

blueconic

# BUILDING A BUSINESS CASE FOR A CUSTOMER DATA PLATFORM

How to Make the Case to Senior Leadership



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# INTRODUCTION

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First-party data is the epi-center of today's most successful companies. Netflix, Facebook, Amazon, and Uber, for example, have always put the single view of the customer at the center of everything they do – and it's paid off.

While a data strategy will help you align goals and use cases across an organization, technology is what enables you to execute. But legacy technologies have proven to be insufficient as they've led to disparate data scattered across a complex technology stack that inhibits real-time access to a single customer view for marketing. That's why a customer data platform (CDP) is designed to finally liberate your first-party data so you can activate your most valuable marketing asset.

Marketers realize the potential of a CDP, but they don't know how to get buy-in from senior business leaders who are skeptical of adopting "yet another three-letter acronym." So we talked to leading industry analysts and marketers who successfully got buy-in to write this e-book on how to build a business case for a CDP.

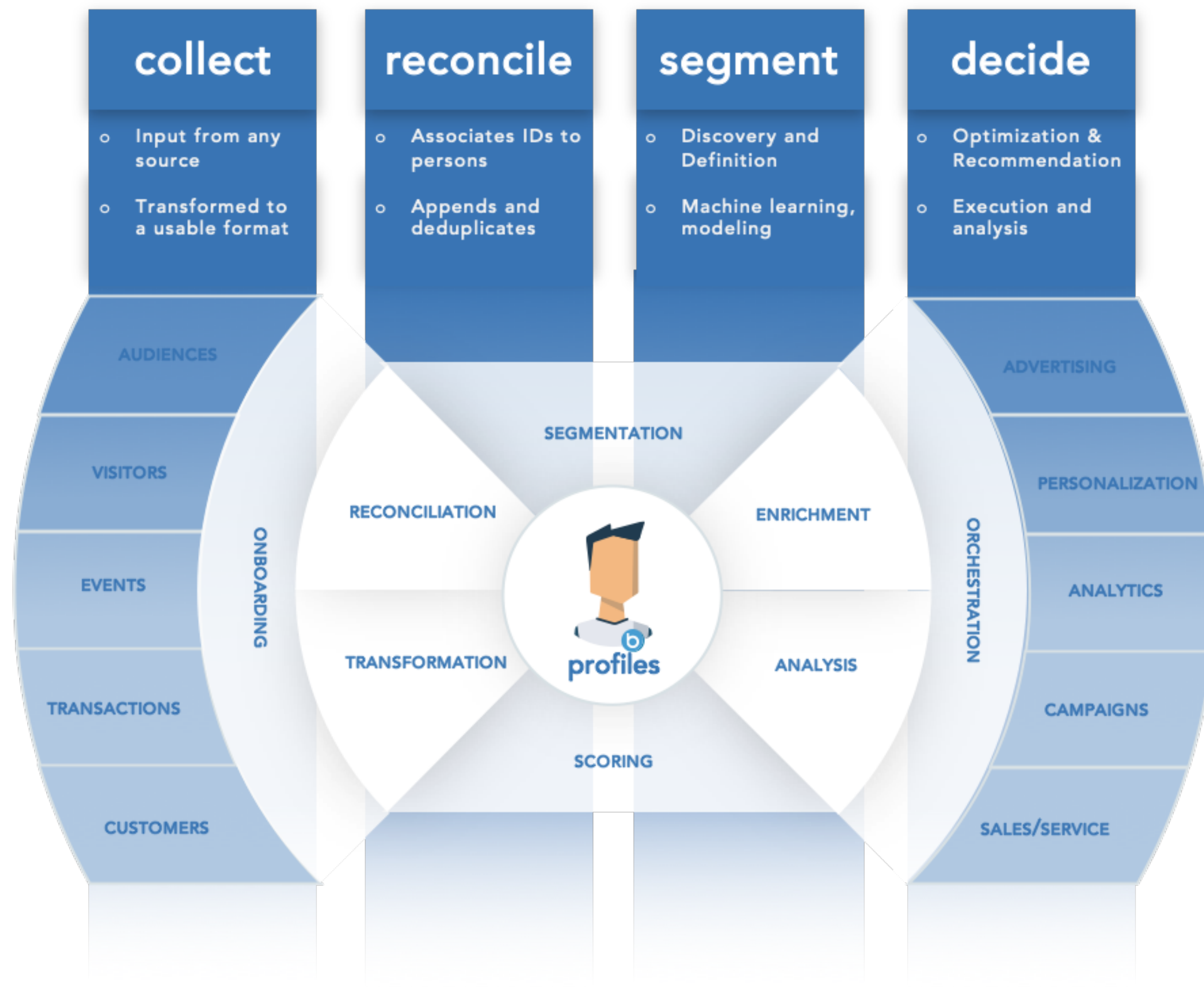
# DEFINITION OF A CDP

According to leading industry analyst firm, Gartner, while capabilities like data integration, identity management, segmentation, and activation are “familiar features to marketers,” a CDP’s differentiating value is in the “packaging, marketing, and productization of these features, and the optimization for real-time use cases.” Gartner defines a CDP as:

“ An integrated customer database managed by marketers that unifies a company's customer data from online and offline channels to enable modeling and drive customer experience. ”

