

WHITEPAPER



# CDP Confusion

Examining the Impact of Market  
Uncertainty Around Customer  
Data Platforms



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## INTRODUCTION

# Taking a Deep Look at CDP Confusion

Even with the value CDPs can bring to an enterprise marketing team with the right set of needs, there's still the lingering question we hear so much out in the marketplace: What exactly is a CDP?

Because the definition has a tendency to change, depending upon who you talk to and which CDP you're referring to, it can be difficult for even people well-versed in the technology to answer that key question. With that difficulty comes a sense of confusion among marketers around what a company means when they refer to the technology they offer as a CDP.

During our thousands of conversations with marketers across all sorts of industries and seniority levels, we've heard enough about this issue that we wanted to examine it further in order to better understand what's driving the general sense of confusion around CDPs, and how various sets of marketers might see it differently.

So we surveyed 200 enterprise marketers to get their thoughts on CDPs. Some were very familiar with CDPs, having used them daily for years, and others were only somewhat familiar with them from passing reference. Some came from massive organizations that send more than 50 million marketing messages every month, while others barely sent 1 million.



What they all had in common was an interest in CDPs, and a background in B2C marketing. We looked at what they expect — and don't expect — out of CDP technology, how much they think companies should spend on a CDP, and why they think confusion around CDPs often arises.

Their answers were often interesting, especially when we began to break it down based upon the type of marketer they were. Quickly, some common trends and questions began to show up as we dug through the data. How does CDP familiarity impact the answers marketers give to these questions? What do CMOs and other higher-ups think about CDPs vs. the Manager types that work directly with the technology every day? And how much agreement is there about what CDPs should do for marketers?

Read on to learn about these topics and more as we dig in deeper with our research into CDP Confusion.



# People Don't Know What CDPs Do

Where there's confusion around CDPs, it starts with what they actually do. That really is the heart of it. What features do they have? What do they accomplish for today's enterprise marketer?

So we asked our respondents to tell us which features they feel are most important for a CDP to have, and then gave them the same list to choose the features they think are least important. The idea was to get to the heart of marketer expectations around CDPs. Not what the CDPs say they do, but what are the key features marketers both expect and need when they're looking at investing in a CDP.

The results, perhaps predictably, were all over the place.

## Very little stands out

Respondents chose from 11 options when it came to the most important and least important features, and they could choose up to three from each column. On the "most important" side, only one answer stood head and shoulders above the rest: "Makes customer data available for immediate use across all marketing channels."

This makes sense. The CDP's main value is all about customer data, so it's hugely important that they're able to provide marketers with direct data access and empower them to use that data in a cross-channel fashion.

Beyond that, though, the other 10 answers all got between 17% and 34%. All but one got at least 20%, and all but three hit 25%. So, if respondents are torn on which features are most important, do they have a better idea about what's least important?

Again, one answer stood out: "Identity resolution capabilities," with 33%. Maybe some brands don't feel like they'd put IR to use? Some of the respondents might not even have known what that was. Either way, that was the answer that came up the most.

**“...it's hugely important that they're able to provide marketers with direct data access and empower them to use that data in a cross-channel fashion.”**

# People Don't Know What CDPs Do

After this, though, it was even more tight. Everyone got between **20%** and **30%**. All but three fell between **25%** and **30%**.

When we asked about the primary purpose and business value of a CDP, the results were similar: one standout answer, with lots of disagreement beyond that. For primary purpose, 52% said "To manage customer-marketing activities," but that means almost half gave a different answer. And for primary business value, 42% said "To help a company increase customer satisfaction," with three of the other four options getting between 15% and 18%.

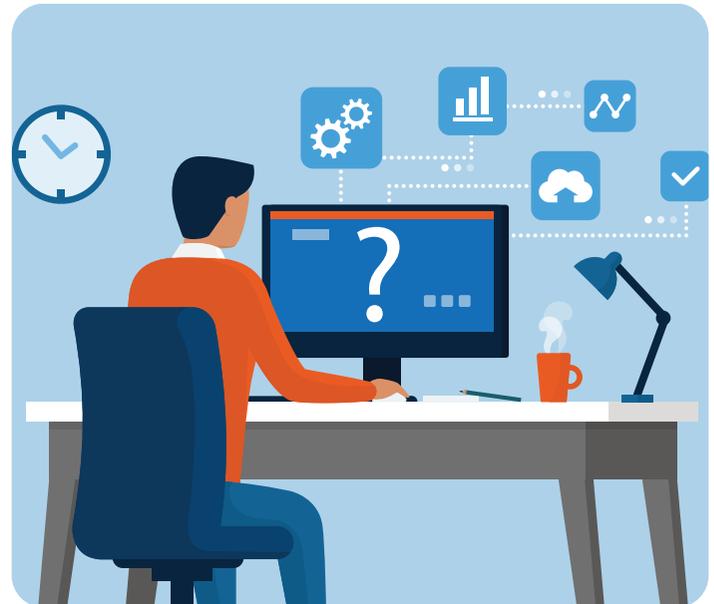
This seems like it gives CDPs a moving target to hit. Their customers and potential customers don't even necessarily know what they want or need. That's not helping to curb the confusion.

## The size of the organization makes a difference

These answers didn't break down at all evenly across demographics, and the biggest determining factor for how respondents answered seemed to be the size of their organization.

Among those at organizations sending more than 50 million marketing messages a month, 66% said the primary purpose of a CDP is to manage customer marketing activities, vs. 47% of everyone else. And 44% of those at organizations sending fewer than 10 million messages said a CDP helps most with tracking customer activity, vs. 24% of those at larger organizations.

21% of those at organizations sending less than 10 million messages said a CDP's primary business value is helping a company reduce costs, vs. 6% of others.



51% of those sending more than 50 million messages said the primary drawback to CDPs is lack of integration, vs. 20% of those at smaller organizations.

You can come up with explanations for much of this. Larger organizations may be more likely to have a robust martech stack that heightens concerns about integrations, and they have large marketing teams engaging in a significant amount of customer marketing activity. Meanwhile, smaller organizations may be more concerned with cost and have fewer other tools that help them track customer activity.

But even with plausible explanations, the fact still remains that expectations for CDPs seem to vary wildly from organization to organization and person to person. And this may be where the confusion starts to spread.

