



THE CASE FOR
CUSTOMER
DATA PLATFORMS
GOING BEYOND CRM

CUSTOMER
DATA PLATFORM





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INTRODUCTION

In order to keep up with today's customer, organizations are driven to deliver hyper personalized experiences across multiple channels. Customer Data Platforms (CDPs) enables organizations to unify, manage & deliver data driven experience across various touchpoints.

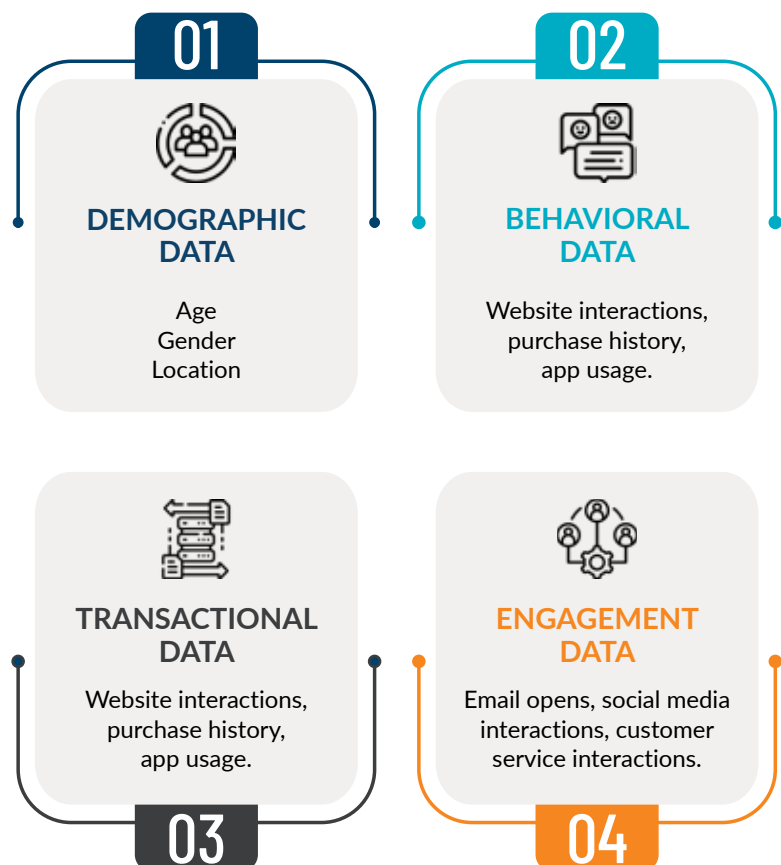
The need for CDP is more today than ever before for their role in driving data driven marketing, improving customer engagement and overall operational efficiency.

This whitepaper explores the core capabilities of CDPs, their distinctions from Customer Relationship Management (CRM) systems and Data Management Platforms (DMP) and how organizations can get started on their CDP journey to achieve their business objectives.

INTRODUCTION TO CUSTOMER DATA PLATFORMS (CDPs)

An overview

Customer Experience has become the focus of most organizations focusing on digital first interactions encompassing the overall effect of customer engagement with organization's offerings viz. products, services, brand messaging & solutions to meet the demand for hyper-personalized interactions, businesses need access to relevant and timely data. Customer Data Platforms (CDPs) serve this purpose by aggregating customer data from multiple sources (online and offline) and creating a unified, actionable customer profile which can be used to create separate target segments to process the next best action.





KEY FEATURES OF A CDP



REAL-TIME DATA PROCESSING

Providing insights on customer behavior as it happens.

PROFILE UNIFICATION

Combining disparate data into a singular, cohesive customer profile.



CROSS-CHANNEL MARKETING INTEGRATION

Allowing businesses to execute campaigns across multiple platforms (email, social, mobile, etc.)



CDPs offer a complete, persistent view of the customer to improve customer targeting and enhance the overall customer journey.