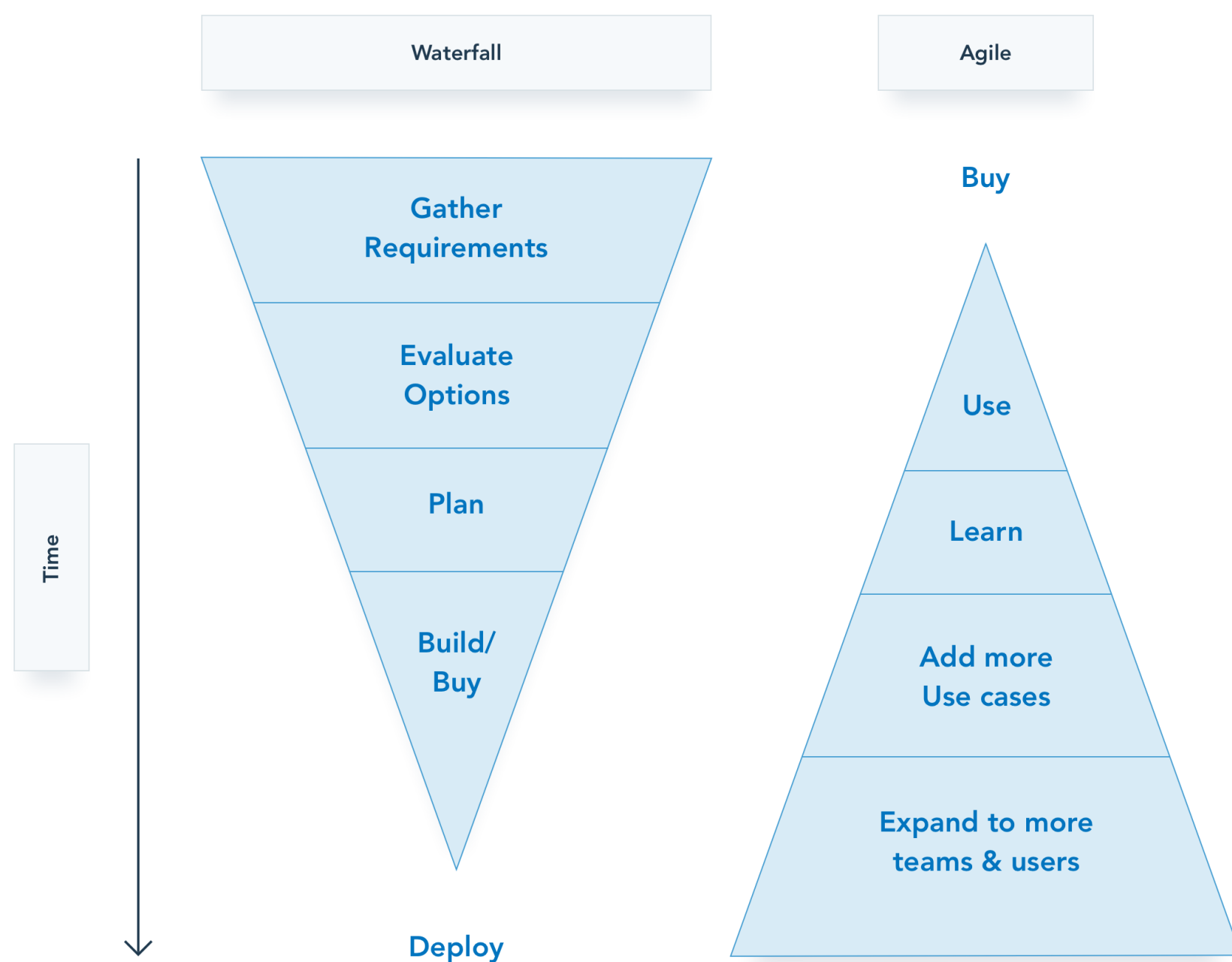
**Gartner**<sup>®</sup>

# CORE CAPABILITIES OF A CDP



# MODELS OF TECH ADOPTION

Martech evangelist, Scott Brinker, asserts that technology adoption shouldn't be a black-and-white choice between using a waterfall or agile approach. Instead, the most effective way to maximize time-to-value is to blend the two approaches and draw on the benefits of both. Your business case should strike a healthy balance between gathering inputs upfront for an immediate use case, while also defining a path to expand.



"There are very few 'pure' waterfall or agile projects in the wild. Almost everything we do has some degree of planning and goes through some adaptation along the way."  
– Scott Brinker, Author of Chief Marketing Technologist

Source: <https://chiefmartec.com/2019/06/dinosaurs-meteors-2-different-models-technology-adoption/>



# 4 STEPS TO BUILDING YOUR CASE

CDP implementation and adoption is a project – not a one and done task. Before you can present a strong business case to senior leadership, it's important to conduct some internal due diligence first.

01

## Identify Immediate Use Cases

Identify your immediate use case. If you're not sure about what to start with, take the [CDP proficiency assessment](#) to receive a starting set of use cases, based on your score.

02

## Determine Impact on the Business

Outline the impact on the business. Document the people, process, and technology that will be involved, including how all three will be impacted post adoption. Focus on efficiencies gained.

03

## Socialize the Vision to Peers

Socialize the vision to peers. To take full advantage of a CDP, it's important to find others within the organization that are trying to achieve a common goal. Find an ally and identify other potential use cases for the future.

