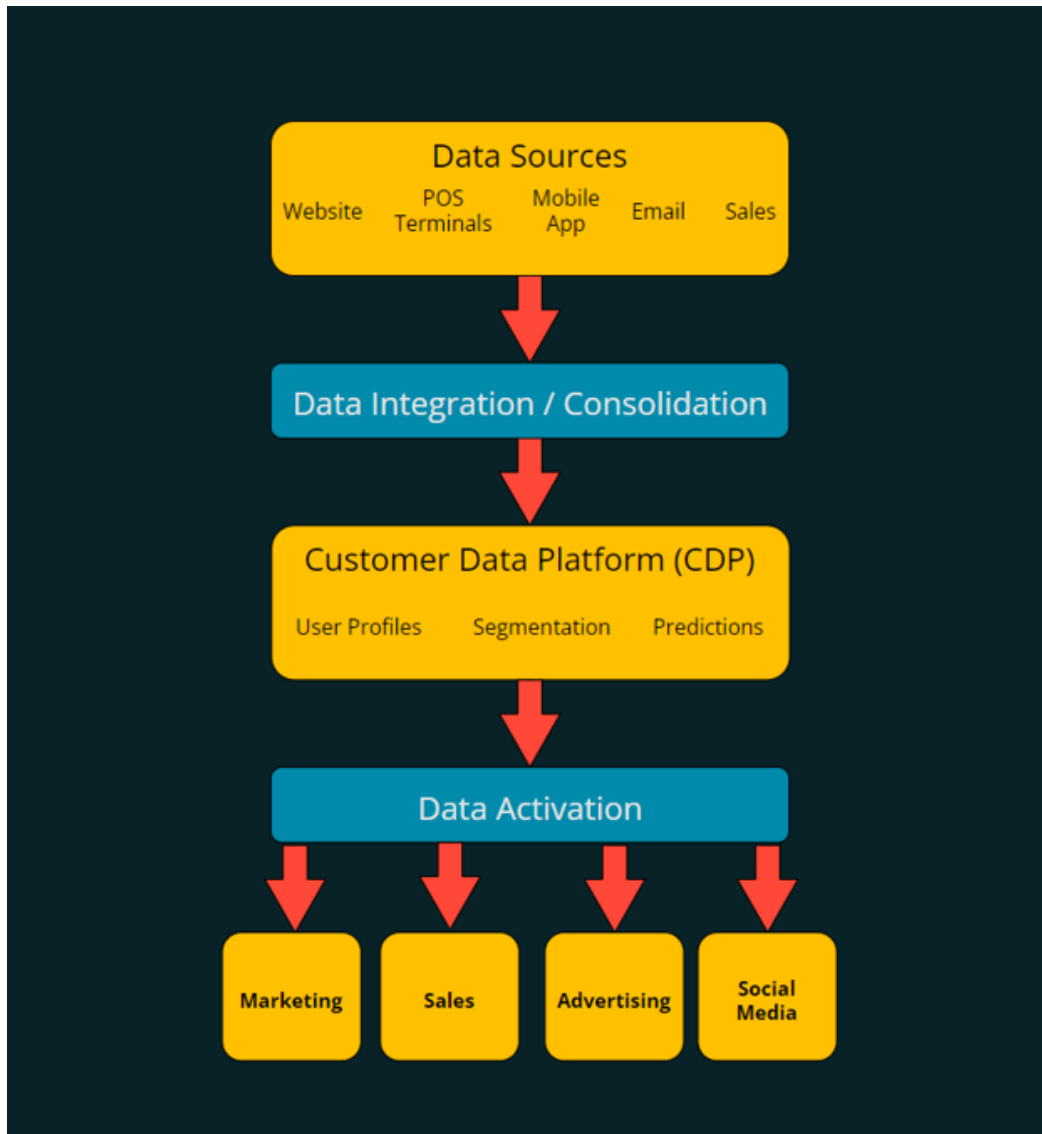


Blog	
Targeted Keyword	Customer Data Platforms in Retail: Is a CDP Right for You?
Target Audience	Ecommerce Retailers
Meta Description (155 char. or less)	This Company discusses why you need a customer data platform in retail, how you can use it, and what the benefits are.
Sitemap Location	Blog

Note: To show this article and to keep the anonymity of my previous client, the name of the client has been replaced with “This Company” throughout the article. The links will also be disabled (minus the jump linked index) but will represent where links would be present. This is to showcase the algorithmic use of interlinking for Google indexing. The article starts on the next page.

