

The Future of CDP

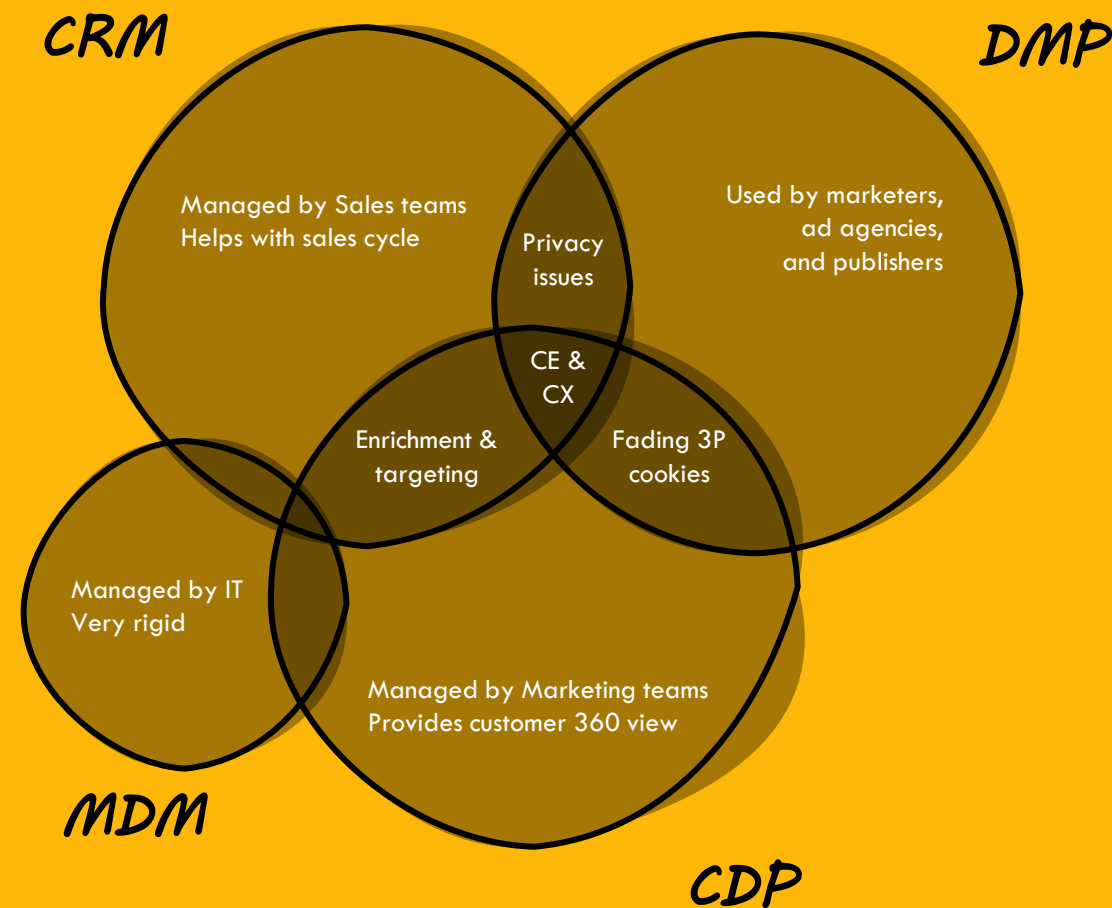
