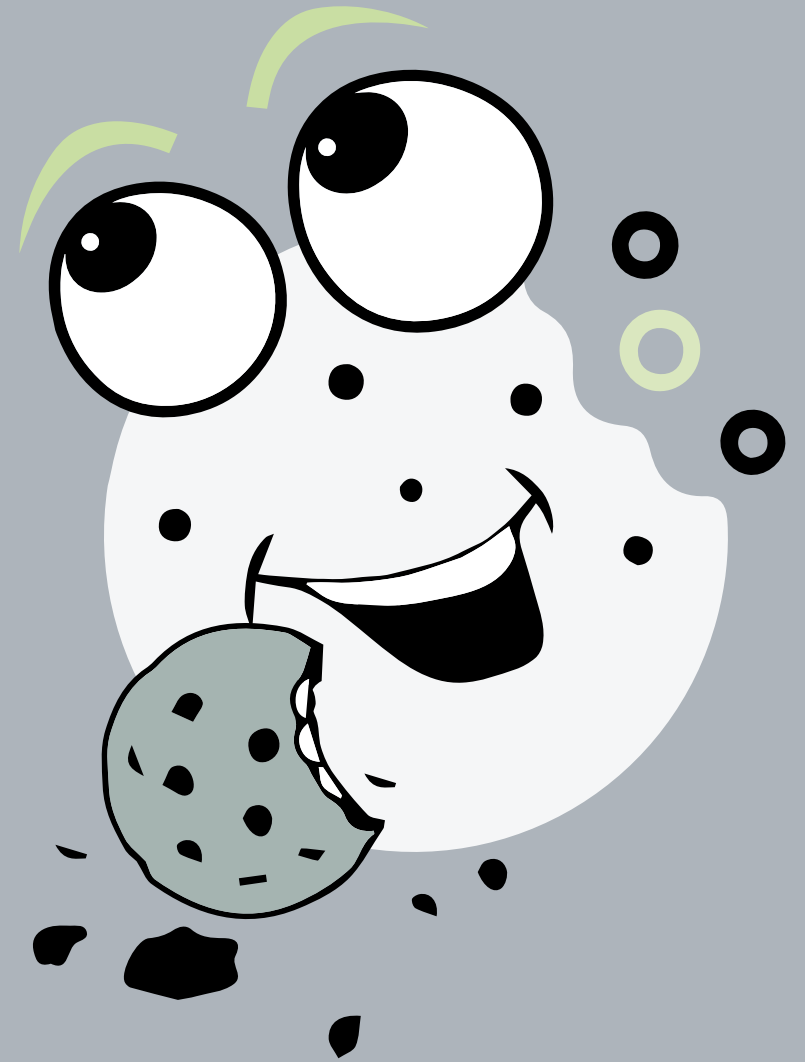# SALESmanago

The **Ultimate** marketer's guide to Customer Data Platforms

Why CDP's will be the new CRMs
of the post-pandemic, cookieless world

**Ebook**

Why CDP wins over CRM?

76% of consumers

have permanently changed their buying behaviors (brand switching, cost rationalization, etc) during the Pandemic, according to McKinsey. On top of that, the era of the cookieless world emerges, and third-party data are no longer useful. With marketers facing new challenges delivering personalized customer experiences, CRM systems fail to provide the proper tools to face those challenges. Learn why Customer Data Platforms turn out to be a solution here.

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While cookies are on the wane, will we have a data savior?

With the recent data privacy legislation, like GDPR and CCPA, caused by the increasing awareness of customers in terms of their data collection, giant data companies like Google or Apple are phasing out the usage of third-party cookies. A majority of marketers according to IAB Europe claim to be ready for those changes - now under 12 months away - but a significant number do not feel prepared.

What's clear is that a solution is needed to better serve marketers, and it may be closer than we think. With the world's situation changing, digital businesses having the time of their lives, and the cookies slowly going away, first and zero-party data will become the new marketing crucial.

