

CDPs: A Misalignment of Expectations

How modern customer intelligence platforms supercharge CDPs in a privacy-driven digital economy.

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Digital Transformation 2.0 Are You Ready?

A 360° view of customer behavior is the holy grail of customer intelligence for companies succeeding in the modern digital world. Unfortunately for many customer-obsessed enterprises, this is not yet a reality. Efforts are often hampered because brands are not yet adapting to Digital Transformation 2.0 (DX 2.0) and are stuck in a 1.0 mindset. Here is why we need to advance to DX 2.0:

“There are clear demarcations between DX 1.0 and DX 2.0. The first iteration is mobility based, uses social media, early-stage IoT, and the Internet. Initiatives are “one-offs” and, though it incorporates digitization, it is built on legacy architectures. DX 2.0 builds on this base. It features AI, artificial reality/virtual reality, machine learning, advanced IoT, and robotics. It is digital first.” —CIO Magazine

A key factor driving the need for DX 2.0 is connecting the silos that contain critical event data that is continuously generated from all digital interactions. This information needs to be ingested and analyzed in near real-time to enhance predictive insights that drive personalization, loyalty, and measurement to the next level across active customers.

In other words: **Fast data is intended to be analyzed without data wrangling.** Today, the approaches to gain customer insights remain tied to legacy approaches that are complex across disconnected channels and delivered with static, stale visualization reports.

As a result, many brands turned to customer data platforms (CDPs), but CDPs are only part of the equation, and are also stuck in the DX 1.0 era. CDPs lack analytics and are deeply challenging to integrate with other data sources, impacting business goals and customer experiences.

Simply put, CDPs were not built to handle high-volume analytics and ML in the DX 2.0 era. CDPs were primarily built for customer ID resolution, which is critical to understanding customer profiles—but not for data unification across all channels, journeys, products, and interactions that are required to achieve a true 360° view of customer behavior.

There are currently many failed implementations of CDPs due to the wrong expectations of what CDPs were built for and their actual capabilities. According to **Forrester**:

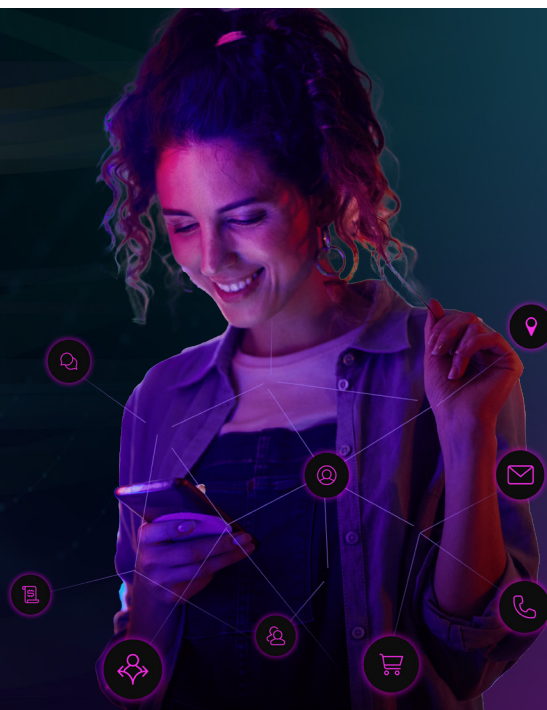
“Only 10% of CDP owners today feel their CDP meets all needs. That number drops to 1% who believe their CDP answers future requirements.”

And that’s not all:

- ⬇ Only 26% of CDP owners say their CDP meets most of their current needs.
- ⬇ Only 35% say it’s meeting some of their current needs.
- ⬇ Only 28% say it doesn’t meet any of their current needs.
- ⬇ And, 45% report it has underperformed against business expectations.

Teams across an organization need to explore data and understand their customers across all journeys in real-time, preferably in a predictive and self-service manner. This is an undeniable requirement to drive the next generation of customer experience and loyalty, and many leading organizations have started the transition.

So, why the disappointment with CDPs? To understand the “why,” we need to start from the beginning.



A Brief History: CDPs & Their Place in the Digital Economy

2013: The rise of CDPs & identity resolution

The first CDPs were created in 2013 as a point solution to the problem of brands using a variety of tools in their tech stack, which caused data to be siloed and disorganized. Brands needed one tool to serve as their customer database, which could collect all digital touchpoints a customer makes while interacting with its brand.

