requirements. Still, data assembly is a prerequisite for most other applications. These relationships yield important lessons for CDP deployment:

- **CDPs can deliver value quickly.** The first use cases for most projects will be based on data assembly, which supports outcomes such as improved data quality and easier access to data for analytical projects. Companies eager to demonstrate immediate return on their CDP investment should look for a few such projects that they can execute soon after their system is deployed.

- **The transition from data assembly to applications requires careful preparation.** Applying the CDP will require cooperation from business users, who will often have little engagement with the CDP during the data assembly stage of deployment. As a result, the CDP team will need to make special efforts to educate those users on what the CDP provides and how this can best be used.

- **Deep, narrow deployments are most effective.** Organizations will get the most value in the shortest time by identifying an initial cluster of applications that require the same data sources, CDP capabilities, delivery system integrations, and users. Once the system is set up to handle the first of these, the rest of the cluster can quickly follow. The deployment can then spread from this base, adding data, features, connections, and users in small batches and again taking full advantage of the new opportunities these create.

- **Shallow, broad deployments are most difficult.** Users in many departments may be eager to start using a new CDP. But serving them all from the start will require supporting many inputs, features, outputs, and users before any value is received. Deployment planners should avoid this approach as much as possible.

- **Engage business users from the start.** Most CDP applications require a fairly small number of data sources, CDP capabilities, and delivery system integrations. This simplifies initial deployment, but only if the right data, features, and connections are assembled. Selecting these requires tech staff and business users to collaborate in advance. This collaboration needs to look beyond the initial use cases to understand which data, features, and connections will create the most value in the long run. It should extend to business users in all departments, even if they are not included in the early deployment stages.

Appendices

Use Cases by Industry

Industry	% Use Cases
Retail	35%
Financial Services/Insurance	14%
Media/Publishing	11%
Healthcare	8%
Education	7%
Telecom/Utilities	6%
Consumer Goods	4%
Automotive	3%
Technology	3%
Travel/Entertainment/Hospitality/Restaurant	3%
Logistics and Transport management	1%
Manufacturing/Industrial	1%
Online gaming	1%
Other	4%

CDP Institute Use Case Generator Results

Capabilities by Task Detail

	Data Assembly	Analytics	Predictive Models	Outbound Campaigns	Realtime Interactions	Orchestration	**Total**
Build segments	63%	79%		85%	63%	89%	**72%**
Ingest data	96%						**64%**
Create profiles	90%						**60%**
Resolve IDs	75%						**50%**
Clean data	71%						**47%**
Share data via API	63%						**42%**
Share segments	60%						**40%**
Build attribution model		79%					**42%**
Append model output recurring		61%	55%				**40%**
Create data set		66%	45%				**39%**
Build predictive model			85%				**39%**
Build lifetime value model		71%					**38%**
Build recommendation model			79%				**36%**
Append model output one-time		39%	48%				**32%**
Build affinity/cross sell model		61%					**32%**
Calculate scores in real time			42%				**19%**
Measure results and optimize			58%	65%	58%	78%	**39%**
Build content				81%	79%	44%	**36%**
Build multistep flow				77%	79%	44%	**36%**
Build measurement process				65%	53%	56%	**28%**
Send messages for external delivery				58%	53%	89%	**26%**
Design program				50%	47%	-	**22%**
Send messages directly from this system				46%	58%	44%	**19%**
Deploy once				54%	-	-	**19%**
Deploy recurring				54%	-	-	**19%**
Select best message across campaigns					58%	56%	**17%**
Deploy program					42%	67%	**14%**
Define channels to use						78%	**10%**
Define metrics						67%	**8%**
Select best channel						56%	**7%**
Other	2%		3%				**3%**

Features Required

Users are given the option to specify which features they require in their CDP. Two-thirds (52) provided this data. The categories match the CDP Institute Vendor Comparison report.

Feature	% Use Cases
Ingestion API	77%
Website_Tag	71%
Persistent ID	65%
Cookie_Manager	62%
Load Realtime	58%
Predictive Automated	58%
Golden Record	56%
Dynamic Content	50%
Realtime Access	50%
Realtime Messages	50%
Client-built load	48%
Ingestion SDK	48%
Load Schemaless	48%
Multichannel Campaigns	48%
Match NameAddress	46%
Account Data	44%
Campaign Arbitration	44%
Enduser-built load	42%
Match Probabilistic	42%
Multistep Campaigns	42%
Direct Access	40%
Lead2Account Match	35%
Address Hygiene	31%
Predictive Manual	31%

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