CORE CAPABILITIES OF CDPs

Leveraging Data for Business Transformation

CDPs are way more than a mere data aggregation tool; they are designed to facilitate smarter decision-making across various business functions. The following capabilities make CDPs indispensable for modern businesses:

DATA COLLECTION AND INGESTION

CDPs connect and ingest data from multiple sources viz. website interactions, mobile apps, CRM systems, social media, email campaigns providing a true customer 360 and supporting data driven decisions and outcomes.



CUSTOMER SEGMENTATION

Businesses can group clients according to behavior, preferences, demographics, transactions, interactions, and other criteria thanks to CDPs' advanced segmentation features. By mass-personalizing experiences, segmentation aids in targeted marketing, upselling, cross-selling, and other strategies.



PRIVACY AND COMPLIANCE

CDPs provide enhanced data governance and consent management capabilities for regulatory compliance (GDPR, CCPA, and other global data protection laws) and responsible data handling and management.



PROFILE UNIFICATION AND IDENTITY RESOLUTION

CDPs excel at unifying fragmented customer profiles, identity resolution across devices, sessions, and touchpoints to create a persistent customer identity for both anonymous visitors and known users.



CROSS-FUNCTIONAL INTEGRATION

Seamless integration with Martech tools, CRMs, DMPs, and data lakes will help segment and create omnichannel engagements with customers improving overall experience.



Understanding the Distinctions

CDPs vs CRM AND DMP

CDPs differ from traditional Customer Relationship Management (CRM) systems and Data Management Platforms (DMPs) although these systems manage customer data, they serve distinct purposes:

CDP vs CRM

CRM systems are transactional in nature. They manage direct customer relationships and focus on sales and service engagements and transactions. CRMs often have limited capability to track anonymous visitors, behavioral data,, across channel interactions such as website and app engagement which requires storage and handling large volumes of real-time data. In contrast, CDPs will combine all this data and provide a 360-degree, persistent view of both known and anonymous users, making them essential for holistic customer engagement.

CDP vs DMP

DMPs manage third-party data for online advertising. While DMPs offer valuable insights for audience targeting, they often work with temporary data and focus on anonymous users. CDPs help complement the DMPs through first party data integration, enabling businesses to create deeper customer profiles and personalized marketing strategies.

KEY DIFFERENCES

CAPABILITY	CDP	CRM	DMP
Data Type	1st-party, Persistent	1st-party, Transactional	3rd-party, Anonymous
360-Degree Profile	Yes	Partial	No
Real-Time Insights	Yes	No	Limited
Primary Use Case	Personalization, Marketing	Sales, Customer Service	Advertising

DRIVING BUSINESS VALUE WITH CDPs

Use Cases

CDPs can significantly enhance multiple facets of business operations, beyond marketing. They have a direct impact on customer engagement, operational efficiency, and data-driven decision-making.

SALES AUTOMATION AND ENHANCEMENT

Sales teams can leverage CDP data to improve lead nurturing, automate contact engagement, and enhance pipeline forecasting. Advanced insights help sales teams prioritize high-value opportunities and optimize customer interactions.



SERVICE AUTOMATION

Businesses can improve customer satisfaction by automating service operations with real-time customer data from CDPs. Call center representatives, for instance, have access to 360-degree customer profiles, which enables them to offer more individualized and expedited remedies.



CUSTOMER INSIGHTS AND ENGAGEMENT

Marketers can perform advanced segmentation with CDPs, supporting hyper personalized targeted campaigns. Through analysis of consumer behavior and engagement patterns, marketers get to create relevant targeted content and offers.



PREDICTIVE ANALYTICS

Most tier 1 CDPs are integrated with AI and machine learning. These features help businesses to forecast customer behavior, predict churn, and recommend personalized products or services.



BEST PRACTICES AND CHALLENGES

CDP IMPLEMENTATION

Implementing a CDP is a strategic initiative that requires thoughtful planning and execution. Here are best practices to ensure a successful implementation:

SECURE EXECUTIVE BUY-IN

Establish a consensus among all relevant stakeholders—marketing, sales, IT, and data governance teams—on the need for a CDP.