The original promise of CDPs was to aggregate all of a company's customer data and enrich customer ID profiles for better segmentation and personalization. CDPs could then collect and consolidate all of those digital touchpoints made by a customer—and build a unified customer profile. With these customer profiles, brands could gain a clear view of their varying users and build audience profiles mostly based on third-party data. CDPs enabled them to implement segmentation for these audiences and create personalized marketing campaigns and messaging.



CDPs were an easy tool for brands to collect and store information about their customers, build profiles, and leverage third-party data to increase personalization. While capabilities vary across CDPs, brands needed:

- Identity resolution
- Audience building & segmentation
- Customer data management
- Ingest & apply third-party data

Out of these needs, CDPs were created. And for a time, they worked.

Despite the pain points CDPs alleviated for brands, it became prevalent that CDPs had their own pitfalls—especially after DX 2.0 and the rise of the cookieless world—that undoubtedly made collecting first-party data harder than ever.

The original promise of CDPs was to aggregate all of a company's customer data and enrich customer ID profiles for better segmentation and personalization.

However, CDPs' ability for customer data management and ingestion has two key shortcomings:

- ⌚ They are unable to perform behavioral analytics, or other advanced analytics in real-time. This leads to heavy reliance on IT teams to manage complex data integration and engineering requirements along with new privacy regulation challenges.
- ⌚ They lack the ability to stitch all customer and first-party data together within a unified analytics platform, with a privacy-by-design architecture. In a cookieless world, a customer's digital footprint expands multiple channels—and across every touchpoint is critical.

“Only 10% of CDP owners today feel their CDP meets all needs. That number drops to 1% who believe their CDP answers future requirements.”

The Data Privacy Impact

Starting in 2019, many platforms (from Apple to Google) began to eliminate third-party cookies and tracking, giving users the agency to decide whether or not their personal information could be shared. Thus, a seismic shift toward a privacy-driven data economy made collecting and unifying customer first-party data highly challenging for brands and their CDPs.

With these changes, collecting and connecting cross-channel user data is harder than ever—a shift that has only made it exceedingly difficult for CDPs to deliver. And, even before the DX 2.0 and the cookieless world, brand satisfaction with CDP functionality was already in decline, according to **Forrester's** “Marketers Need CDP Solutions That Transcend Data Management Report.”

CDPs can't live up to their original promise in a DX 2.0 world where a 360° customer view is the holy grail of customer intelligence.

In this ebook, we'll explore where CDPs fall short and how to revamp them—and what brands need to solve business challenges, gain 360° customer analytics, improve cross-channel orchestration, and protect customer privacy in a DX 2.0 world.

Why CDPs Fall Short

Like any nascent technology, CDPs have limitations that do not meet the new demands of the DX 2.0 era or recent regulations relating to privacy and international data transfers. Despite heavy investments in data initiatives, only **14% of organizations** have achieved a 360° view of their customer. This has continued as a top concern for brands, especially with the current economic times to deliver superior customer experiences.

There are several key areas where CDPs fail to meet brand expectations and needs in today's digital economy:

1. Real-Time Analytics

CDPs are not built to provide integrated analytics across first-party data or connect to multiple data sources in real-time. Unifying customer profiles are core to CDPs, but not being able to connect profiles across active users' interactions creates missed opportunities every second, minute, and hour.

In the current first-party and data-driven economy, this impacts customer experiences across the entire customer lifecycle, from acquisition to retention.

“Only 14% of organizations have achieved a 360° view of their customer.”

Decision-making is delayed due to reliance on complex integrations with multiple systems and data preparation that leads to lengthy periods to push data into static dashboards. Most CDP implementations fail due to these challenges in IT integrations and disappointing results to gain fast intelligence.

Brands need full control of their user data, and the ability to analyze, execute, and iterate in real-time. Unfortunately, CDPs often don't provide the full control required in the DX 2.0 era.

2. Direct Data Connection

Decision-making relies on the speed and flow of information. CDP architectures are not flexible and require you to conform to their proprietary data schemas. Meaning, your data has to be re-architected to conform with the CDP and create vendor lock-in. This impacts the ability to be agile and connect to multiple data sources in real time.