# Why is the C-Suite All-In on CDPs?

For CDPs and most martech tools, it's fair to say that the enterprise CMO isn't the one most likely to really have their fingers on the keyboard using them. It's just the nature of the beast at enterprise organizations. The CMO has a lot of responsibilities and wears a lot of hats, but one of them typically isn't "rank-and-file task completion."

They're looking for big-picture ideas, direction, guidance, budget approvals, and a million other things, but their interaction with a CDP may very well not go beyond demos in the late-stage buying process.

So, it was striking when the CMOs in our survey responded so enthusiastically positively to CDPs. While a minority of them may be intimately familiar with CDPs from first-hand experience, it's hard to imagine that many of them are working with CDPs on a daily basis.

What's driving this enthusiasm? We have some thoughts on that. First, though, let's look at the numbers.

## CMOs love CDPs

Given that it's not realistic to expect that CMOs would be working directly with CDPs on a day-to-day basis, one would think you'd get a mixed bag when you asked them about their familiarity with CDPs.



...**87%** of CMOs in our survey said they're "very familiar" with CDPs... Among Senior- and Manager-level respondents, just **44%** identified as being "very familiar"



While some of them might have worked with CDPs on their way up through the organization or have gained experience with them in another way, you would imagine the CMO wouldn't have an intimate understanding of CDPs.

But 87% of CMOs in our survey said they're "very familiar" with CDPs, the highest option we provided. Virtually none of them expressed anything other than a deep familiarity. Among Senior- and Manager-level respondents, just 44% identified as being "very familiar" with CDPs.

# Why is the C-Suite All-In on CDPs?

We saw similar results with other questions. When asked if they were making the decision, would their organization definitely get a CDP in the future, 74% of CMOs said they definitely would, compared to 52% of everyone else.

Also, just 18% of CMOs said a CDP isn't very important compared to other martech tools, vs. 43% of everyone else.

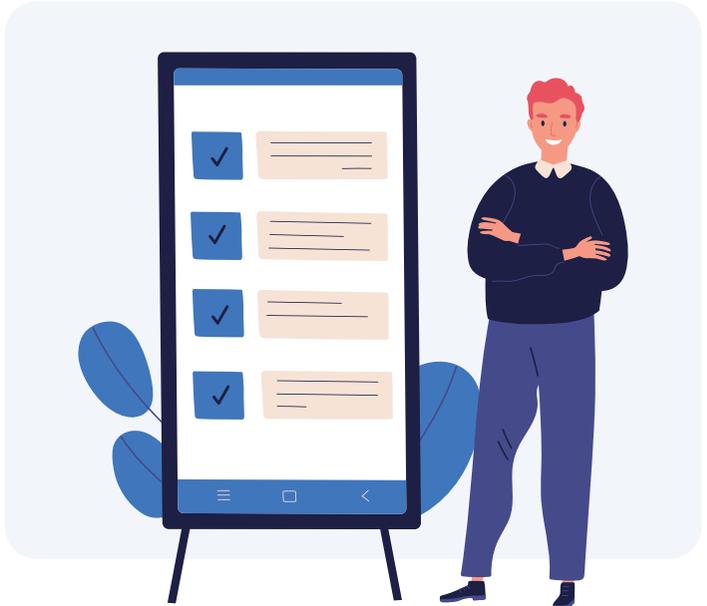
Why are CMOs 1.5 times as likely as the rest of their marketing team to be “definitely” in favor of re-upping with a CDP? Why do CMOs appear to be so committed and all-in with CDPs? These tools are relatively popular across the board, but CMOs seem excessively in love with them.

## Why are CMOs so bullish on CDPs?

This is where things get a bit less scientific. This wasn't a phenomenon we anticipated, and we didn't ask the CMOs any specific questions that might delve into this topic. But we could make some guesses about why their answers skewed so heavily and consistently in the direction they did.

It could be true that CMOs feel like they should answer yes when asked if they're very familiar with a martech tool, especially one that's become as popular as CDPs have. Even if their level of familiarity isn't actually that high, a CMO might be less likely to admit that than someone on the Manager or Senior level, who may not be expected to have as broad a set of knowledge.

Also, we think there could be a bit of CMO groupthink going on. CMOs talk often with other CMOs. When other peer CMOs sing the praises of CDPs, that can spread among the group. A CMO may not want to be the standout in the group



that isn't all onboard with CDPs, and trusts that their peers are enthusiastic about them for good reason.

Finally, there could be a status situation happening. The CMO wants to think — and, sometimes as importantly, the CMO wants peers to think — their organization is on the cutting edge of technology, and using the best tools that are available. So, being able to tell those other CMOs that they invested in a CDP could lend them a sort of status they wouldn't otherwise have. They don't want to be seen as being left behind.

Regardless of the reasons, CMOs do appear to be incredibly enthusiastic about CDPs, of our research is any indication. And they're not the only ones. But it's certainly interesting to see the people who potentially use the CDP the least praise it the most, adding to the undercurrent of confusion.

# CDP Familiarity Breeds Love

Despite what confusion exists, with how popular CDPs have become in recent years, there are lots of marketers who consider themselves very familiar with CDPs — or, at least, with the one they have first-hand experience using.

That was reflected in our survey, with 71% of respondents saying they're "very familiar" with CDPs and have "worked with one for years." Another 24% said they're somewhat familiar, having worked with one for a bit, meaning 95% were at least somewhat familiar.

That's not a bad base to pull from when you're trying to better understand the confusion around them, and one of the more interesting findings was how the "very familiar" respondents' answers clustered together pretty consistently in some areas. It seems that the more familiar with CDPs a respondent was, the more likely they were to express enthusiasm for not just investing in CDPs but investing a significant amount of money in them.

We have some thoughts on why that might be, but we'll look at the numbers first.

## The CDP-familiar in lockstep

It seemed like, no matter what we asked, the most CDP-familiar respondents answered in a similar way. And, not only that, but they answered differently from those who didn't consider themselves as familiar.

A few examples:

- 83% said the primary purpose of CDPs is to manage customer marketing activities, vs. 36% of those less familiar
- 82% said companies should spend at least \$200K on a CDP, vs. 53% of those less familiar
- 67% said a CDP is very important compared to other tools, vs. 47% of those less familiar
- 67% said they'd definitely invest in a CDP again if it was up to them, vs. 31% of those less familiar

# 98%

of respondents think a CDP would help them do their job better



# CDP Familiarity Breeds Love

We saw similar results when we asked about how a CDP helps the most, a CDP's primary business value, and multiple other questions. Again and again, those saying they were very familiar with CDPs came up with remarkably consistent answers.