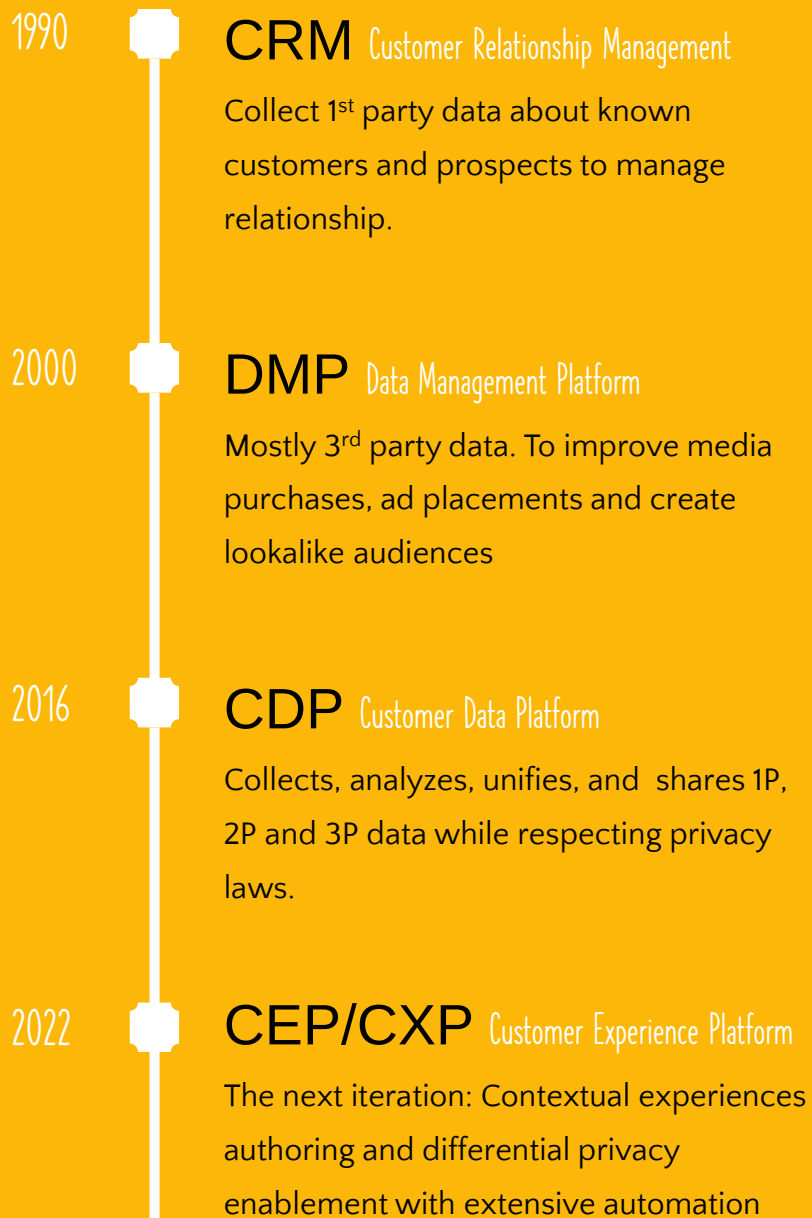
[2-3 years]