75% of IAB Europe's respondents believe alternatives to third-party cookies are very important or critical.
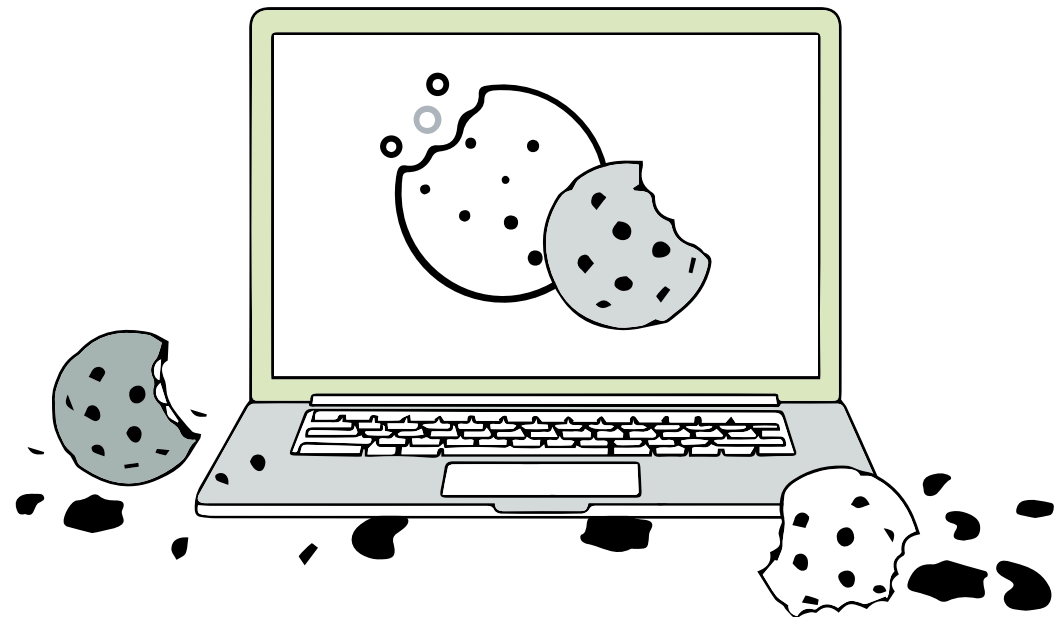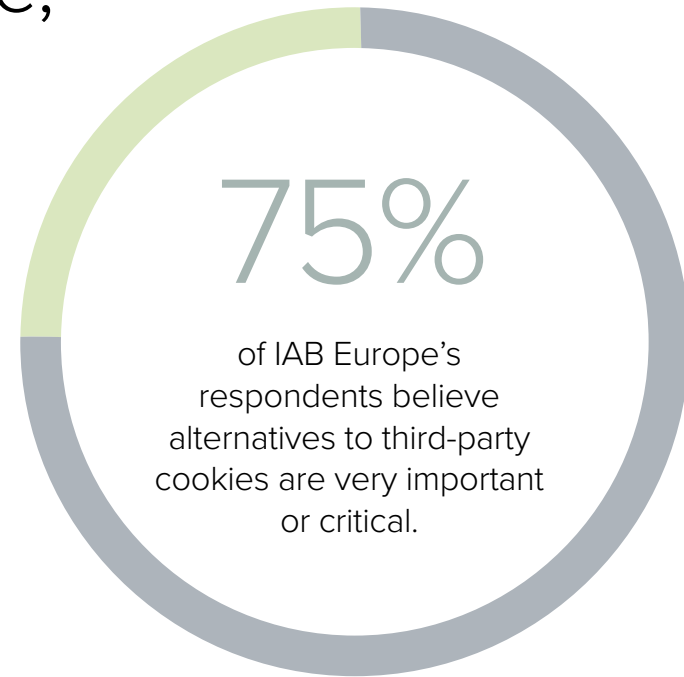
# Marketing's survival during the digital apocalypse

2020 was the first year in which an immense number of businesses have had to become digital-first. Data collected by Ofcom reveal that at the very beginning of the pandemic last year, web users were spending more than 4 hours online a day. 76% of consumers have permanently changed their buying behaviors including brand switching, rationalization of costs, and the way they shop. Bearing these changes in mind (the increased time spent online, and shift in online shopping) it shouldn't surprise anyone that businesses are beginning to see e-marketing as their most crucial advertising tool.

Until now, the best way to provide personalized content to the customer was with the use of third-party data which were essentially enabling marketers to create a mesmerizing, personalized ecosystem for consumers. With the newest restrictions, marketers are limited in leveraging those data.

For years, data were collected and kept in the form of cookies in the users' web browser. Now, however, due to law regulations followed by announcements of data giants as Google and Apple (but not only), third-party data are being blocked, which means something has to replace them. In this case usage of zero and first-party data is required.

According to Merkle report, **59%** of respondents say they understand very well the impact of privacy restrictions on their systems and operations. That means they will centralize their actions around collecting more zero- and first-party data.