However, DX 2.0 is rooted in capturing real-time events that are generated every second across multiple devices, applications, and systems that drive decisions. Therefore, the lack of raw data ingestion at the source across multiple sources creates massive challenges for customer intelligence and data science when applying legacy approaches to connect to fast data. Due to data being collected across disparate systems, schema and data format are often inconsistent and require even more hidden work to extract their value.

“ **Over 75% of countries in the world have adopted data privacy legislation.** ”

3. Privacy-by-Design Architecture

Customer trust is critical to the success of any brand, and now more than ever privacy is an implied demand from consumers. It is essential for customer-driven enterprises to possess complete data privacy control of customer data—and cannot be achieved by relying on CDP architectures that just weren't built with privacy in mind.

Connecting first-party data with CDPs increases data breach risks, due to the nature of moving data outside a customer's environment into a CDP. Most CDPs are limited to legacy SaaS architectures, that require taking control of the data, in order to integrate through complex integrations and sometimes third-party data connectors.

Global brands must prepare to adhere to expanding data privacy laws, that have grown to span across nations, regions, and localized areas within both. Data privacy regulations are no longer imposed only by entities like GDPR, the Irish Data Protection Commission, and CCPA. To date, more than 75% of countries around the world have adopted data privacy and localization legislation.

4. Ad Hoc Exploration

CDPs are great at identity resolution, but brands still need to analyze data across all customer channels. It can take anywhere from **28 to 62 digital touchpoints** to make a sale. But, every one of those touchpoints must be tracked, and CDPs aren't able to capture every user event across all first-party data. Important moments and bits of customer information fall through the CDP cracks, particularly in regard to dark social—which, most CDPs often mistakenly attribute to organic traffic.

As a result, the inability to gain predictive insights and then perform ad hoc exploration across billions of data points to a few customer signals is not possible with CDPs. Their limited flexibility and requirement to integrate with external static visualization tools limit the ability to ask the “why” questions about customer journey behaviors and for data scientists to build effective ML models.

5. Cost & Time to Value

“Marketing teams have been engaged in a data arms race over the past decade, attempting to use technology to collect every conceivable data point on customers with the assumption that more data is better,” said **Benjamin Bloom, Vice President Analytics, Gartner Marketing.**

In a DX 2.0 era, brands must consider cost and time to insights, and how their CDPs can negatively impact both. CDPs have become rather expensive—from implementation and maintenance to compliance and scale—and costs continue to increase due to failed attempts to integrate across data silos and deliver fast intelligence.

The lack of ad hoc exploration, no-code querying, and activation of insights across silos are other key components for quicker time to insights that CDPs simply don't have. This undoubtedly leaves brands waiting days or weeks for insights, and valuable customer data—given CDPs take too long and can't scale. Instead, brands need a solution that can provide all of the capabilities mentioned above—with zero-touch deployment.



Real-Time 360° Customer Intelligence in a DX 2.0 Era

In a DX 2.0 world that moves at lightspeed, processing data and utilizing analytics in real-time is no longer a nice-to-have—it is a must-have. You need fast analytics to know what your customers are doing, as they're doing it, and respond to their needs without delay.

**“ Companies implementing
DX 2.0 see a 28% increase in revenue & a 38%
improvement in customer satisfaction. ”**

There are several key areas where CDPs fail to meet brand expectations and needs in today's digital economy:

Aggregating your organization's data is key to seeing your customers in a new way. But businesses don't win by creating bigger data warehouses or adding more CDPs to their tech stack—they win by finding faster and more efficient ways to enrich data and turn them into powerful insights.

“In Forrester's Data And Analytics Survey, 2022, 21% of data and analytics decision-makers indicated that the lack of a single view of the customer makes it harder to execute visions for data, data management, data science, and analytics. Vendors should support companies in unifying the customers' data across devices and channels with advanced identity resolution techniques or with the ability to create a dashboard with a single view of different digital and device data. They should also help deliver consistent optimized experiences across customers' multichannel journeys.”

Operating in a privacy-driven, cookieless world

Since 2019, brands continue to adjust to the DX 2.0 and the cookieless world. Utility and demand for first-party data have skyrocketed, and the 2020 COVID-19 pandemic only quickened the pace of DX 2.0. Now more than ever, brands rely on integrating first-party data to enable hyper-personalization for their customers to adapt to DX 2.0. But, CDPs have struggled to adapt to the evolving digital economic landscape, and can't deliver on these needs.

