

FIFTH EDITION

2024 STATE OF THE CDP

Unlocking the transformative power
of AI and real-time data for CX

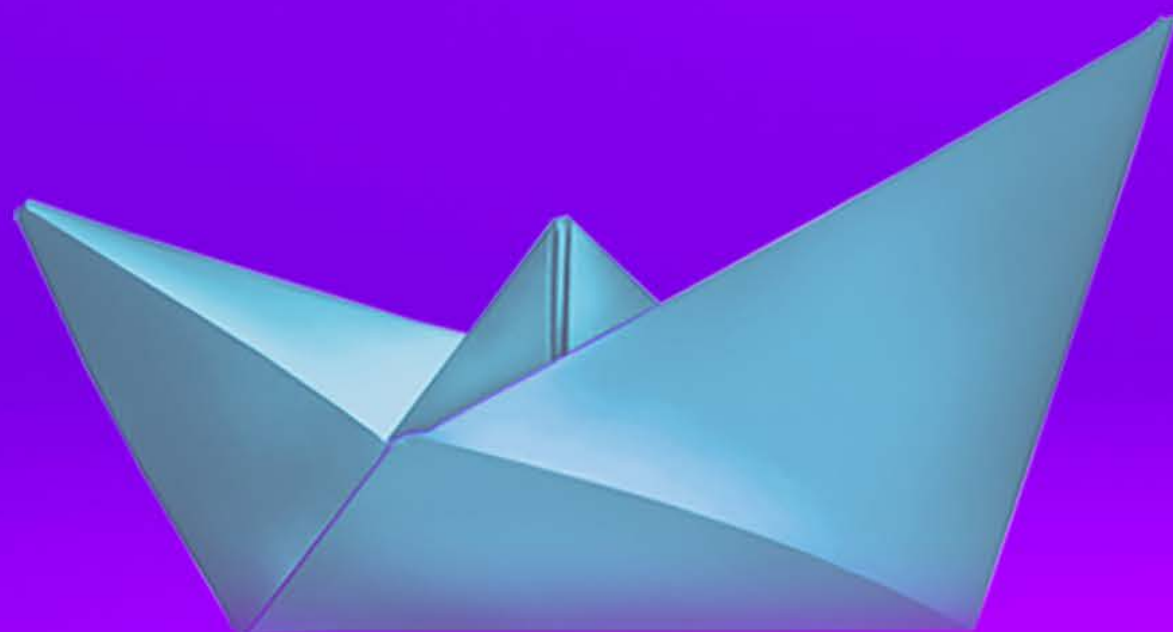


TABLE OF CONTENTS

Introduction	03
Key Findings	04
Chapter 1: CDP Selection, Adoption, and Usage	06
Chapter 2: Data Sources, Utilization, and Investment	13
Chapter 3: CDP Success Metrics and Satisfaction	17
Chapter 4: Adapting to Change and Market Forces	22
Conclusion	29

As we move into 2024, organizations still face a number of challenges and market forces impacting their businesses, including data fragmentation and privacy concerns, the imperative of delivering personalized customer experiences, driving efficiency in their business models, and the rise of AI and the opportunities it presents. In an era where data has become the lifeblood of decision-making, businesses grapple with the complexity of managing disparate data sources, striving to create a unified view of their customers.

Customer Data Platforms (CDPs) stand at the forefront, shaping how businesses understand and engage with their audiences. CDPs have become indispensable, from the surge in demand for real-time data and insights to their pivotal role in ensuring privacy compliance.

For the fifth edition of our State of the CDP report, we surveyed over 1,200 professionals worldwide in the B2B, B2C, and B2B2C industries. We further analyzed those respondents based on whether they are working with a CDP versus not using one.

Companies employing CDPs continue to highlight the value of their investment, with 90% expressing satisfaction and showcasing the growing importance of these platforms in their business strategies. They are also investing more to support their first-party data strategies, with 65% of CDP users increasing spending in this area in 2023.

Additionally, companies with a CDP continue to be more satisfied with their ability to create relevant customer experiences through data than those without a CDP.

2023 was a year full of change as businesses continued to adapt to dynamic market forces, regulatory and compliance laws, and the growth of AI. 87% of companies with CDPs view these platforms as indispensable for future-proofing against evolving market forces and feel confident in their ability to support privacy regulations. Companies are also looking to CDPs to provide the right data available for AI/ML projects, with 91% stating that CDPs will be critical in these future endeavors.