Maybe this shouldn't be too surprising. Perhaps it could show that much of the confusion surrounding CDPs is based mostly upon a lack of familiarity with them because they're both relatively new to the world of marketing and a luxury that a lot of companies aren't going to seriously consider investing in.

On the other hand, there are other possibilities for why these very familiar respondents might answer the way they did.

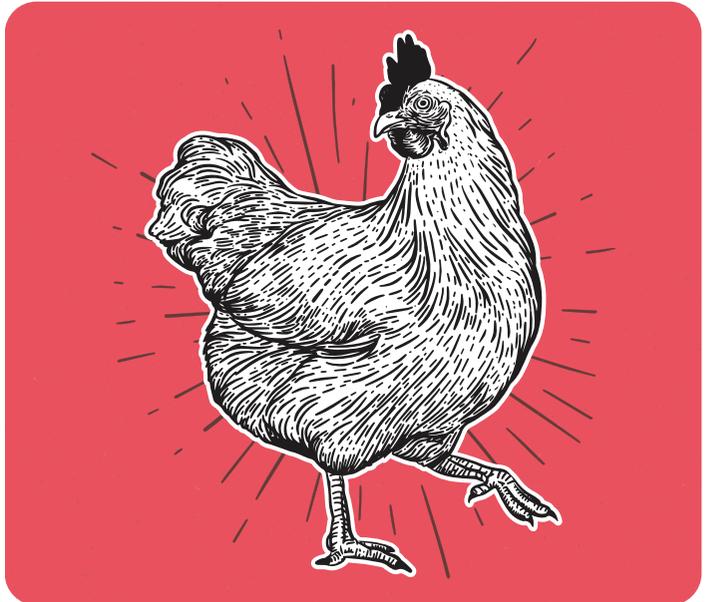
## Chicken or the Egg?

When you see these answers from the most CDP-familiar respondents, the "Chicken or the egg?" question comes to mind, especially with those last two:

- 67% said a CDP is very important compared to other tools, vs. 41% of those less familiar
- 67% said they'd definitely invest in a CDP again if it was up to them, vs. 31% of those less familiar

Are the most familiar saying CDPs are super important and that they'd definitely invest in them again because their job has become somewhat tied to the CDP? Or has their great experience while working regularly with a CDP led them to those conclusions independently?

In other words, do they really like CDPs because they feel like they sort of have to, or because their



experience has been great?

In addition to those questions, it's interesting to consider — in the context of CDP confusion — if the more familiar are also more correct about what CDPs do. That is to say, their answers about the primary purpose, cost expectations, and where the CDP helps most would seem to be more informed. Are they also closer to the actual truth? And, with the large number of CDPs out there, all of which with different focuses, strengths, and weaknesses, is there even an ultimately correct answer to those questions?

Very familiar or not, all of this continues to create the fabric of CDP confusion, showing where the fault lines lie between the people who use CDPs every day and those who have to go by what they read and hear from others. The messaging there hasn't been consistent enough for them to give answers with confidence.

# MessageGears Segment Can Clear Up the Confusion

At this point, there's little doubt that the confusion referenced in this whitepaper really does exist. The survey respondents themselves agreed too, with 58% saying there's confusion in the marketplace about CDPs, and another 12% saying they weren't sure — confused about whether or not they're confused, perhaps.

That leaves 30% — less than one out of every three respondents — to say they don't think there's confusion. So a sizable majority doesn't disagree with the general premise, and what's more interesting is why they think that confusion exists.

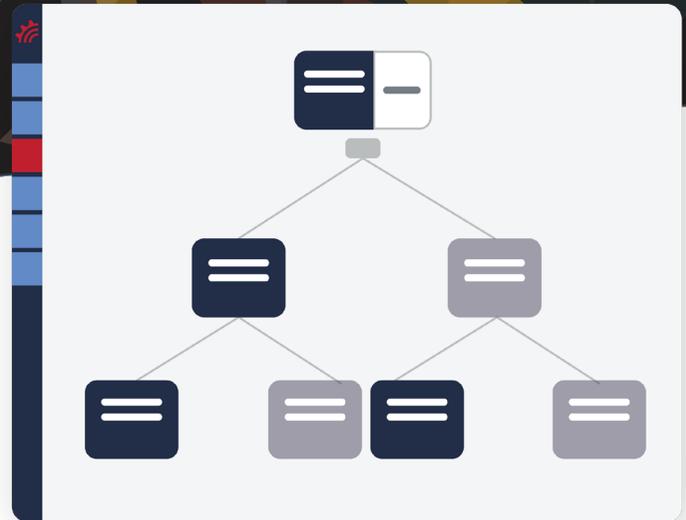
We provided some options, but there were two answers that the majority of respondents gave:

- 31% Because vendors have done a poor job explaining what a CDP is and why it's needed
- 30% Because many companies believe they already have a solution that fits this need

This is where MessageGears Segment can come in to clear up the main sources of confusion for marketers when it comes to CDPs.

## What is it? Why do we need it?

We'd bet that the breadth of CDPs on the market can make it difficult to know what each one does well, and the individual vendors likely are a mixed bag with respect to how well they convey their own value proposition.



MessageGears Segment greatly simplifies this issue by connecting directly to your main customer data source — or multiple sources, if that's what you need — so that you're using it live and in real time and don't have much of any need for a CDP.

It duplicates the chief functionalities of a CDP while eliminating the need for copying and sending data out to an external tool. That gives you the full, organized view of your data that you're looking for out of a CDP, but at a much lower cost and a quick implementation in a day or two.

Pair that direct connection with the lack of a predefined schema, and MessageGears Segment integrates seamlessly with any third-party audience activation tool. So, is your CDP really still needed?