CHANGES IN BUYING BEHAVIORS
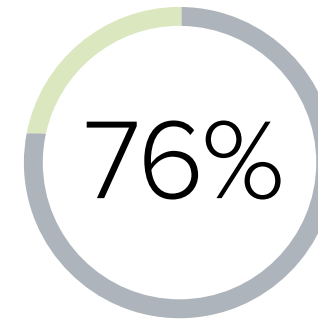
76%

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## UNDERSTANDING THE PRIVACY RESTRICTIONS

59%
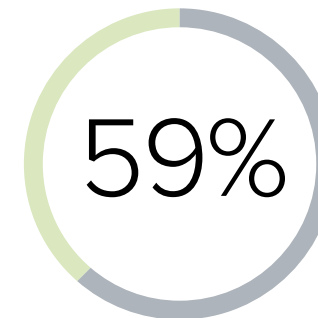
of respondents say they understand very well the impact of privacy restrictions

First and zero-party data as true heroes of these harrowing times

Third-party data:

The data that has been accumulated by many sources across the Internet, gathered by a company (with no direct connection to the consumer whose data is collected) and sold. These include demographic information, firmographic data, or buying signals.
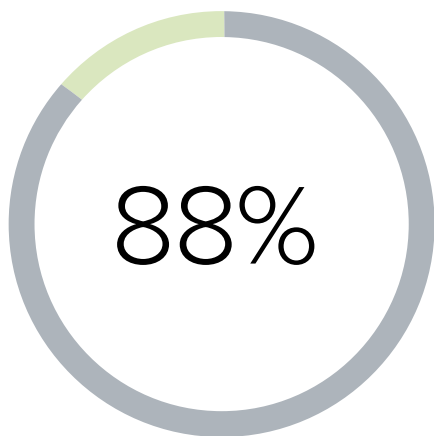
21%
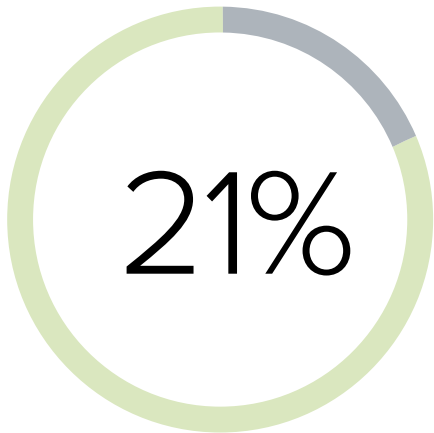
According to 21% of marketers, it is third-party data that drives personalization efforts (Merkle report).
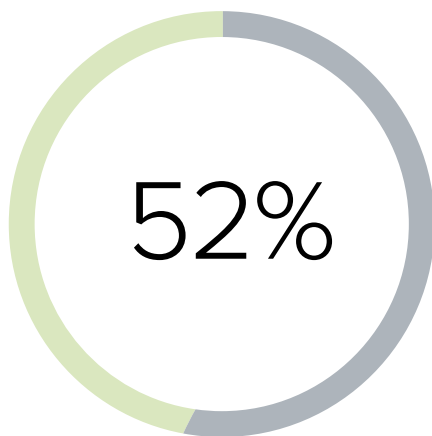
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First-party data:

It's a piece of consumer information, the company gathers directly from its own sources and channels. Internet behavior, transactions (downloads or purchases), or demographic data - anything you can possess straight from the user is first-party data. This also includes user's clicks, hovering, scrolling, and time spent.

Zero-party data:

It's the information explicitly given by the customer, which he proactively and deliberately shares. It differs from first-party data because it provides organizations with explicit consumer preferences rather than implicit ones (which are generated through brand-consumer interactions).

88%

say collecting more first-party data is a high priority in the next 6-12 months (Merkle report).

52%

In the long run, 52% percent of respondents said that, because of regulations, they are prioritizing the collection of more first-party data (Merkle report).

53%
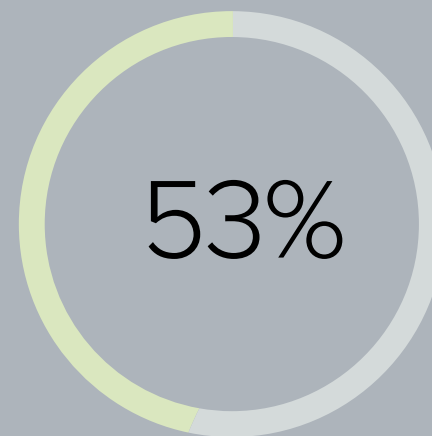
of UK consumers are willing to provide data for goods or services (Bianca Crown).