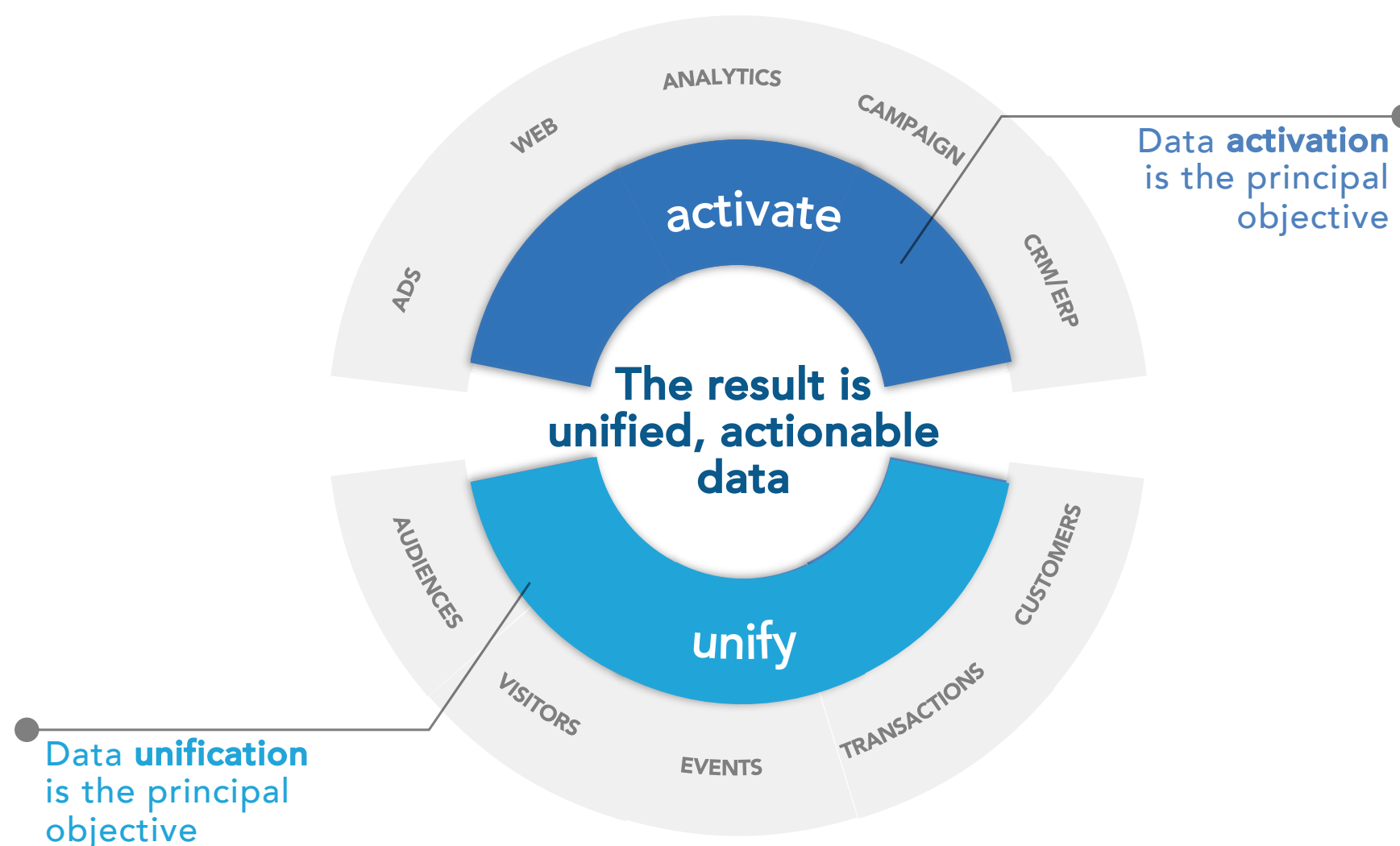
04

## Present the Vision to Leadership

Present to senior leadership. Define your first use case, including a timeline for implementation to call out time-to-value. Highlight cost & time savings to be gained, and present a roadmap for the future.

# GROUND YOUR INITIATIVE

Does your need for a CDP stem from an initiative to unify customer data across all channels and systems? Or is the goal to improve marketing performance and deliver better 1:1 experiences by more effectively leveraging your own data? While your answer might be "both!", choosing one will help determine your starting use case. Starting with a single use case allows you to prove ROI on a CDP investment quickly.



## ACTIVATE

Orchestrate individualized marketing for every stage of the customer lifecycle.

## UNIFY

Establish the single customer view at the heart of your marketing and data infrastructure.



— AMERICA'S —  
**TEST KITCHEN**

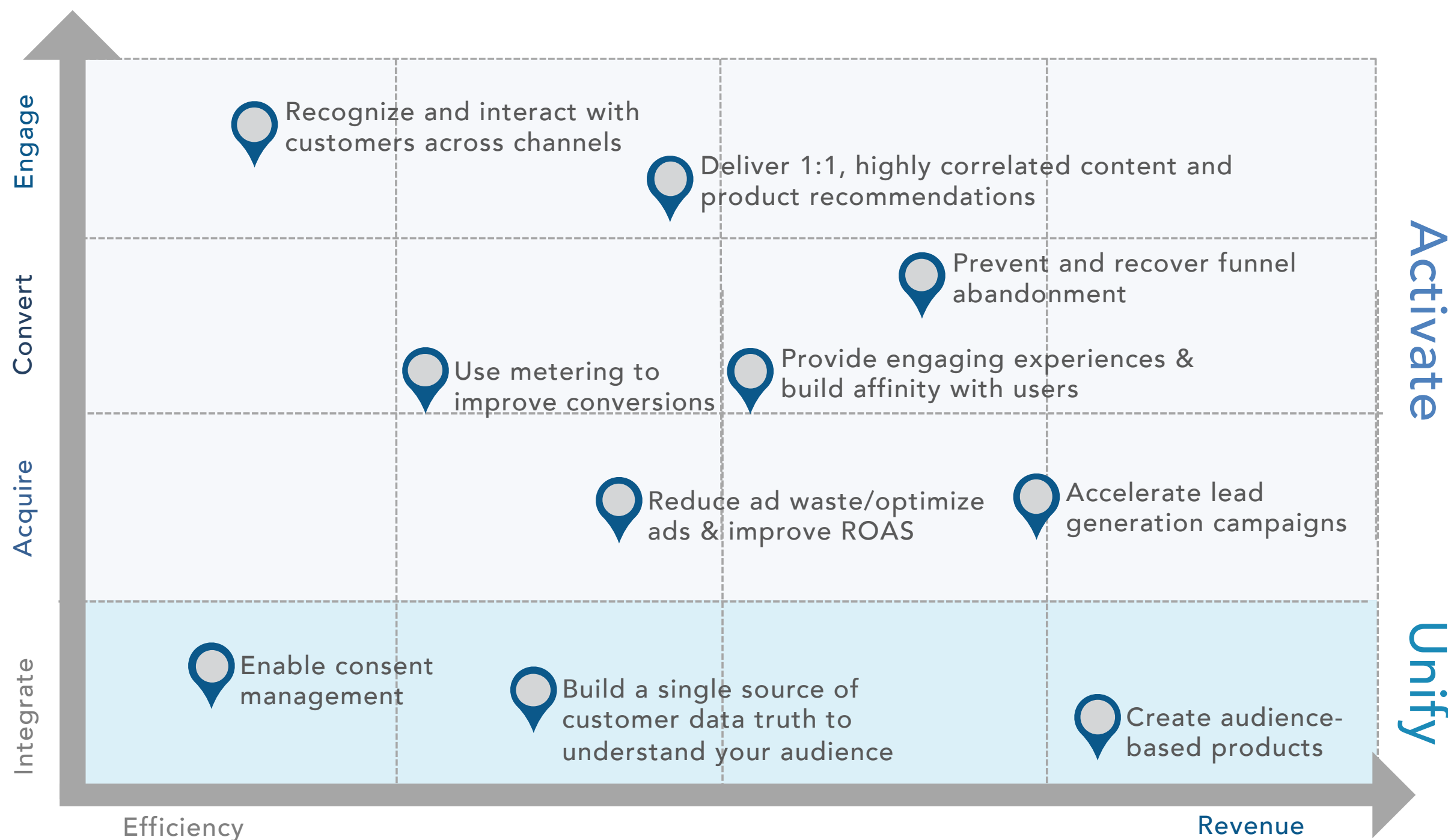


We spent the first year collecting all the data we could in BlueConic. Now, we've shifted to taking action on the data. We segment users into different paths and ensure we understand how far along that path they've gotten. That's definitely one of the main things that we have seen a huge benefit from.

— Sarah Desmarais, Director of Marketing,  
CRM & Audience Strategy, America's Test Kitchen

# START WITH A USE CASE

To build a business case, you have to identify your first CDP use case. Defining a use case helps you understand the criteria for a technology selection process. Along with dozens of our customers and industry experts, we created this [customer data proficiency](#) framework to plot the most common use cases by objective and customer lifecycle stage.



# "ACTIVATE" USE CASES

Marketers looking to improve marketing performance metrics such as cost-per-click, conversions, return on ad spend will use a CDP's ability to store information at an individual level to orchestrate individualized, cross-channel, marketing based on a customer's intent, needs, and preferences.

## DELIVER 1:1 CONTENT AND PRODUCT RECOMMENDATIONS

CDPs enable you to give Intermediate recommendations based on more granular categories. You can do A/B testing for various content and products for specific segments and add metadata filters that match additional subcategories of interest.

## PREVENT AND RECOVER FUNNEL ABANDONMENT

Marketers can target customers who have abandoned a cart across multiple channels. By storing dates for various funnel conversion moments in an individual profile, you can better understand customer behavior and pass events to Google Analytics.