ENSURE DATA QUALITY

Clean data is at the bottom of any successful CDP. Strong processes around cleansing and enriching data should therefore be in place.

START WITH A CLEAR BUSINESS OBJECTIVE

The use cases of the CDP should be very apparent from the outset—be it improving customer personalization or increasing sales automation and platform standardization.

CHOOSE THE RIGHT VENDOR

Assess CDP vendors based on your needs around integration capabilities, ease of use, and scalability.

COMMON CHALLENGES

- ▶ Data silos can delay the integration process.
- ▶ Aligning internal teams around the CDP initiative can be challenging.
- ▶ Data privacy and compliance need to be managed carefully throughout the implementation.

THE FUTURE OF CDPs

INNOVATIONS ON THE HORIZON

The future of CDPs will be shaped by several emerging trends:

AI-POWERED PERSONALIZATION

CDPs will increasingly rely on AI and machine learning to provide predictive insights and automation, enabling hyper-personalization.

01



STRONGER PRIVACY CONTROLS

With stricter global regulations on data privacy, CDPs will embed more robust privacy management tools, making compliance easier for businesses.

02



03



ADVANCED INTEGRATIONS

CDPs will evolve to integrate seamlessly with more advanced martech tools, expanding their utility across industries like finance, healthcare, and retail.

FRAMEWORK FOR DECIDING CDP



DEFINE BUSINESS REQUIREMENTS

Identify high-touch use cases and objectives. Examples can be improving customer experience, driving revenue, and cost reduction, among others, and involve different business stakeholders.



EVALUATE DATA AND INTEGRATION NEEDS

Assess the sources of customer data (CRM, social media, website, offline) and integration capabilities with your tech stack. Ensure the CDP supports real-time data processing and can handle your data volume.



PRIVACY AND COMPLIANCE REQUIREMENTS

Review if the CDP offers enhanced data governance capabilities and consent management capabilities for regulatory compliance GDPR, CCPA, and other global data protection laws and responsible data handling and management.



ASSESS CDP CAPABILITIES

Check the platform's ability to unify customer profiles (identity resolution), create segments, and enable real-time, cross-channel personalization. Evaluate AI, analytics, and reporting features for insights and predictions.



VENDOR EVALUATION

Examine vendor stability, product roadmap, and customer support. Look for any hidden costs and total cost of ownership (TCO).



PROOF OF CONCEPT (POC)

Test the platform with core use cases to validate performance, usability, and scalability. Engage both technical and non-technical teams to ensure ease of adoption.



COST AND ROI ASSESSMENT

Evaluate both upfront and ongoing costs (license, integration, data storage) versus the potential ROI. Consider operational savings (automation, reduced ad spend) and increased revenue from better customer engagement.



LONG-TERM SCALABILITY

Ensure the CDP can grow with your business, handling larger data volumes, additional touchpoints, and future needs like AI-driven analytics or IoT integrations.



IMPLEMENTATION & SUCCESS METRICS

Develop a project plan, ensure proper training for teams, and define KPIs to measure CDP effectiveness (e.g., improved marketing efficiency, customer retention).

ROI MODEL FOR CDP

DATA ASSET VALUE

- Market value for your audience
- Data required for AI & transformation initiatives
- Potential data products

PERFORMANCE LIFT

- Incremental new business
- Improved retention
- Upsell / Cross-sell

OPERATIONAL SAVINGS

- Automated Sales/Marketing
- GDPR compliance
- Media savings: Targeting & Data

DIRECT & RELATED COSTS

- Customer Data Platform
- Professional services & team training
- Maintenance costs & data enhancement

This Business Case template is a great tool that allows you to customize and present to your leadership team how a CDP can help significantly transform your business.

CONCLUSION

THE STRATEGIC IMPORTANCE OF CDPs

In today's digital era, the seamless and personalized customer experience is the secret sauce to business success. CDPs provide a platform for integrating customer data in a way that allows businesses to meet growing customer expectations while continuing to drive operational efficiencies. Companies investing in CDP technology can expect improved customer loyalty, higher ROI on marketing spend, and sustained competitive advantage.

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