Businesses need to know how CDPs will evolve in the next 2 to 3 years to make the right investment decisions today.



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THE EVOLUTION



Today, CDP is the growth catalyst, cost optimizer (marketing) and customer experience enhancer.

Analysts predict a CAGR of 24% to 34%, based on the assumptions and methodologies used to arrive at the numbers. This means a high growth rate for the CDP industry.

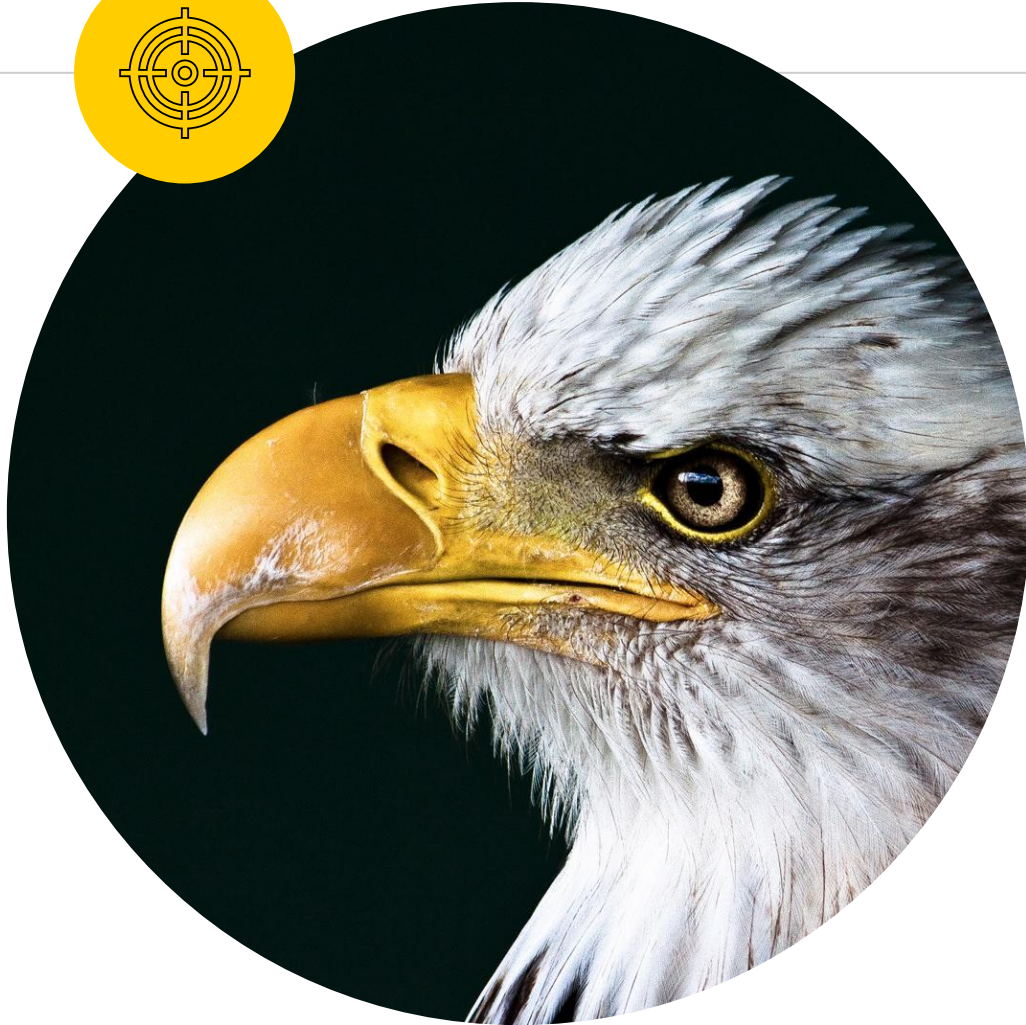


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10 Predictions

And Trends with a bonus prediction!



1. Focus beyond the **Marketing community**

CDPs will no longer be a CMO (Chief Marketing Officer) only proposition. It will span Contact Center, Supply chain & Inventory Management and R&D teams.