## REDUCE AD WASTE/ OPTIMIZE ADS

With dynamic segmentation and unified customer data, interact with customers based on transaction and behavioral data to reduce ad waste and enhance campaigns.

## RECOGNIZE AND INTERACT WITH CUSTOMERS ACROSS TOUCHPOINTS

To deliver in a customer's moment of need - define segments based on customer data collected across touchpoints and then implement various marketing tactics including personalized messaging through email or on-site experiences.

## PROVIDE ENGAGING EXPERIENCES & BUILD AFFINITY WITH CUSTOMERS

Using a repository of knowledge you have about your customer helps you personalize site content/messaging. Optimize segments and dialogues with messaging centered on your selling point for various interest groups.

## ACCELERATE LEAD GENERATION CAMPAIGNS

Move customers across through the funnel by tailoring experiences with optimized segments and experimenting with different designs/messaging by segment.

# "UNIFY" USE CASES

One of the primary value propositions of a CDP is to establish the single customer view at the heart of your marketing and data infrastructure. It gives the marketing team its own customer database that is specifically designed to make unified, first-party data accessible in real time, when and where they need it.

## BUILD A SINGLE SOURCE OF CUSTOMER DATA TRUTH

One key value of a customer data platform is to have a single view of the customer. According to Gartner (even back in 2004), the benefits of a single view of the customer are cost reduction, ability to handle risk, revenue and profitability upside, and better customer experiences.

## ENABLE CONSENT MANAGEMENT

Unify your customer data for consent management. Create consent management rules for a few generic marketing objectives (e.g. "personalize site experience based on interest", or "show relevant advertisements on other websites"). You also have the ability to create a "public" Privacy Center (that does not contain PII data).

## CREATE AUDIENCE-BASED PRODUCTS

In today's world, first-party data is invaluable. CDPs enable you to use individual-level data and create hyper-specific segments to share with partners to diversify revenue while also, maintaining customer's preferences for shared data.

# WHAT'S NEXT?

Now that you've selected a first use case, the next step is to determine the people, process, and technology needed to implement your plan.



To build a case, we built a shell for the CDP story, then tweaked it according to who we're talking to. When you have to sell to sales, for example, revenue is the most important goal – so we show how a CDP can provide better leads. The goal is to bring in the business requirements the other party asked for; then ensure we're both “bilingual” enough to speak in the same language when it comes to technical requirements.

— Marketing Technologist, B2B Software Company

# DETERMINE IMPACT ON BUSINESS

As with most marketing technology investments, you need the right people, process, and technology in place for successful implementation and adoption.

## PEOPLE

Getting buy in from others can help evangelize your vision for a CDP. Articulating the business problem you're trying to solve helps expand the scope for a CDP; and determine who in your organization needs to be involved.

A CDP implementation has the potential to give huge gains across the organization, not just in improving KPIs but in gained operational efficiencies.

## PROCESS

There are two facets to consider when determining process around a CDP:

- Incremental lift by orchestrating individualized marketing for every stage of the customer lifecycle
- What is the internal process that exists today, and how will it become more efficient by adopting a CDP?

## TECHNOLOGY

Not only do you need a CDP to unify and activate your data, you need to understand the data you want to collect and what you want to do with that data before deciding if a CDP will solve your needs. At times, a CDP might be a few steps from what you really need to execute a tactic; so starting with your use case helps you ultimately choose the right technology.



# WHO NEEDS TO BE INVOLVED?

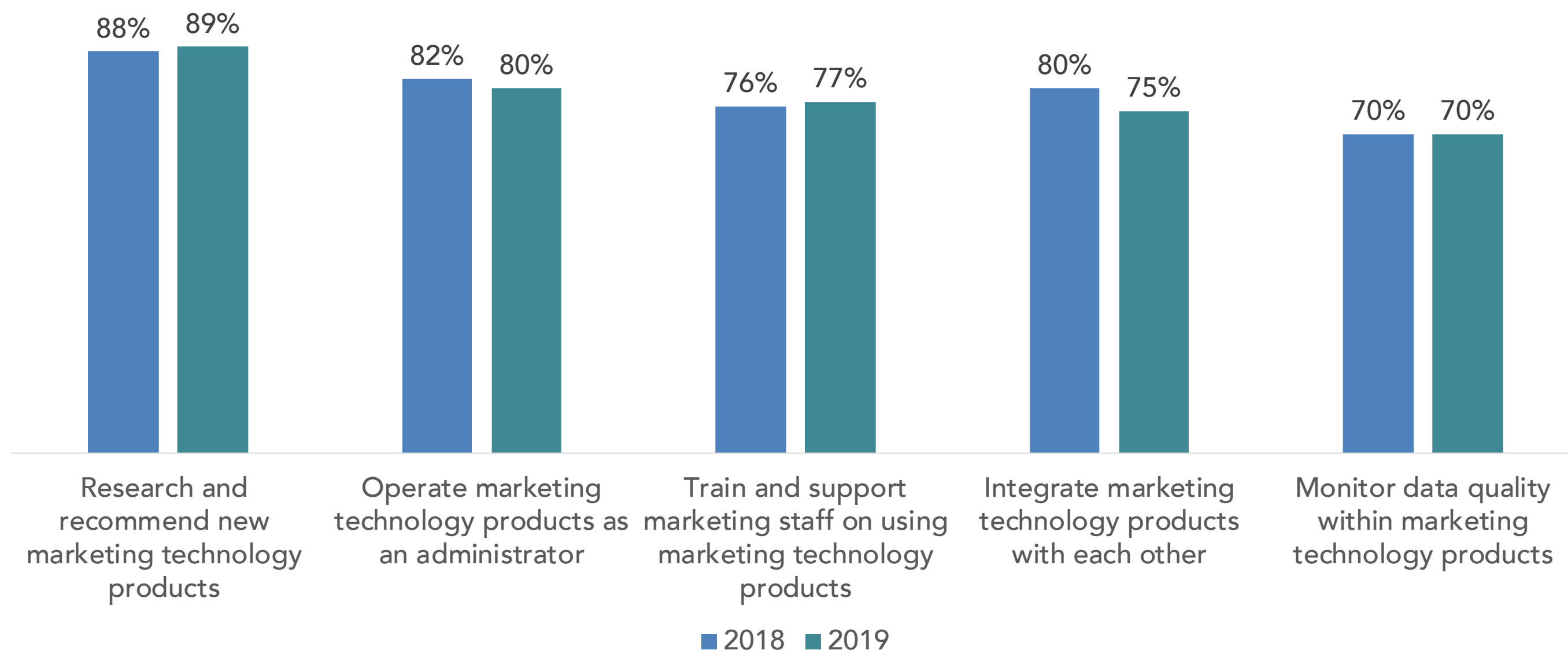
While your particular business will determine who is responsible, accountable, consulted, and informed, for use cases, below is a sample RACI chart to help you think through the teams that may be involved.