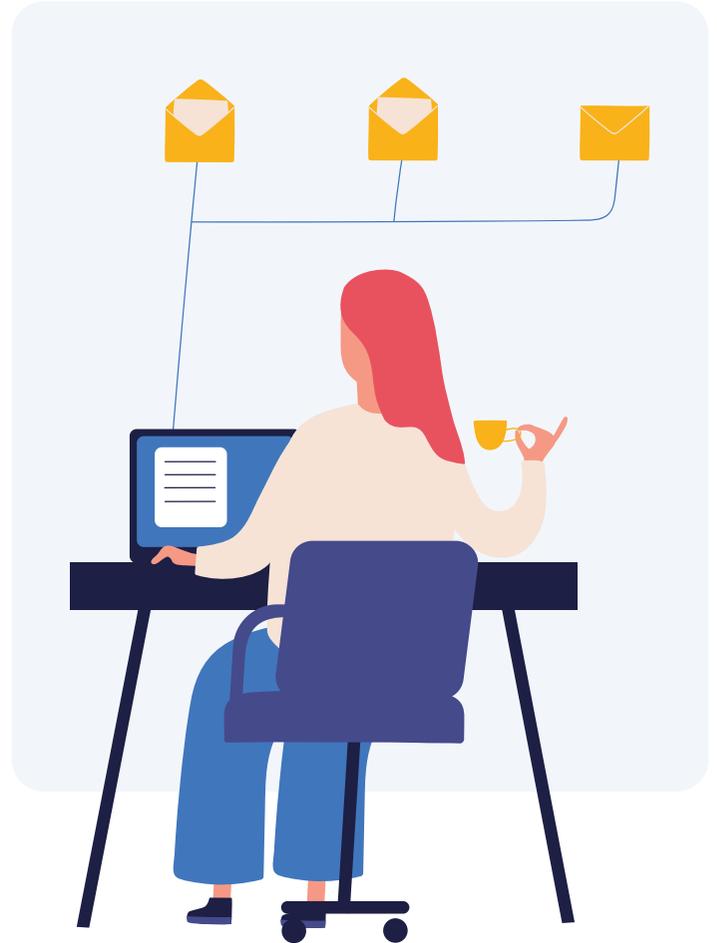
## What is your workaround today?

While many companies might be able to duplicate pieces of what each CDP does, there's no tool on the market that can replicate MessageGears Segment's direct data connection with the ability to use your own data setup with no predefined schema in place.

# MessageGears Segment Can Clear Up the Confusion

It's the ultimate in empowering your marketing team to put its customer data to use, maximizing the value of it by investing in a tool that lives wherever it lives. If you've put the money and effort into consolidating your data into a modern data warehouse like Snowflake, you owe it to your team to bring in a solution like MessageGears Segment to make it pay off. And if you haven't yet, MessageGears Segment allows you to almost feel like you have.

It may seem simple, but that's because it is. Connecting to your data so you can use it without anything standing in your way really does solve the problems that are making CDPs tough for many to understand. You need a more streamlined, straightforward solution with a clear and convincing business value, and MessageGears Segment exists to fill that void in the market.





# Delivering Cross-Channel Messaging Success

MessageGears is the only customer marketing platform built for today's enterprise. Powered by Accelerator technology, MessageGears is a radically different enterprise software company, delivering advanced customer segmentation and message personalization and delivery that simply outperforms other enterprise marketing clouds and data platforms. Through direct data access and innovative platform capabilities, marketers can deliver compelling customer experiences at massive scale, faster and more flexibly than ever before. MessageGears has transformed what marketers thought was possible at major brands like Expedia, Rakuten, T-Mobile, and Chick-fil-A. Learn more at [messagegears.com](http://messagegears.com).

For more information, please visit [www.messagegears.com](http://www.messagegears.com)

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MessageGears Segment provides a powerful segmentation engine designed for marketers who want to understand their users and deliver seamless, relevant experiences across any touchpoint.



MessageGears Message is a one-of-a-kind cross-channel orchestration product that connects to your customer data and helps you build personalized messaging campaigns that deliver results.

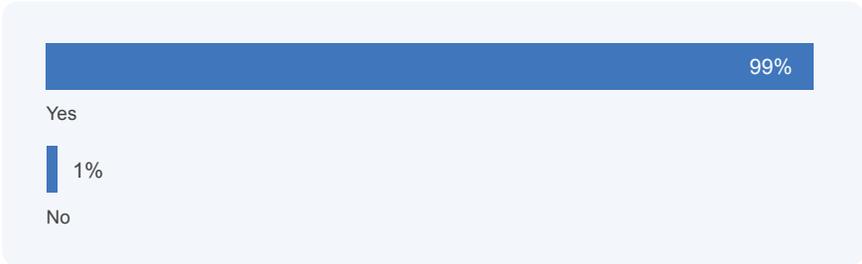


Utilizing MessageGears Engage provides you with an always-accessible segment of your live data to connect to any third party in order to build highly personalized campaigns in real time.

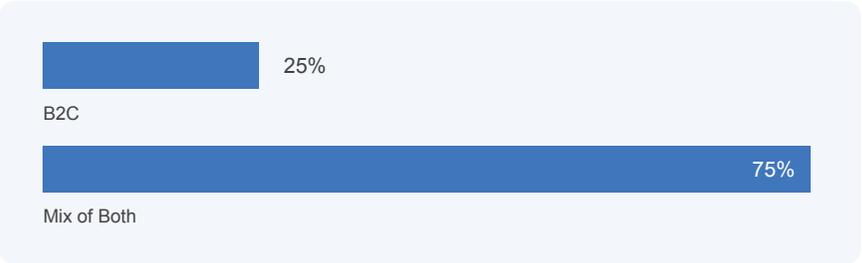
# Survey Questions | Marketer Profile

This survey was recently fielded by MessageGears in partnership with PureSpectrum to a panel of 200 marketing professionals representing enterprise business-to-consumer (B2C) organizations. Participants were limited to those that indicated they are at least moderately familiar with Customer Data Platforms (CDPs).

Do you work in a corporate marketing department or marketing agency?



Is your company B2C or B2B?