# Customer Data Platforms in Retail: Is a CDP Right for You?

A [customer data platform \(CDP\) in retail](#) is a technology solution for retailers that collects customer data from all your first-party data sources (like websites and apps) and creates persistent, unified consumer profiles based on that data. A CDP integrates with other software in your marketing tech stack, such as customer relationship management (CRM) solutions and email marketing systems, to activate your first-party consumer data.



(Alt Text: flowchart illustrating how data is used by a customer data platform in retail.)

Customer data platforms offer a variety of benefits for retailers, including accurately understanding customer behavior, predicting customer needs, tracking customer lifetime value, and activating customer data.

Below we'll cover how to determine if a CDP is right for your organization and cover the key benefits in greater detail.

## ***Do You Need a Customer Data Platform?***

Before diving into product research, it's important to identify and clarify why you need a CDP. Some key questions to ask include:

- Do you know exactly what your goals are for your business? What are you going to do with the data you consolidate?
- Do you have strong insight into customer behavior? Are you able to identify your best-selling products, the days of the week with the highest sales, or your margins on free shipping?
- Do you want to bring in more customers? Are you reaching your target demographics, or do you even know what your target demographics are?
- Do you have the ability to make decisions based on trends in data with your current system? Can you easily identify trends in data?
- Do you work with multiple markets, and do you need the ability to track data trends in different markets separately?

It's also important to understand the capabilities of a customer data platform vs. other [data management solutions](#), so you know you're choosing the right option for your use case.

What You Can Do With a CDP	What You CAN'T Do With a CDP
Ingest structured and unstructured data from multiple sources and combine them into a single customer view (SCV).	Manage and segment leads, manage marketing campaigns, or track the results of campaigns—these workflows are better handled by dedicated marketing software.
Integrate with other software in your MarTech stack through connectors and application programming interfaces (APIs) to create a unified hub for customer data.	Handle all of your relationships and interactions with current customers and prospective sales leads—for this, a CRM platform is a better choice.
Democratize data across the entire organization so individuals from marketing, sales, customer service, and support can all work together to create a better customer experience.	Gather anonymous data from web ads and cookies to help advertisers target new customers—this is the realm of a data management platform (DMP).
Make customer data available to marketing systems to improve ad personalization, target audience segmentation, recommendation algorithms, and more.	Create attribution models to determine how to assign credit for sales and conversions—you'll need a marketing attribution tool for this.

## ***Top 5 Reasons to Invest in a Customer Data Platform in Retail***

The right customer data platform can provide the following benefits:

## **1. Simplify Data Privacy and Security Compliance**

A [customer data platform helps retail companies manage consumer privacy](#) and data by controlling the flow of first-party user data. A CDP can essentially act as a consent management tool. If a user doesn't consent to their data being collected, the CDP prevents first-party data from being sent to any marketing or advertising tools.

## **2. Activate Data in Real-Time**

Having customer data doesn't mean anything unless you know what to do with it. A CDP doesn't just consolidate data and structure it into user profiles but also highlights several features that you can use to activate your data in real-time, such as creating audience segments or determining the Customer Lifetime Value (CLV).

## **3. Maximize ROI Across Tech Investments**

A customer data platform in retail integrates with other [retail marketing technology solutions](#) to provide data-driven insights and improve the effectiveness of marketing and advertising campaigns. Some of the metrics and KPIs you can track to see how a CDP maximizes ROI include email click-through rates, return on ad spend, call center conversions, and overall business revenue.

## **4. Provide Personalized Content and Messaging**

Customer data platforms allow organizations to build closer customer relationships through personalized engagement. A CDP creates unified consumer profiles that retailers can use to develop more targeted

communications and deliver relevant content that addresses their customer's pain points.

## **5. Create a Single Source of Customer Data Truth**

The unified customer profiles created by a CDP are comprised of all forms of consumer data from all potential sources. By consolidating this data in a single platform, the CDP allows retailers to align their efforts around a single source of customer data truth.

### ***Unlock the Benefits of Customer Data Platforms With This Company***

When shopping for a customer data platform, knowing what you want ahead of time and choosing the right vendor can save you money and ensure you reach your goals faster. You can build your CDP, but that requires a lot of heavy lifting, time, resources, and employees. Another option is to partner with a trusted vendor like This Company, which will build you the exact platform you want with the features you need to manage your customer data.

### ***Getting Started***

[This Company](#) is a consultancy that combines technology and industry depth with a get-it-done culture to enable resiliency, efficiency, and innovation. Whether you are looking to improve customer satisfaction, implement [effective data strategies](#), optimize cloud applications, or anything in between, we can help.

[Contact us](#) today to learn more about customer data platforms in retail, our technology and business consulting services, and how we can help you accelerate business value.