Objective	Use Case	Marketing	Customer Experience	Customer Support	Customer Insights	IT	Data Science/BI
Engage/ Retain	Deliver 1:1 content/ product recommendations	R	A	I	A	I	C
	Recognize and interact with customers across touchpoints	R	A	R	C	I	C
Convert	Prevent and recover cart abandonment	R	A	I	A	I	C
	Provide engaging experiences and build affinity with customers	R	R	R	A	I	I
Acquire	Reduce ad waste/optimize ads	R	I	I	C	I	I
	Accelerate lead generation	R	I	I	R	I	I
Integrate	Build a single source of customer data truth	R	A	I	R	A	A
	Enable consent management	R	R	I	I	A	I
	Create audience-based products	A	C	I	R	C	C

R: Responsible A: Accountable C: Consulted I: Informed

# THE MARKETING TECHNOLOGIST

The use of first-party data across the organization resurges the importance of a dedicated marketing technologist role. The marketing technologist isn't responsible for specific marketing tactics- instead, they're the product manager for the martech stack and focus on how all parties gain value from these investments.



Source: <https://chiefmartec.com/2019/03/marketing-technology-job-responsibilities/>

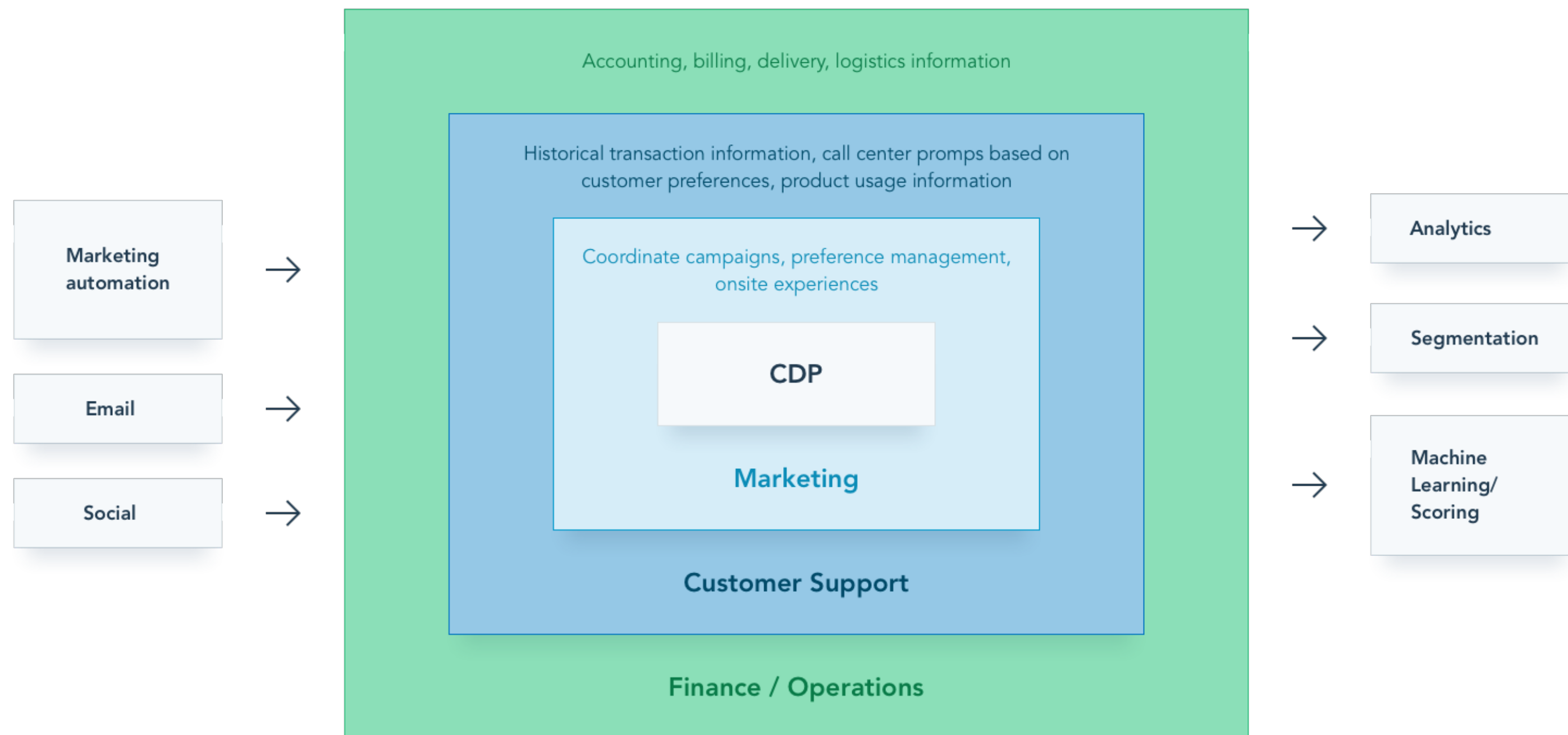


CDPs are the first technology that actually expands the role of marketing. It may, in some instances, look like data sitting in one of the silos, but the problem is that the marketers aren't thinking expansively.

— Anand Thacker, CEO, IntelliPhi

# A CDP IMPACTS THE ENTIRE ORG

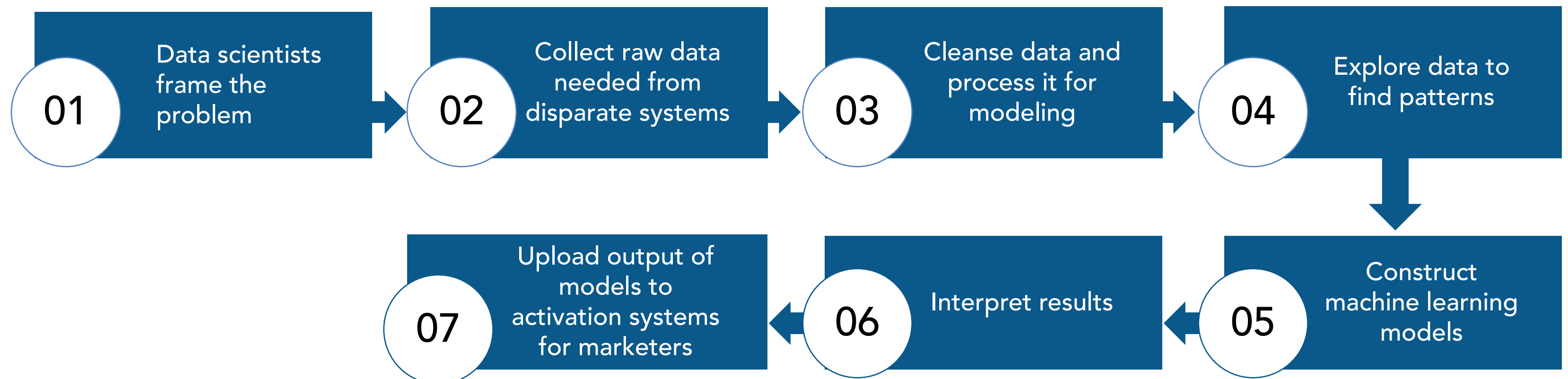
A CDP is built for marketers but it doesn't completely eliminate the need for IT. Furthermore, the benefits of a CDP aren't limited to marketing. Liberating first-party data can benefit your entire organization, from CX to analytics to customer support.