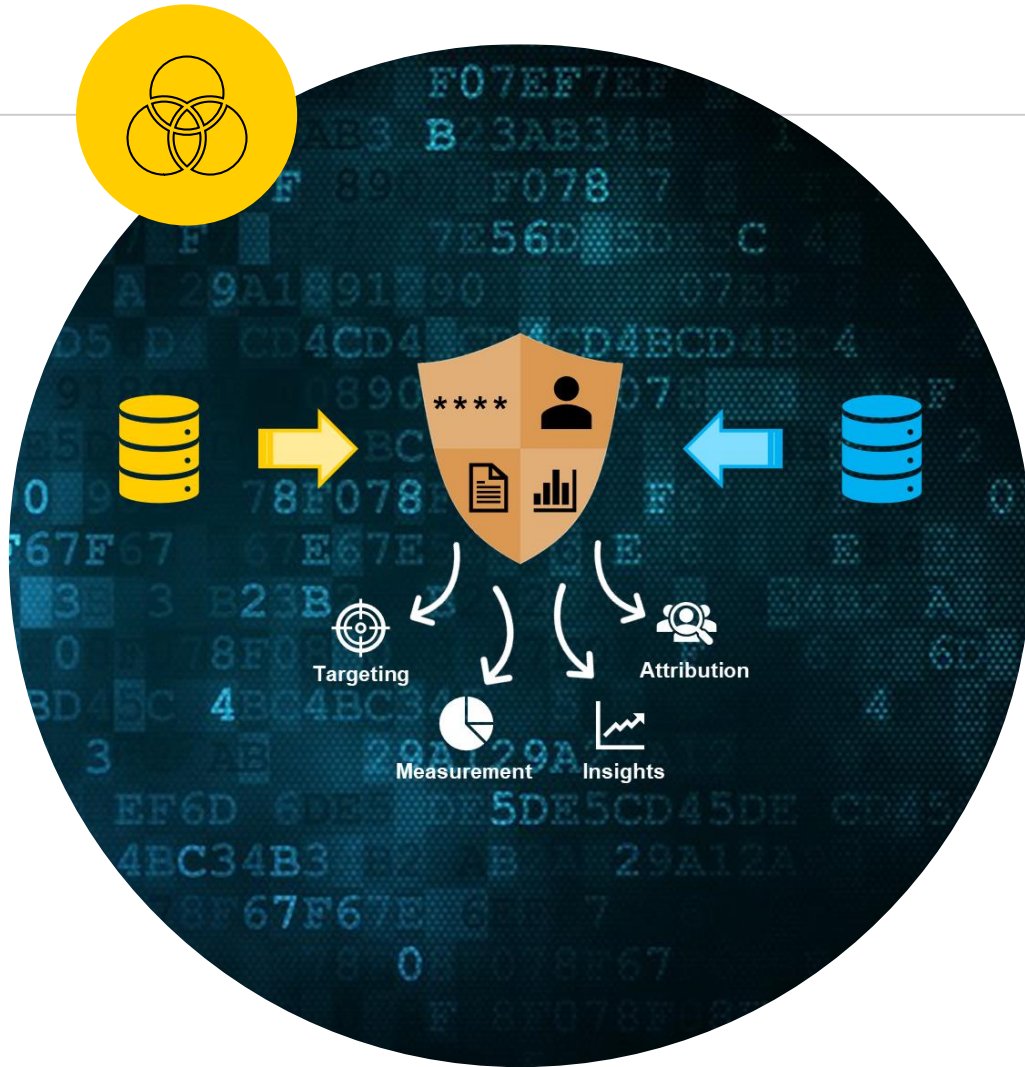
Benefit: One tool for multiple teams with one objective – efficient & effective customer/consumer focus



2. Integration with **data marketplaces**

To both enrich (profile) data and gain insights for micro-segmentation, personalization and targeting through established data marketplaces like Datarade, and LiveRamp.

Benefit: Avoids the need to buy data separately and find a means to integrate with CDP for insights. Faster time to market.



3. Built-in **data clean room** capability

The ability to work seamlessly with one or more of the existing data clean room providers to better understand customer preferences & behaviors and build nice audience segments for targeting.