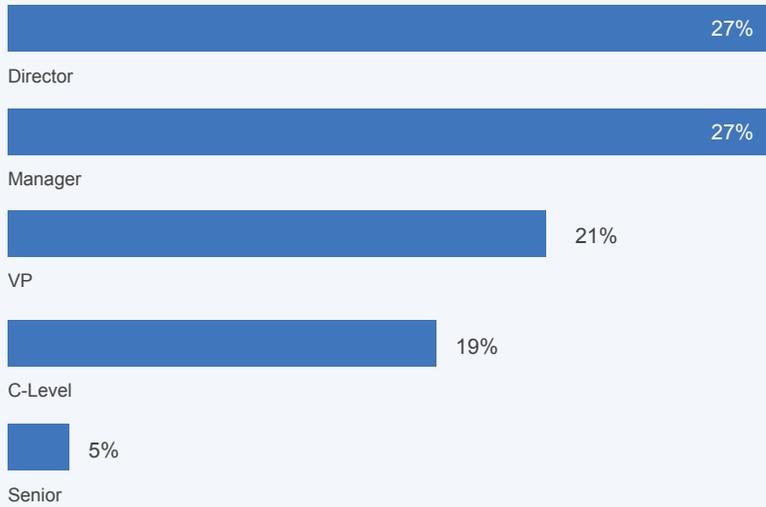


How familiar are you with Customer Data Platforms?

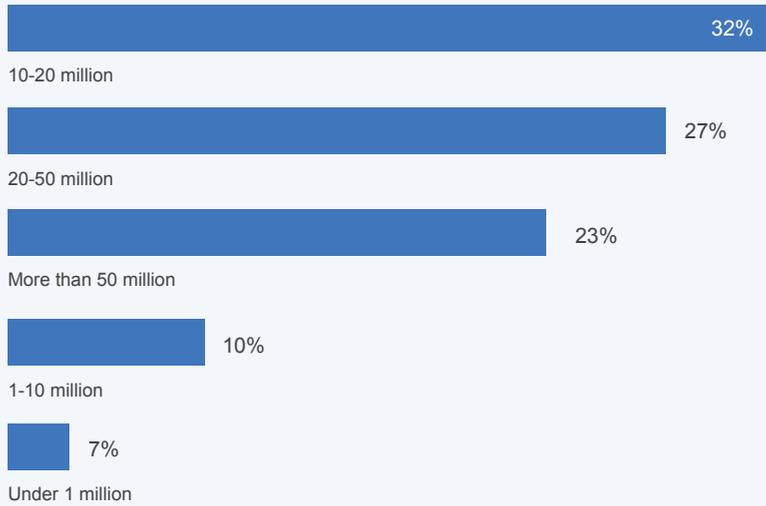


## Survey Questions | Marketer Profile

What is your seniority level?

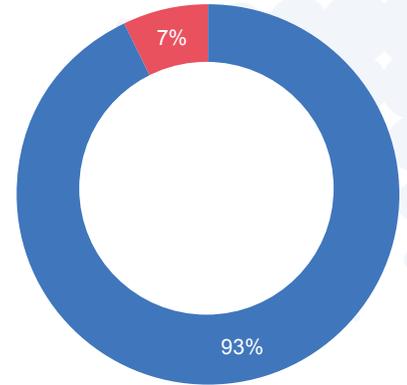
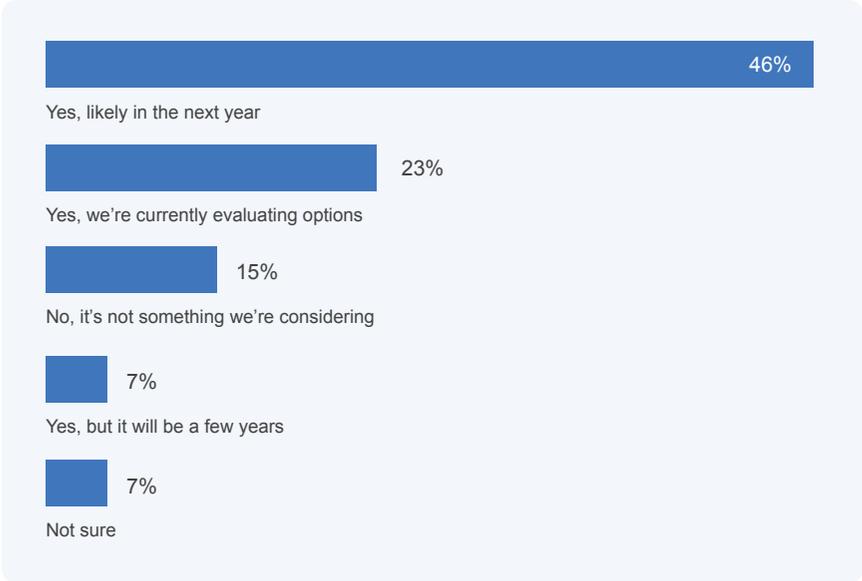


How many marketing messages does your company send per month?



# Survey Questions

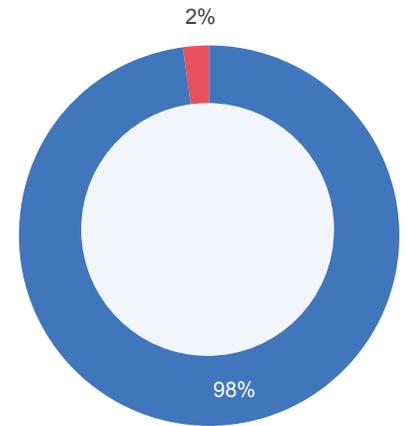
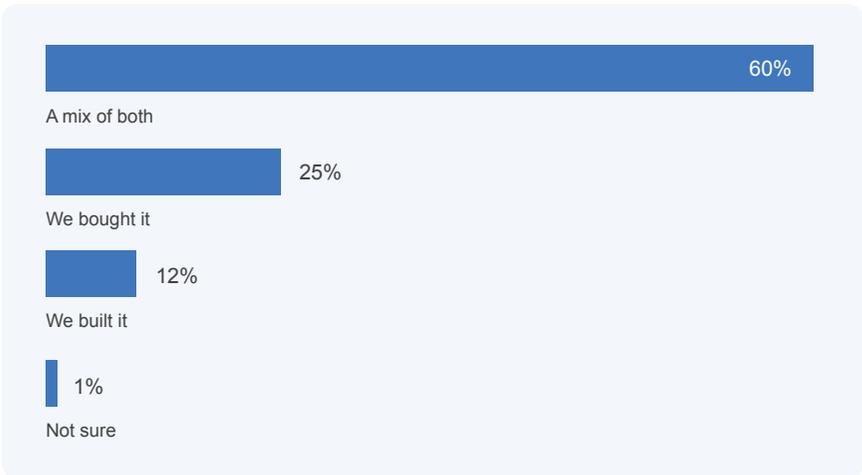
Is your organization planning on investing in a CDP?