In this DX 2.0 landscape, brands must be able to leverage and integrate advanced digital technologies—intelligent data, AI, ML, IoT, and Web3, to name a few. These new technologies are pivotal to improving business goals, encompassing everything from customer experience and retention to cross-media measurement and return on ad spend.

And it's already proven to be a game-changer: **IDC** found that companies implementing DX 2.0 see a 38% improvement in customer satisfaction, a 28% increase in revenue, and a 26% gain in employee productivity.

Now, brands are tasked with not only flagging CDP blind spots but finding ways to bring them into the DX 2.0 world. CDPs weren't built to handle fast-moving first-party data or effectively incorporate new tech like AI/ML—nor do they possess a privacy-first architecture to integrate, unify, and enrich data across channels.

DX 2.0 Economy Must-Haves

In today's first-party, DX 2.0 economy, there are essential capabilities brands must have to succeed in their customer experience initiatives.

1. Predictive Customer Journey Analytics at Scale

Cross-channel insights across all touchpoints for real-time customer journeys are a must-have in the DX 2.0 economy. This requires connectivity directly to live data sources to generate predictive insights to drive loyalty and retention by leveraging customer profiles.

Interactive exploration and multi-channel flow visualizations enable 360° customer journey visibility for marketing and customer-facing teams to see the complete journey—without delay. This empowers customer-facing teams to operate like data scientists across all touchpoints to analyze behavior. Without DX 2.0 technologies and analytics, brands and customers alike are stuck with the short end of the stick.

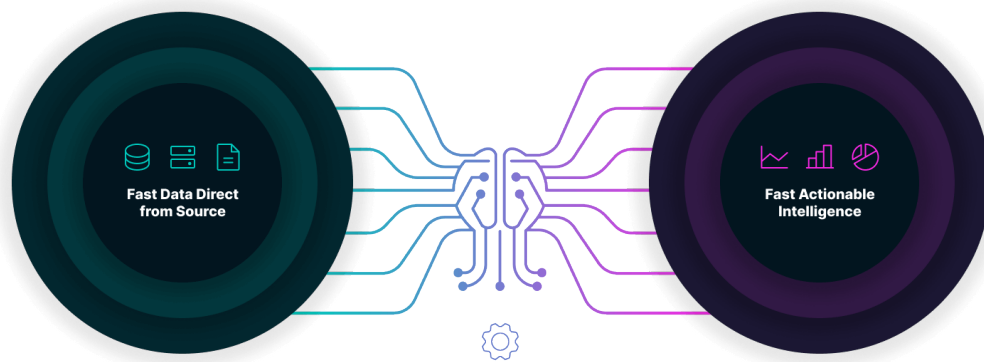
"Leverage AI in data management, digital analytics, and experience optimization. To scale their digital intelligence activities, companies need to use AI/ML techniques extensively. In digital data management, this will enable them to predict behaviors based on the existing data; in digital analytics, to extract meaningful insights faster; and in digital experience optimization, to continuously select the best experience for customers." —The Forrester Wave™: Digital Intelligence Platforms, Q4 2022

2. Real-Time Data Ingestion at the Source

Every day, humanity creates over **2.5 quintillion** bytes of data, with no signs of slowing down. Given the staggering pace of the DX 2.0 world, you can't afford to update your records on a weekly or monthly basis. You need it now. Without real-time ingestion, it's almost impossible to take actionable, informed business decisions.

Brands need solutions that can adapt and integrate with new technologies to collect user data as their customer journeys are happening in real-time. They need tools and applications that have the capacity to ingest data as it happens and the ability to access and leverage the data in real-time.

Without the ability to ingest data in real-time, companies are left with stale, out-of-date data—and can't make agile business decisions.



3. Data Activation & Hyper-Personalization

Making data usable and actionable is critical to driving hyper-personalization. In the DX 2.0 era, this requires the ability to connect directly to data sources to ingest the data—without slowing it down and conforming to rigid data models to be analyzed with static visualization tools.

Brands must be able to uncover new audience segments on the fly and perform advanced predictive cross-channel analysis with data direct from the source to drive real-time personalization. They need to connect customer profiles across journeys, publish insights across silos at scale and ultimately drive customer experiences to the next level.