# WHAT IS THE PROCESS?

Starting with a specific use case, understand the current process for executing a use case today; then map how that process changes with a CDP. Below is an example of how a CDP creates a more efficient process for applying machine learning to marketing.

## CURRENT PROCESS WITHOUT A CDP



## IMPROVED PROCESS WITH A CDP



# *Franklin*<sup>®</sup>

“

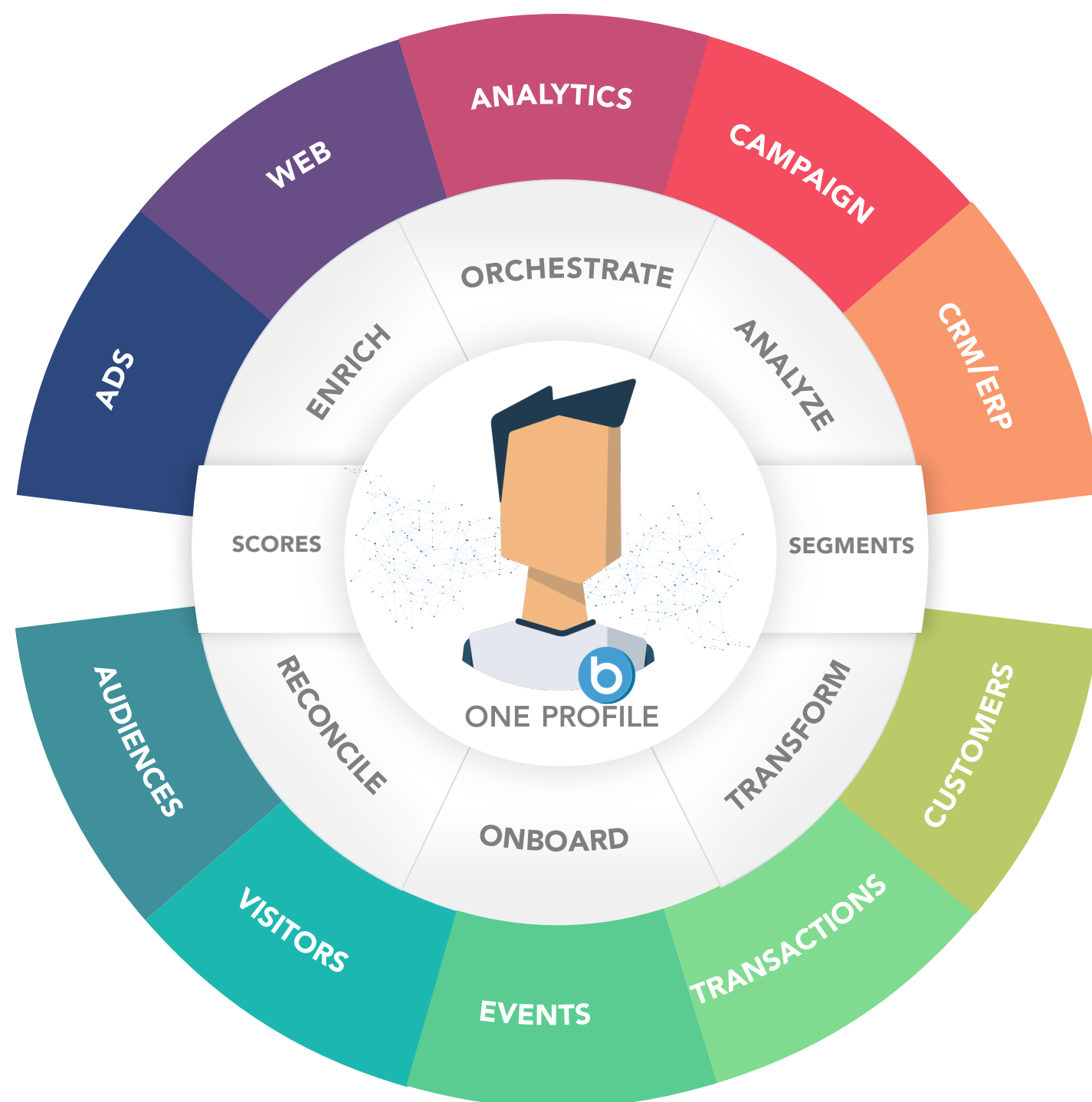
BlueConic has helped Franklin Sports have the infrastructure to ‘go live’ immediately. Our CEO could come to us and say, ‘Hey, we need to get this live on our website today.’ And we can say, in two seconds, ‘We just pushed it through.’ And we’re actually pushing it to specific people. And excluding others.”

— Aaron Seitz, Digital Marketing Manager, Franklin Sports



# AUDIT YOUR MARTECH STACK

Audit your martech stack to understand where you want to collect data from and where you need to send data to for activation. Some technologies, such as an email service provider, will be used for both data collection and activation. Lastly, determine any overlapping capabilities in your stack and where a CDP can provide value by liberating data and making it useful to marketers.



## WHAT ACTIVATION CHANNELS DO YOU NEED TO SEND DATA TO?

- Can the CDP connect to systems you use to communicate with customers and prospects? How do the connections work and how often is data passed between them?
- How fast can you create a segment to send across your activation channels?
- How does a CDP open new possibilities to interact with customer in the right context and moment?