Does your organization currently use a CDP?



Did your company buy or build it?



Does or would a CDP help you do your job better?

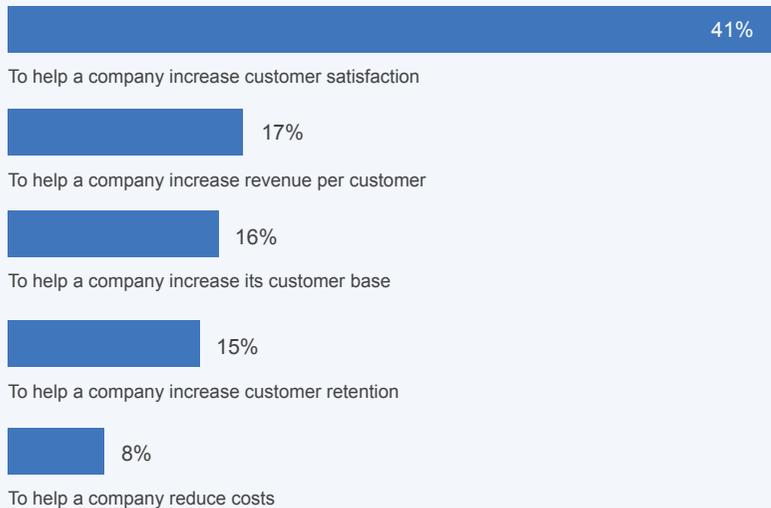


## Survey Questions

What is the primary purpose of a CDP?

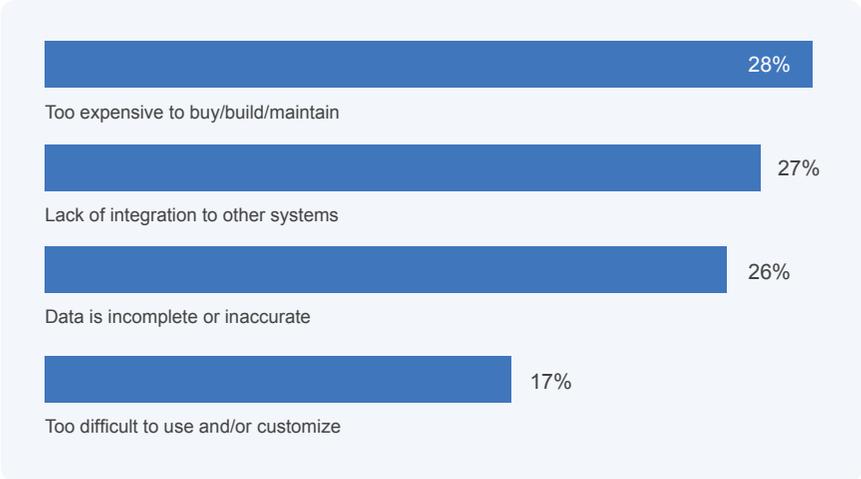


What is the primary business value of a CDP?



# Survey Questions

What is the primary drawback to a CDP?



How much should a company spend on a CDP?