“ Companies implementing DX 2.0 see a 28% increase in revenue & a 38% improvement in customer satisfaction. ”

—Marc Benioff, Salesforce CEO

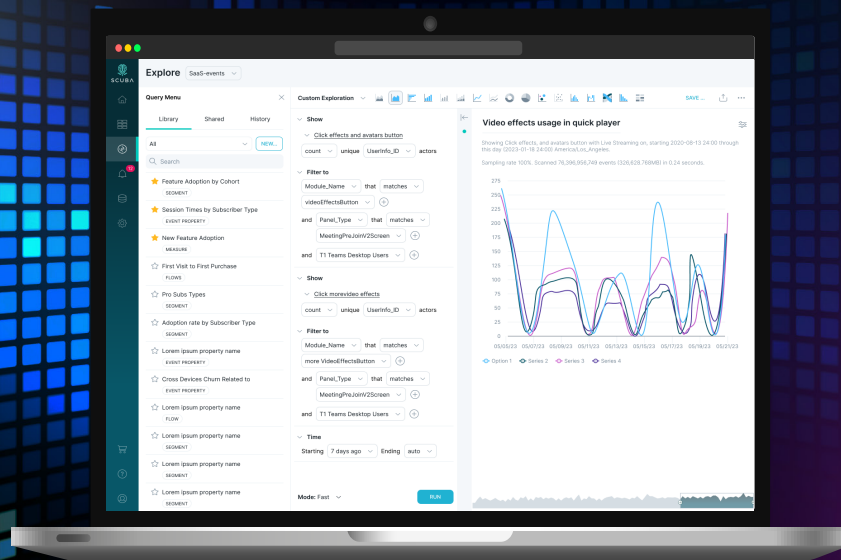
4. Privacy-Driven Analytics & Architecture

Privacy is a key element driving trust between brands and customers, and demands privacy-first architectures for DX 2.0—which is a key component of business ESG goals for brands and driving consumer adoption. Data privacy and transparency are more important than ever, according to findings from Cisco: in today’s world, **95% of customers** will not purchase products or services from brands if their data is not properly protected.

Privacy-driven analytics requires brands to take control of their data and ensure they comply with new international regulations that protect consumer privacy and the flow of data across international boundaries. For example, if your brand provides a service in the European Union or the United Kingdom and relies on data to drive decisions, recent privacy changes related to GDPR and data sovereignty laws will impact your ability to gain customer insights

“Third-party data deprecation, the ‘cookieless’ world, and increasing data privacy regulations like the General Data Protection Regulation (GDPR) and the California Consumer Privacy Act (CCPA) aim to protect customers’ privacy during their digital interactions. Regardless of their geographic location and operations, vendors should respect data privacy regulations across all geographic regions and offer alternatives to the use of third-party cookies, leveraging zero-, first-, and second-party data.” —Forrester





5. Data Science

Communication channels and customer touchpoints are multiplying, constantly changing, and ever-evolving. In turn, this yields an enormous volume of data that must be analyzed and measured—and deliver actionable insights.

Data science teams are key partners in helping drive customer experiences for marketing and product teams. However, a majority of their time is wasted due to manual data preparation or complexities in extracting the right structured data sets. Research indicates that data scientists can spend up to 80% of their time cleaning data.

However, data science teams in DX 2.0 prefer to explore large unsampled raw data to build ML models, which require a scalable platform to ingest raw event data without a predefined schema. It can expedite building models, such as Uplift Modeling, or connect commerce to drive behaviors to become more effective with real-time insights to drive measurement. Building superior data collaboration across data science teams and customer-facing teams dramatically increases success, while ensuring customers have a seamless experience.

Additionally, data measurement is usually overlooked because gaining access to data can be a lengthy process, particularly in regard to sampled data. In order to build in-the-moment experiences brands need to interact with actions without delay. Enabling data analysts to extract immediate insights is critical, and empowers non-technical team members to explore data like a data scientist.

Into the Future: Supercharge Your CDP Deployment With Customer Intelligence Achieving A Real-Time Customer 360°

CDPs originally began as a marketing tool to unify customer data, but no longer cut it when it comes to achieving a 360° customer view.