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CRM proves insufficient in the struggle

With the overflow of consumer data from multiple sources has come the problem of "unstructured data." Most companies do not have the right software to deal with this proliferation of data to maximize the opportunities it brings. Many businesses still rely on CRM systems, which as it turns out are not designed for handling these kinds of tasks. CRMs are pretty useful when it comes to preserving limited information they can pull from the client, but are poorly suited for business as we know it today - in the time of cookies being departed.

CRM operates in silos and doesn't pass data back and forth. Although it can collect individually entered data, those can get lost or be mislabeled. With data collected by CRM is really hard to get a complete picture, and even harder to analyze what you're looking at.

In terms of collecting zero and first-party data, it's definitely not something CRM was created for, therefore there is no possibility to at least store an individual's browsing history in CRM, while for CDP such action can be performed shorter than a blink of an eye.

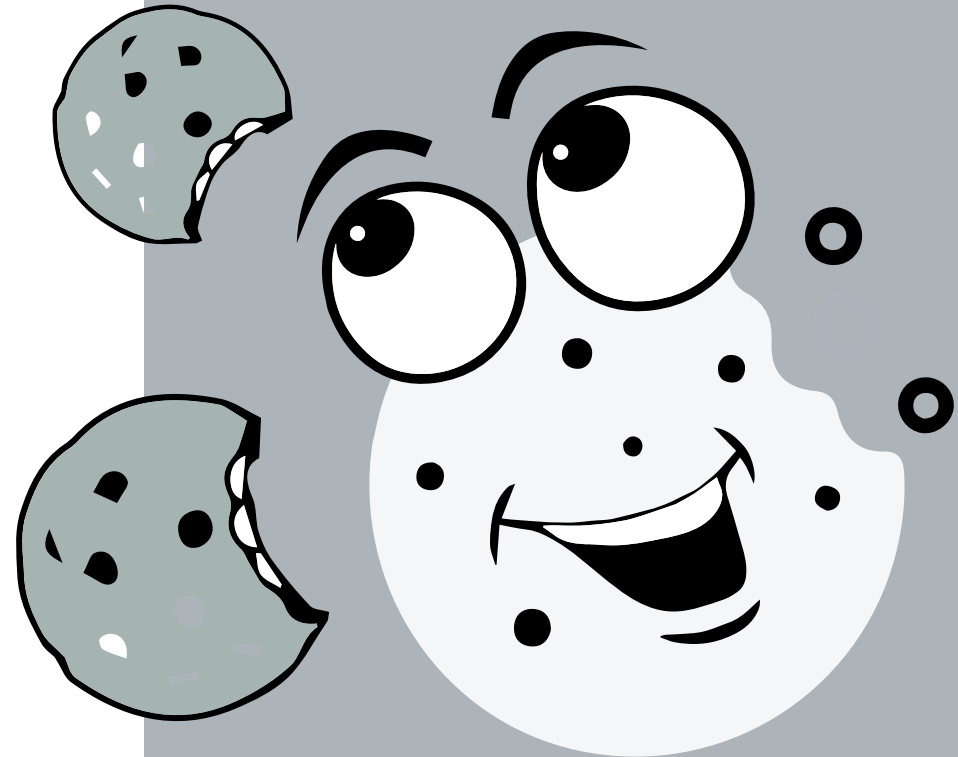SALES manago

CDP as the ultimate stopgap to the crisis

With CRM proven to fail in the cookieless world, CDP steps into action. The focus, on owning first and zero-party data, is crucial in this matter. To gather and properly manage those data, and to make them actionable across marketing channels, the Customer Data Platform is required.

By using data-driven technology such as the Customer Data Platform, marketers can leverage zero-party data to extract insights that can help them deliver 1-to-1 personalization and thus enrich their customer experience. Data is collected from numerous sources, cleansed, and combined to create a single user profile. This structured data is then shared with other marketing systems.

CDP platforms will enable marketers to handle customer information, comply with privacy policies, and promote personalization across multiple channels. That's because CDP platforms have identity recognition technology that enables marketers and advertisers to unify zero and first-party data across identities and devices, both online and offline.

- Unify first-party data

- Share first-party data across the organization

- Enrich first-party data with people-based data providers

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