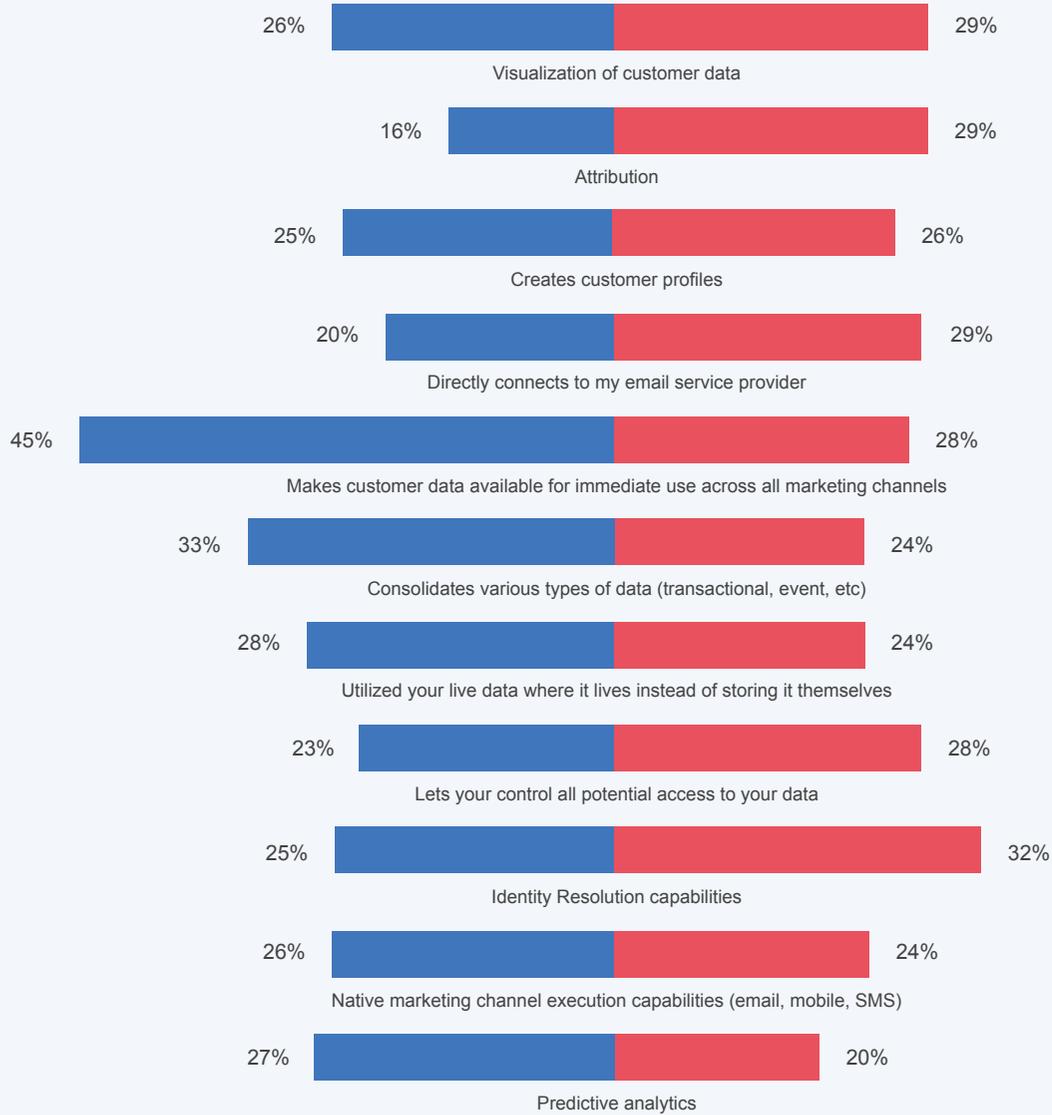


# Survey Questions

Most important vs. least important features

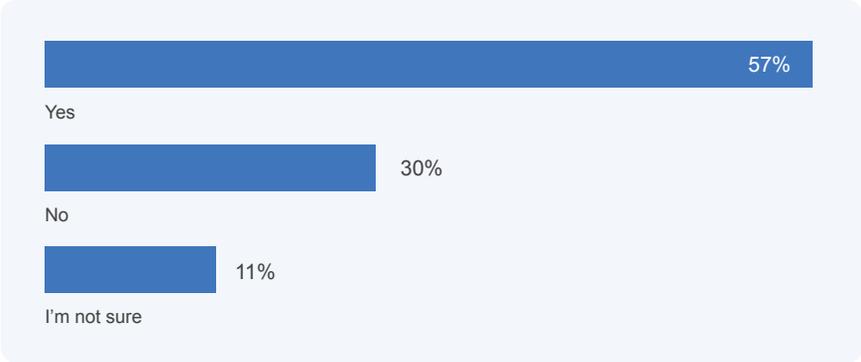
**MOST IMPORTANT**

**LEAST IMPORTANT**

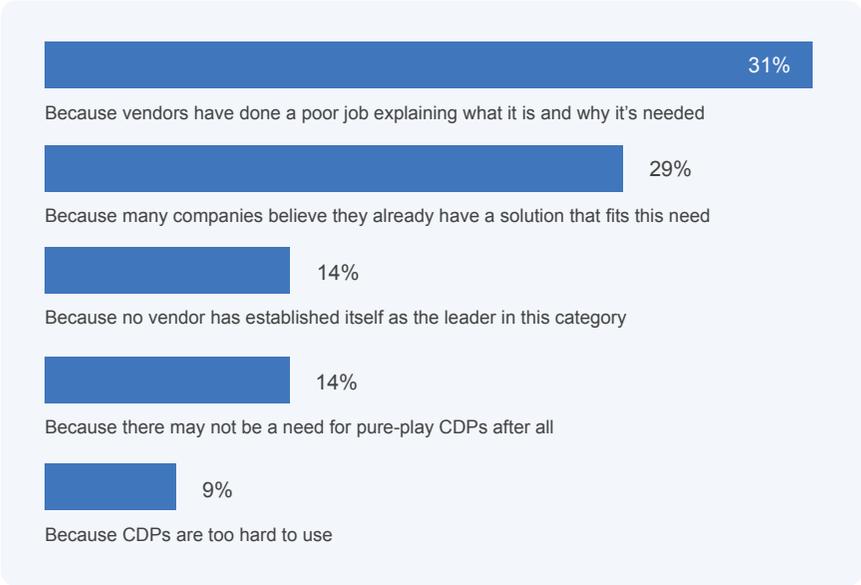


# Survey Questions

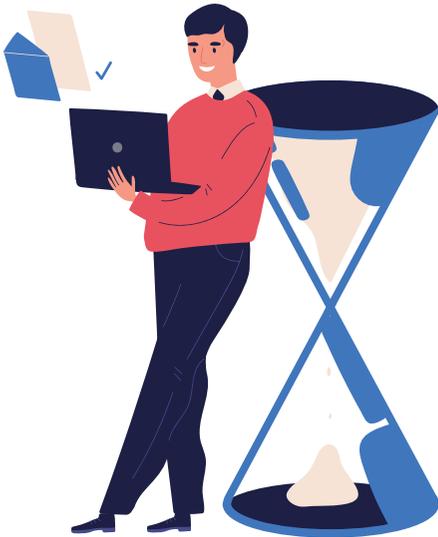
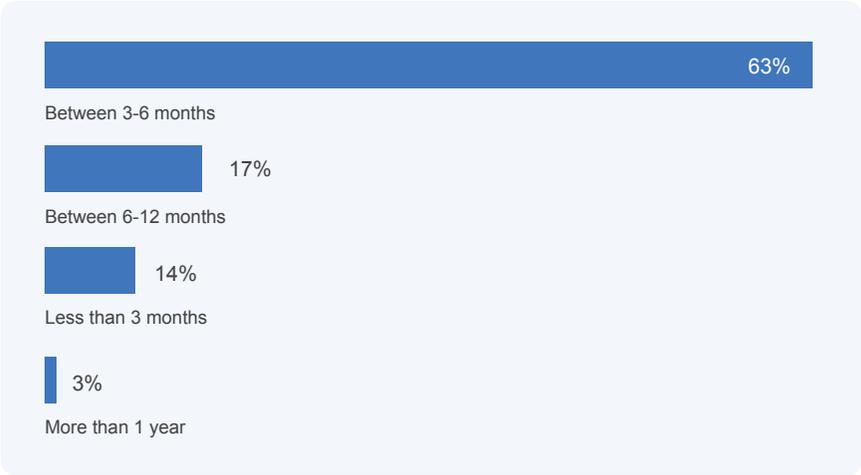
Do you believe there is confusion in the marketplace about CDPs?



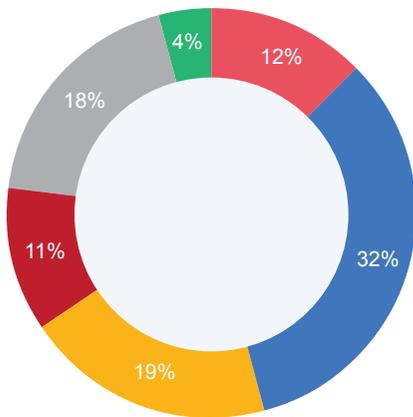
Why do you think that is?