CDPs were built for identity resolution and unifying customer identities, but it's not enough to achieve the customer 360° view in a DX 2.0 world. They can't do it alone. But that doesn't mean it's impossible. Industry leaders are already searching for solutions:

“At IDC, we see the role of CDPs needs to be expanded from beyond just marketing to become an enterprise customer experience data hub to serve all customer-facing teams with both structured and unstructured data.”

– David Wallace, IDC Research Director of Customer Data & Analytics

Brands need a customer intelligence platform to support brands leveraging CDPs. A customer intelligence platform that enables rapid and complex analyses, provides real-time insights, and doesn't require constant attention or input from technical teams. A platform that can easily integrate with CDPs and enables, enriches, and activates that data. A platform that enables your brand and customer data to excel in the DX 2.0 world—and beyond.

That's where Scuba can help.

Scuba is a customer intelligence platform that empowers brands to take a customer-centric approach to develop and execute everything from hyper-personalized campaigns to dynamic journey activation. With Scuba, connect and unify first-party data across channels, seamlessly manage and activate data, and personalize every customer interaction.

No more CDP blind spots, and no more reliance on stale insights and outdated tools.

How Scuba Empowers Brands & Their CDP Investment

Scuba bridges the gap between the past and today's DX 2.0 world, to seamlessly maximize your customer data, and elevate marketing efforts. Deliver hyper-personalized and targeted content, manage campaigns more efficiently, and experience better outcomes with higher ROI.

1. Actionable 360° Customer Intelligence across all touchpoints & profiles

- 🕒 **Unify and activate customer data** from your CDPs and across channels at scale with integrated analytics.
- 🕒 **Complete the missing puzzle piece** of your CDP needs, and take identity resolution to the next level with real-time 360° connected customer insights.
- 🕒 **Drive CDP ROI** with first-party data for unmatched speed and limitless scale for faster customer insights, and quit relying on third-party tracking cookies to populate your CDP user data.



2. Cross-media measurement: Optimize ads, track & aggregate user activity

- ⌚ **Real-time multi-touch attribution** insights empower your team to plan & deliver hyper-targeted campaigns with confidence. Identify trend lines and attribution metrics in real-time to optimize your marketing goals.
- ⌚ **Apply ML to tailor your content** and campaigns and maximize impact, ad spend, and customer experiences. **Explore data like a data scientist.**
- ⌚ **Explore real-time advanced analytics** (code free!) to easily segment, visualize, and act on growth metrics like churn rate and active users without tapping an analyst.