## WHERE DO YOU WANT TO COLLECT DATA TO BUILD CUSTOMER PROFILES?

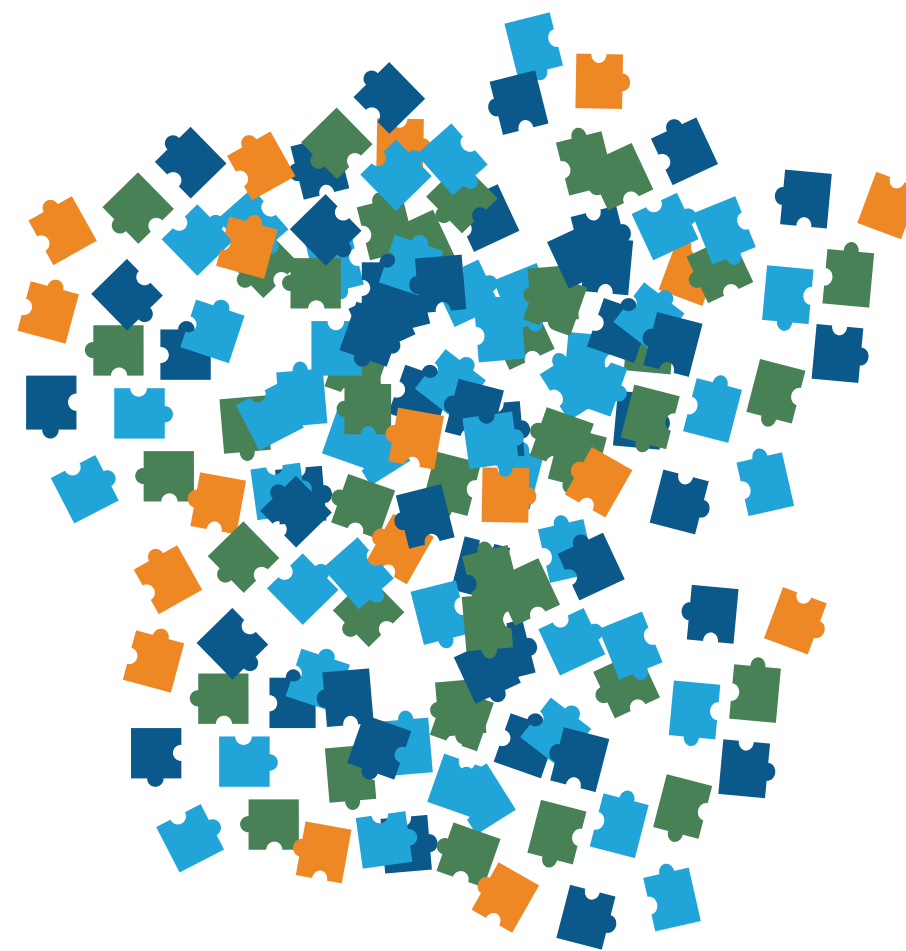
- Can the CDP collect data across all customer touchpoint channels including online and offline sources?
- How flexible is the CDP in storing data?
- How long does it store historical data for?

# WILL THE TECHNOLOGY SCALE?

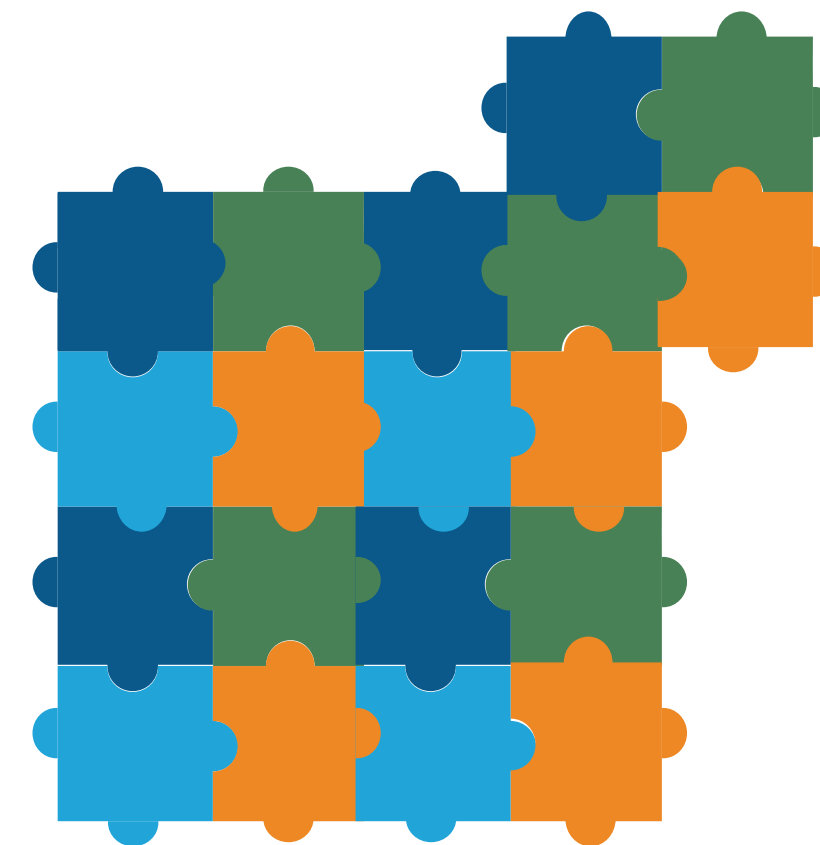
To understand if a CDP can handle your use cases today and in the future, understand the foundation on which a CDP is built. Different [database structures](#) will influence the flexibility and cost of your platform over time as you grow your business.



**RELATIONAL**  
Predefined, inflexible schema  
Difficult to scale



**EVENT**  
No persistent profile consolidation  
Expensive to scale



**PROFILE**  
Persistent profile consolidation  
Efficient and easy to scale

# SOCIALIZING THE VISION

Liberating first-party data with a CDP can have implications across an organization. Find an ally with common data challenges, and see how data liberation can help.

## DEFINE PAIN POINTS ACROSS TEAMS

Across customer experience, customer support, marketing, and business insights teams, there is likely a need for better access to unified first-party data and customers to meet specific goals.

Figure out pain points by team members. Ask questions like, "What problems do you want us to address?", "What are the business needs you need us to support?", "How can having access to data change your day-to-day?"

Define a common goal for the problems you're trying to solve, then build a case off those use cases.