How quickly can a user expect to achieve a positive ROI for a CDP?



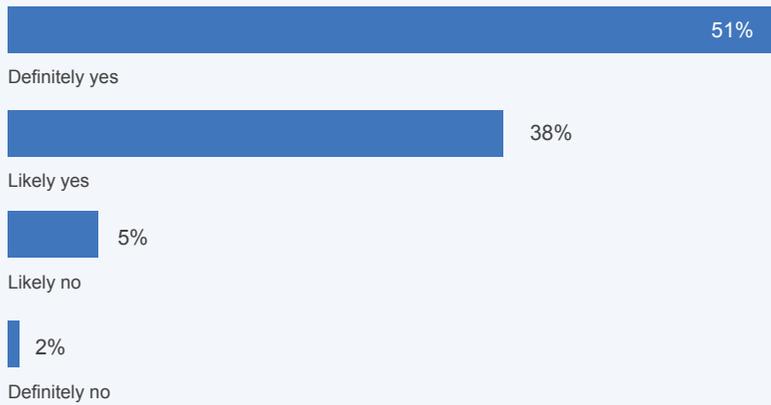
## Survey Questions



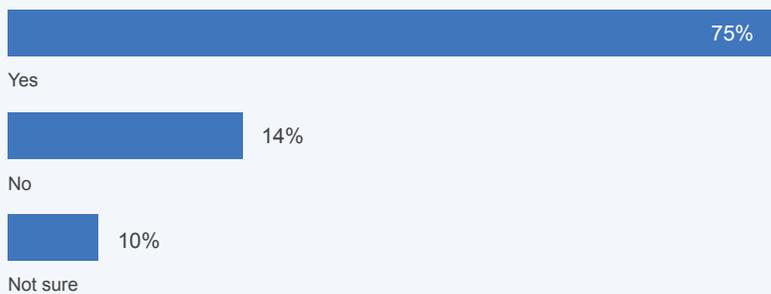
Where will a CDP help the most?



Do you feel like you fully understand how DMPs differ from CDPs?

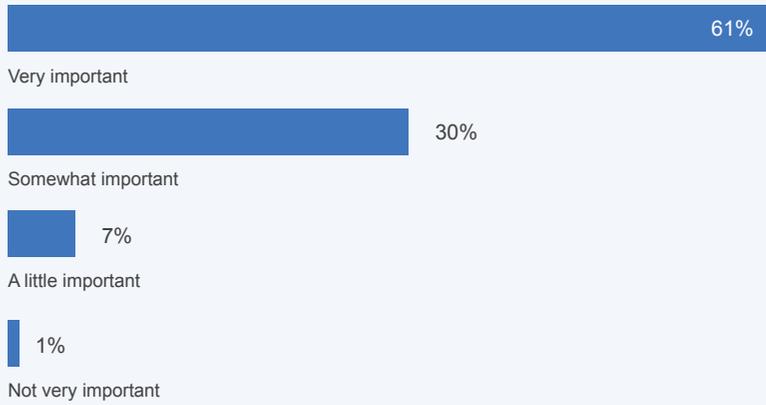


As you understand it, does your Email Service Provider or Marketing Cloud integrate directly to most CDPs?

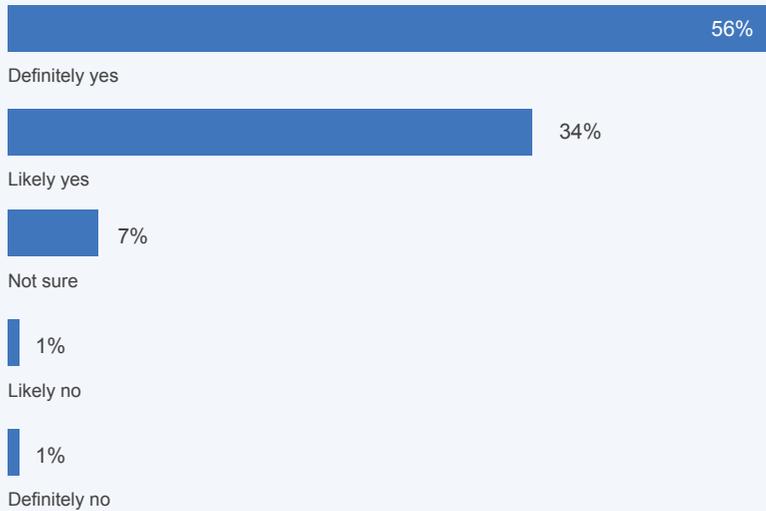


## Survey Questions

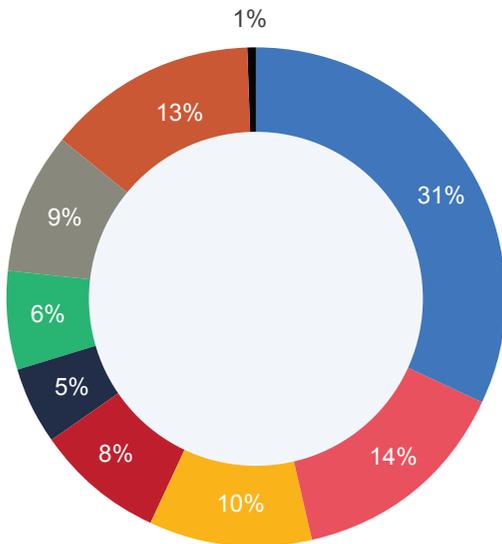
How important is a CDP relative to other systems in a B2C Marketer's "tool chest"?



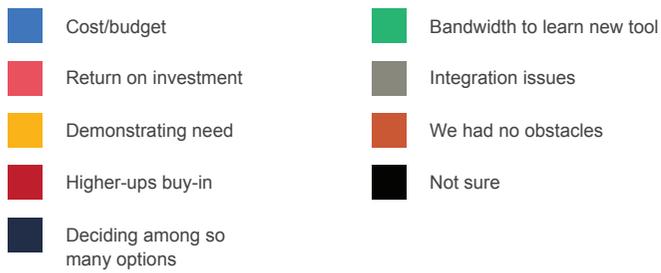
If the final decision was yours, would your company invest (or continue to invest) in a CDP?



## Survey Questions



What is, was, or would be the biggest obstacle to your company getting a CDP?



Are you familiar with Data Management Platforms? (DMPs)?