Join us on this exploration of the State of the CDP to see how innovative companies are adopting and using CDPs in order to break down data silos, enhance customer experiences, and streamline operations.

Key Findings

The overall findings indicate that CDP users are very satisfied with their adoption of Customer Data Platforms (CDPs). Moreover, they are experiencing a high level of ROI in the first 12 months.

They also report that CDPs are important in delivering real-time CX and are critical in providing the right data available for AI and machine learning (ML) projects.

90% of companies with CDPs are very satisfied with their investment.

Companies are investing more to support their first-party data strategies, with 65% of CDP adopters increasing spending in this area in 2023.

84% of CDP adopters state that their CDP allows them to take advantage of real-time data for analysis, decision-making, and execution.

80% of CDP adopters state real-time data is critical for them to meet their business objectives. This rate increases the longer the CDP has been in place.

79% of companies with a CDP saw value and realized ROI within 12 months of implementation, up from 74% in 2022.

89% of companies with a CDP showed high levels of satisfaction in meeting their business goals over the past 12 months, significantly higher than those without a CDP (60%).

90% of CDP adopters state their “CDP is critical to delivering trusted customer experiences.”

87% of CDP adopters view their CDP as a main way to future-proof their business.

Companies with CDPs recognize more business value from AI technologies (80%) than those without a CDP (51%).

91% of companies with CDPs feel their CDP is critical to providing the right data available for AI/ML projects.

Breakdown of Audience Segments For This Report

We surveyed both users and non-users of Customer Data Platforms (CDPs) for this report in order to understand differences in some key areas for companies that are utilizing a CDP versus companies that do not.

For respondents stating they do utilize a CDP, we asked them how long (maturity) they had been using a CDP. All respondents were broken out into one of four categories:

- Currently implementing a CDP or have been using one for less than 1 year
- Have been using a CDP for 1-3 years
- Have been using a CDP for 4 years or more

Throughout the report, you will see graphs with these four categories represented using the following labels:

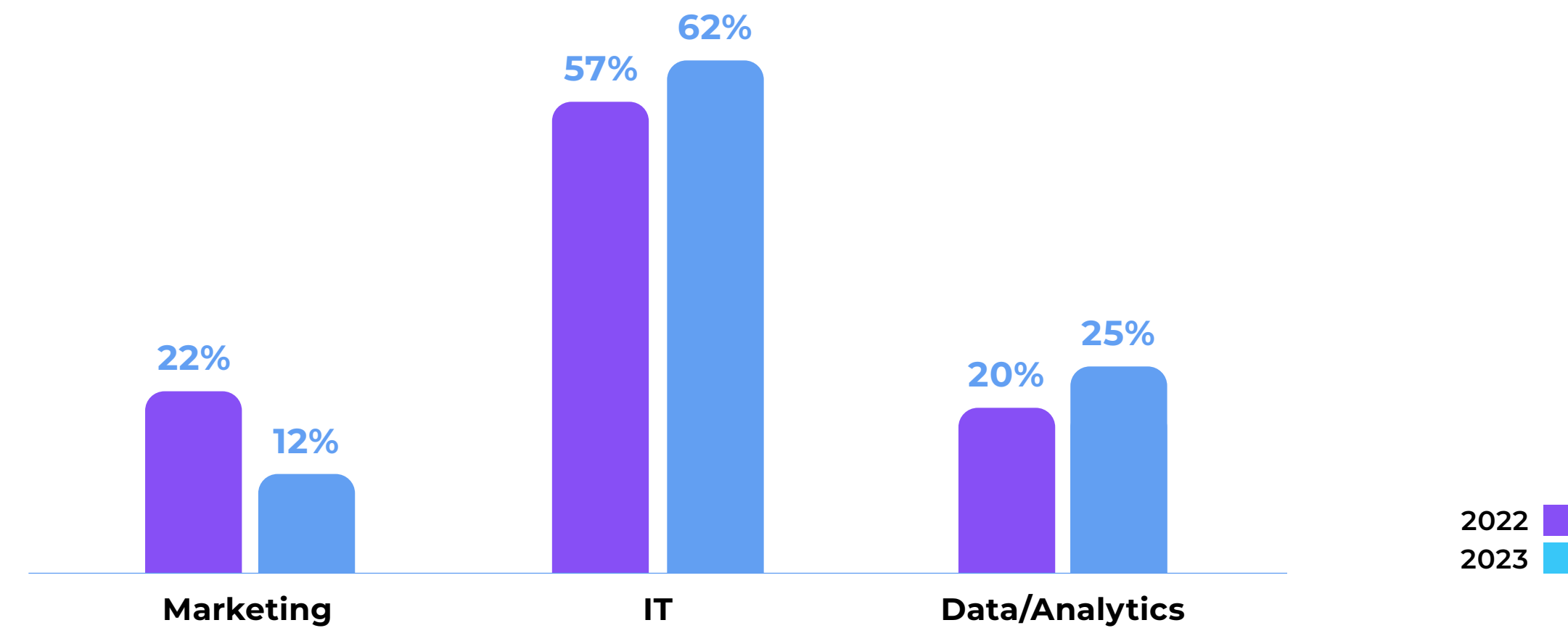
- No CDP
- 0-1 yrs.
- 1-3 yrs.
- 4+ yrs.

