

The success of your Customer Data Platform depends on an over-burdened marketing team, and that's a problem.

Why You Need a Central Resource to Manage Your CDP



Craig Schinn is a co-founder of Actable (www.actabledata.com) – an agency specializing in activation of customer data. He is a bona fide expert in CDP – with 6 years of experience both as client and provider. Most recently, Craig built the customer success & services functions at Lytics, an enterprise CDP. Prior to that Craig led marketing for The Clymb, an INC 5000 retailer. Craig has also built the reporting & data sciences practice for Accordant Media, and held numerous analytics leadership positions at Razorfish. He started his career in big consulting with Accenture. Craig is also an alumnus of Hofstra University and received his MBA from Columbia Business School.

Why the CDP was invented

Let's look back at some history to talk about why the CDP became one of the fastest growing categories in technology today. Most clients and prospects that we talk to today have very compelling first party data assets. The problem is that for most who do not have a well optimized and deployed CDP, that first party data sits offline, out of reach of the marketing team. The marketer can't query it, can't download it, can't use it in any marketing activations without significant coordination with stakeholders in an IT or Analytics Team.

Our partners at Lytics framed it this way:



Furthermore, the IT team has a burden of generating similar data sets into myriad marketing tools. For example, they may be building Data Extensions in Salesforce Marketing Cloud, Custom Dimensions in Google Analytics 360, custom variables in Adobe, shopping feeds for Google and Facebook, etc., etc. They are creating redundant ETL jobs that support very similar intended use cases across many, many systems. A change in one vendor's APIs or data formatting can really set this team back with unexpected work. Compounding this is that the feeds that typically populate these various integrations are most commonly based on a batch process. Batch upload from the client; batch load from the marketing technology. With clients we speak to, it's not uncommon that the 1st party data loaded to the martech stack is 24-48 hours old. This architecture does not make sense anymore. There are better options.

What you, the client, end up with is the following:

- An email provider with slightly out of date 1st party data
- An acquisition marketer who is buying against their target who inevitably reaches existing customers due to poor suppression files, or worse yet, 3rd party data.
- A site personalization team is running an experiment -- and it's not even related to either group from email or from marketing.

These marketers have data in their channel-specific tools, but it's not customer centric. They are a list, a target, a visitor, an opt-in. And the customers know it. We as marketers even call them that.

The CDP was invented to solve this challenge:

- It resolves customers to a single identity.
- It is real-time.
- It works across channels.
- It provides the marketing team with easy access to data that was once out of reach or non-existent.

The CDP offers a better, more future-proof architecture to companies that embrace it. Continuing the example above, Lytics framed the opportunity with CDP this way:



The Panacea Caused a New Problem.

When marketers don't have near-perfect data they complain. But at my former employers and at Actable, I've seen firsthand what they do when they have near-perfect data. Many companies have solved the technology problem with a customer data platform. They take the data the IT team was building out in to specific integrations and channels....then they can deploy audiences seamlessly across channels for the first time. However, they suddenly discover they have a new problem. The marketers start complaining:

- "This doesn't match GA."
- "Where is this valuable 3rd party segment we target?"
- "I'm not sending any email until I'm 100% certain this data matches what was in my email system."

This is the problem of customer centricity:

Even when clients get the data together; even when they have their single view of the customer...they can synch it to their marketing channels...then they realize that they have another problem. The problem has shifted to one of not having the data, to one of deploying it only partially.

Perhaps there is some reticence to adopt a new technology. After all a channel marketer's expertise in his or her chosen system is valuable. Expertise gives them power. But maybe it's less self-serving than that...maybe they just haven't seen the whole picture because they only look at their channel – and the data that was provided to them by their IT team. The problem is that each channel is exactly like that – a channel-centered world view.

Most organizations don't have that person who owns the customer experience across channels. They have a marketing plan. They have IT plans. They develop features and functions. But on a day-to-day basis, no one controls the cross-channel experience a prospect or customer has with your organization.

The Team is Overburdened.

Actable is not the first company to tell you that the alleged “skill gap” on your teams is real:

- Gartner says, “CMOs’ struggle to effectively manage their marketing technology stack. Almost a quarter (24%) of Gartner’s 2019 Marketing Organization Survey respondents said that marketing technology strategy, adoption and use is one of their top 3 weaknesses in their company’s ability to drive customer acquisition or loyalty.”
- The Economist and the Digital Marketing Institute found that 35% of Marketing executives said that “Talent and Skill Set” were the number 1 problem for their teams. This was higher than anything in their study – including getting budget.
- Research by [Wiley Education Services and Future Workplace](#) found 64% of the HR leaders said there is a skills gap in their company, up from 52% in 2018.

If you have

1. tons of time,
2. deep pockets, and
3. a killer brand that people want to work for,

I believe that you could overcome this pervasive industry issue with a lot of training and experience. For the 99.999% of companies who don’t fit those criteria, **how much time do you have to pay off your CDP investment?**

What I’ve seen with marketing technologies is that the hands-on-keyboard controls of the CDP rest with low-level marketers who are already juggling a bundle of very complex marketing technologies. I have watched acquisition marketers struggle with all the functionality of Google Ads, Facebook Ads Manager, Amazon...not to mention the complex technologies that let them buy on the other millions of sites across the internet. The Email Marketing Manager is likely too risk averse to test something new that might break the flows they already have built out.

The data model in the CDP is typically very complex. For the clients we work with, there are usually several hundred segmental fields. Many of them sound or look a lot alike. The tyranny of choice is very great for the already over-taxed marketing team. They can't absorb what the CDP is or does. They have too much to do in their own systems. And even if they like the CDP and its functionality, they end up building the exact same targets they did in their old systems -- just in a slicker system that gives them a count much faster.

So Who Runs the CDP?

For some clients with an exceptionally talented, cross channel team with a strong digital marketing leader can be hugely successful with a CDP. 10-20x ROI is not uncommon with a CDP investment. The struggle is that many clients don't have this cross-channel team at their disposal.

Some clients are beginning to understand that there are options outside of their team. Big consultancies are starting to build practices around CDP. However, CDP is a microscopic line of work for most big firms who have legacy businesses in systems integrations, complex data warehousing, and/or big creative projects. Their advice is often very high level, leaving the client without ground-level expertise.

For the company who is considering a CDP, ask yourself these questions:

1. Who builds the audiences?

If your answer is everyone, it's a problem.

2. Who is responsible for the integrity of the customer data?

If your answer is no one or everyone, it's a problem.

3. When things break, who catches it?

If your answer is no one or everyone, it's a problem.

4. Do you have resources who:

- See other companies succeeding and failing with their CDP efforts?
- Can share best practices and pitfalls across multiple clients?

An external agency is fully dedicated toward making your CDP practice work. They are not encumbered by internal workflows and administration that tie up our clients' teams' time. An external agency focuses on ROI because they have to in order to earn their clients' ongoing trust. My point of view is clear on this. It is why I started Actable with a world-class team of digital marketing & customer experience leaders.

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