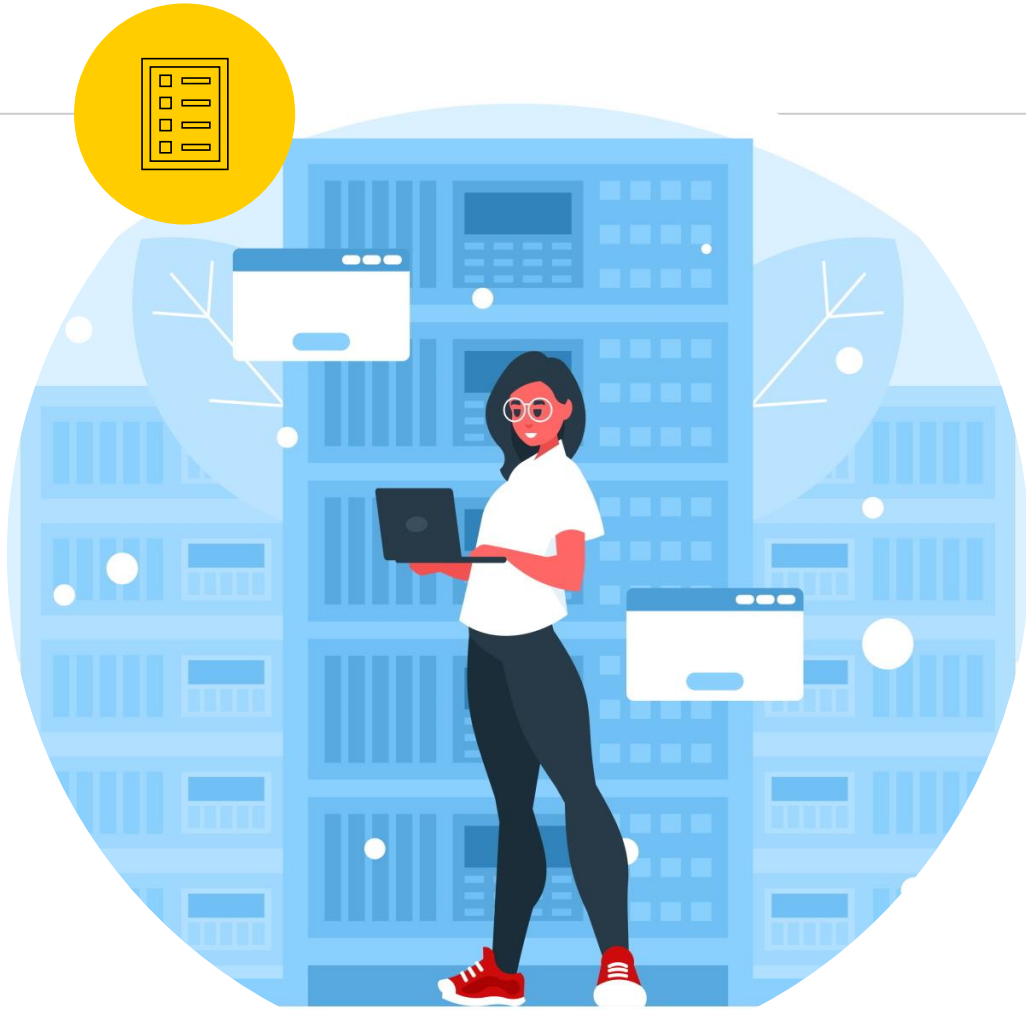
Benefit: Ad targeting, measurement, attribution, and audience insights.



4. Tight integration with **CIAM**

Integration with Customer Identity and Access Management (CIAM) tools like Auth0, LoginRadius, ForgeRock can reduce friction points in the user journey. Through identity data from various channels, along with their preference, consent and usage patterns, a deep understanding of customers' behaviors and transaction patterns can be unearthed.

Benefit: Better targeting, profile accuracy, pre-churn segment, CX.



5. In-built **Data cataloging** and lineage module

Either an in-built module for automated data cataloging, PII fields tagging and data lineage, or the ability to integrate seamlessly with one of the existing metadata tools in the market like Alation, Purview, etc.