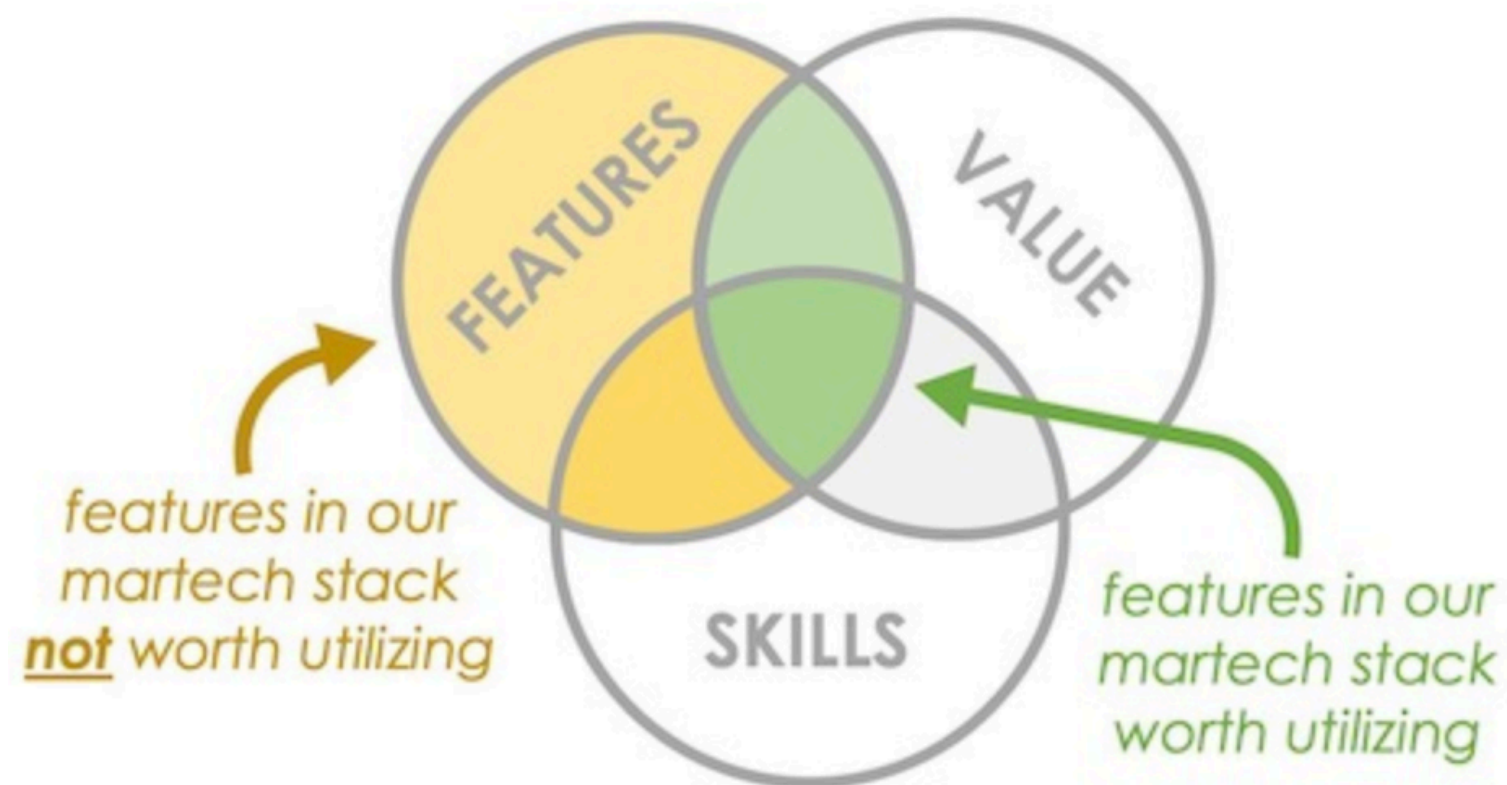
## FIND AN ALLY

Once pain points are identified, find someone whose challenges could be solved with a CDP in the 4-6 week implementation process.

Whether you are in marketing or another part of the organization, getting one other person in a department to join forces opens up the possibility to explore all the ways you can use a CDP to leverage the wealth of knowledge that comes from a unified customer profile.

# UTILIZATION DOES NOT = VALUE

In a recent blog post, Scott Brinker outlines martech evolution over the past few years. While marketers feel the need to rationalize their martech stack, there are still questions about martech stack “utilization” and what makes a new technology “worth it.”



Source: <https://chiefmartec.com/2019/05/martech-stack-utilization-misguided-metric-disconnected-value/>

## EVALUATE THE MARTECH BALANCE

Value, not utilization, should be the driving factor for investing in martech. As Brinker notes, the growing sophistication of martech tools requires acquisition of new skills to take advantage of new features... only if they are valuable (light green portion pictured on the left).

“It would be kind of like measuring whether your subscription to Spotify is worth it based on the percentage of their 35 million songs that you listen to. All that matters is if they give you the songs that you enjoy listening to — even if it’s but a tiny fraction of their massive overall catalog.”

CDPs can help you unlock the value of your other marketing technology by unifying or activating your data across these disparate systems.

# PRESENTING THE VALUE OF A CDP

A CDP helps you realize value. Prove value by outlining processes eliminated, time saved, and skill gaps solved with a CDP.

## WITHOUT A CDP

### TASKS REQUIRED WITHOUT A CDP

- Manually pulling lists for segmentation
- Consent management tools to comply with GDPR, CCPA, etc.
- Constant coordination between teams

### RESOURCES REQUIRED TO COMPLETE TASKS

- Data Scientists (to create and apply machine learning models across channel-specific data sets)
- IT (to build custom integrations to create a single view)
- Data analysts (to pull lists to activate segmentation)

## WITH A CDP

### CDP PROVIDES OPERATIONAL EFFICIENCIES BY CLOSING SKILL GAPS & PROVIDING DATA ACCESS

- Marketer-UI to control customer data and send segments to other systems without IT/Data analysts
- Unified customer profile you can use for deep dives into individual profiles
- Segments that update dynamically and with real-time data to act on quickly
- AI modeling based on unified, first-party data with data scientists able to access a single source of customer truth
- Tracking unknown users in their journey from unknown to known on an individual and segment level



# CONCLUSION

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**Build a foundation.** Use cases lay the groundwork for why you'll utilize a CDP. Articulate use cases to key business counterparts to evangelize the mission of a CDP. One customer recommends choosing one to start with – then graduate to more sophisticated use cases.

**Outline where a CDP can save time and money.** Whether it's operational efficiency gains or increased revenue through better conversions, a CDP can solve challenges across the organization. For example, one customer's first use case for a CDP was GDPR since it impacted the entire organization, not just the marketing teams.

**Choose a CDP that will suit your needs today and scale for tomorrow.** As you build the business case for a CDP, make sure you understand the ins and outs of connecting and extracting data from the system. The point of a CDP is to act as a "hub" for your other martech tools. If it can't connect to specific systems or doesn't store data in a way that makes the data useful to you to improve marketing KPIs, then that might not be the CDP for you.



# RESOURCES

Ready for the first step? Take a minute (seriously, 60 seconds) to complete our [CDP Proficiency Assessment](#). Answer four questions to get your proficiency score, a set of starting use cases based on your score, and inspirational case studies from other brands already using a CDP today.

[Take the Assessment](#)

## RFP GUIDES

[How to Write a CDP RFP Based on Your Business Needs](#) (Webinar)

[RFP Template for a CDP](#)

## INDUSTRY RESEARCH

[Gartner's Marketer Guide for Customer Data Platforms for Marketers](#)

[How Marketers Can Create a Business Case for a Customer Data Platform](#)  
(Gartner subscription required)

## OTHER GUIDES

[CDP Proficiency Framework](#) (eBook)

[What is a CDP? And What Isn't a CDP?](#)  
(eBook)

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