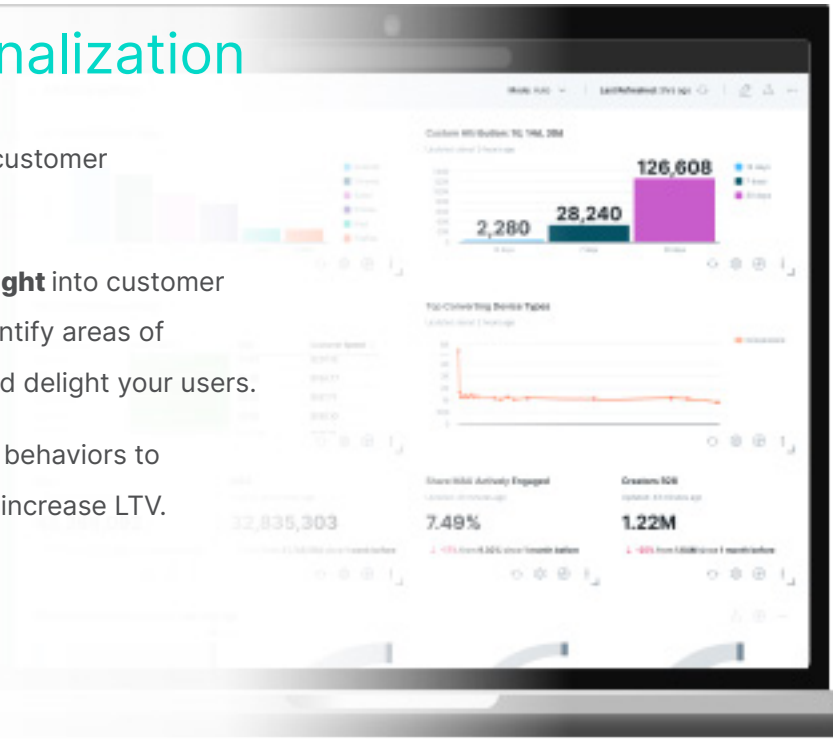


3. Privacy-driven analytics & compliance by design

- ⌚ **Enhance CDP compliance and privacy** measures with encryption upon ingestion and throughout the entire data lifecycle ensuring that your data—and user data—stay protected and secured.
- ⌚ **Protect international customer data with international compliance** to avoid violations and breaches with the power to detect security risks and abnormal behaviors in real time and leverage full audit trail capabilities.
- ⌚ **Reduce downtime and bottlenecks** across your brand and technical teams with real-time performance tracking and signals that can scale with your data.

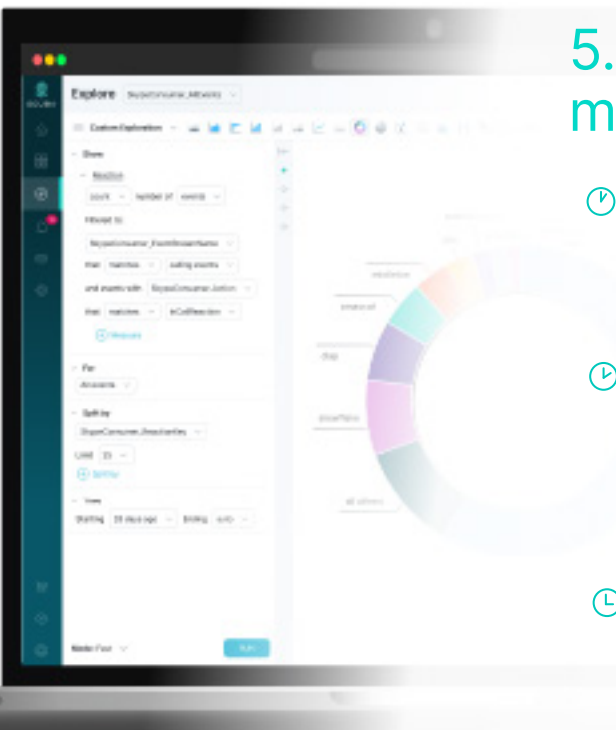
4. Unlock hyper-personalization

- ⌚ **Activate your CDP data** to personalize customer engagement across every touchpoint.
- ⌚ **Accelerate and gain ultra-granular insight** into customer behavior and product interactions to identify areas of success and opportunities to engage and delight your users.
- ⌚ **Obtain definitive full visibility** into user behaviors to identify, track, and test opportunities to increase LTV.



5. Multi-touch attribution & measurement

- ⌚ **Perform behavioral journey analysis** with unified data sources with speed and at scale across multiple data sources to understand past, present, and future user behavior.
- ⌚ **Customize and iterate experiences** and data exploration without complexity to analyze high volumes of data across channels to dynamically personalize your targeting & messaging.
- ⌚ **Leverage robust A/B testing** and predictive analytics capabilities for refined experimentation and growth to maximize user experiments across segments and cohorts.



Take Your Brand Into the Future with Scuba Analytics

"To retain customers, companies need to track, identify, and analyze customer behaviors across the different digital devices and channels, while also unifying the offline data. They must continuously understand and anticipate how customers' needs change in real-time, optimizing experiences while respecting customer data privacy choices." Forrester's 2022 data

Data is your organization's most valuable asset. But without the right platform to harness your customer interactions, your data is nothing more than a series of 1s and 0s. And in a DX 2.0 economy anchored in advanced digital technology and privacy, brands need a solution that can adapt and evolve with them.

Scuba can help you do just that.

Put your data—and your CDP—to work with a modern CIP. Scuba has the scale, speed, precision, and analytics to not only take your CDP data to the next level—it gives you the power to do more with all your data. Scuba's customer intelligence platform enables brands to accomplish all their business goals, across every department

With Scuba, brands can enrich, activate, and enable their CDP data. Scuba's customer intelligence platform easily integrates with CDPs and enables brands to accomplish all their business goals, across every department:

No one knows your customers better than you, and Scuba can help you know them better than ever before.

Supercharge your CDP strategy with Scuba today.

Find out how Scuba can help you leverage customer intelligence to enrich, activate, and enable your CDP data.