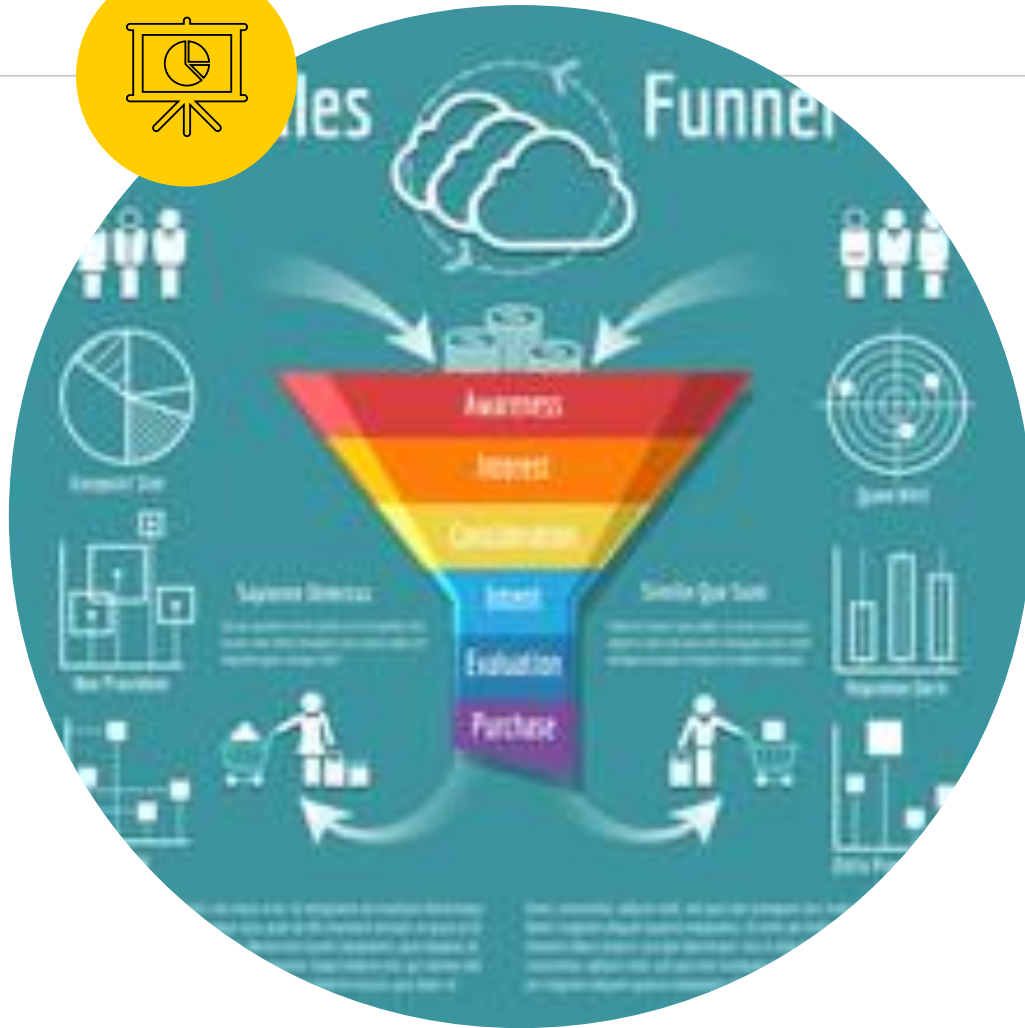
Benefit: Compliance and tracking



6. Infusion of **AI/ML** at more touchpoints

Integration (automatically recommend and map fields in CDP for standard/popular sources), **tagging** (identify PII fields and auto-tag for improved security & privacy), **standardization** (auto-standardization of fields like date, phone based on system default/locale), **unification** (auto-profile data to recommend deterministic vs probabilistic unification method).

Benefit: Efficiency and effectiveness. Shorter development time.



7. Advanced analytics capability through **Pre-configured reports/dashboards**

Not having to write new code or build a new schema for reporting purposes. Basic reports like the funnel report, attribution report, network graphs based on affinity/propensity, etc. will be pre-configured with the ability to customize.

Benefit: Faster Insights



8. **Pre-configured** journey templates

CDPs have been around for a while now. Based on the understanding of the standard journeys (e.g., welcome journey, birthday, abandoned cart), and incorporating some of the best practices some of these will get templated for quick (re)use.

Benefit: Faster time to market.



9. CDP vendor **consolidation**

CDPs that are not end-to-end (e.g., Data CDPs, Analytics CDPs) will struggle to showcase the UVP (unique value proposition) and either join hands with other players to extend their portfolio, get acquired by the bigger players or perish.

Benefit: Improved quality, better support.



10. Base/standard **license** changes

The current trend of modular pricing and "enabled on-request" will diminish and the base license will include all modules to cover the end-to-end CDP capability. Premium/add-on pricing will be limited to niche integrations and customizations.

Benefit: Predictability and transparency.



BONUS

While there are **IFs** and **BUTs**...

Indications show that this could become a reality in the next
2-3 years



Bonus: Potential to enter **Customer MDM** market

Organizations that do not have a Customer MDM, and industries that are not heavily regulated are likely to leverage CDP as their (pseudo) master data management (MDM) system. With the maturing of governance features around CDP, and MDM features like hierarchy coming to CDPs, this is a thing to watch out for.

Benefit: Less dependence on IT.

Note: how MDM tools anticipate this and mature in the next 2-3 years will decide if CDPs will truly take over MDM.



References

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THANK YOU!



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