CDP Responsibility and Data Usage Remains Primarily in IT

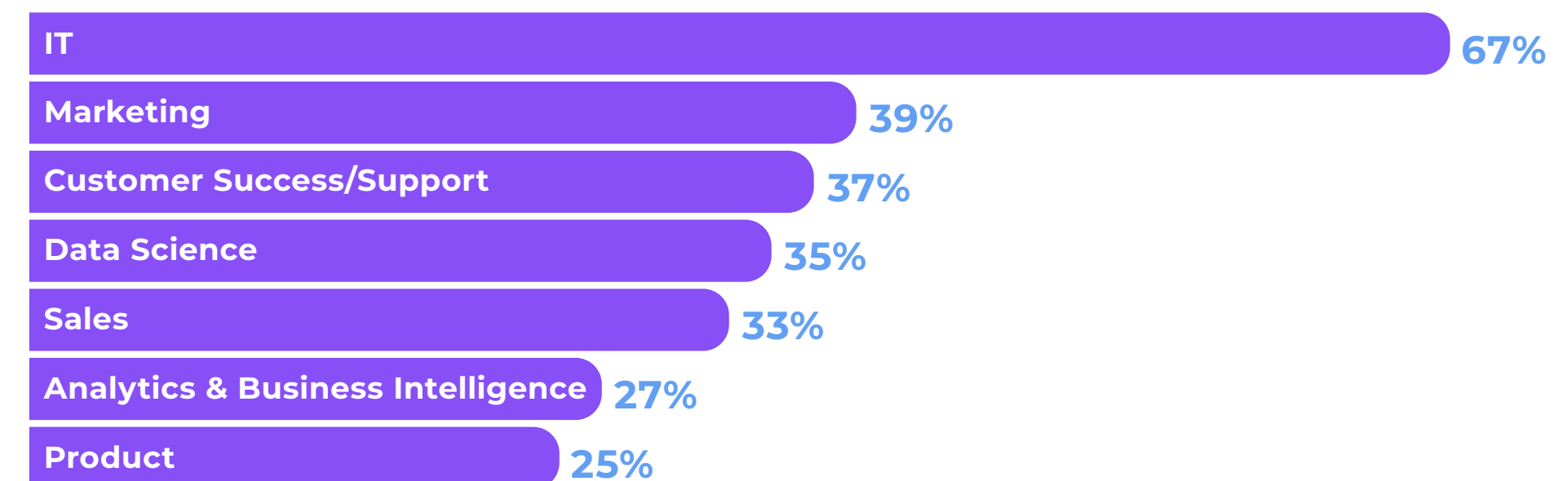
The oversight of CDPs can involve multiple departments within an organization, depending on its size, structure, and specific needs. Collaboration among these departments is crucial for the successful implementation and effective use of CDPs. The primary responsibility of a CDP continues to reside with IT, with 62% of respondents stating that IT leads the way with CDP efforts, up from 57% in 2022.

Several teams and departments within an organization benefit from using data from a CDP. Collaboration between these teams is essential to maximize the value derived from CDP data. The platform serves as a central hub for customer information, fostering cross-functional cooperation and helping organizations deliver more personalized and effective customer experiences.

Team with the Primary Responsibility for CDPs



Teams Utilizing Data from a CDP



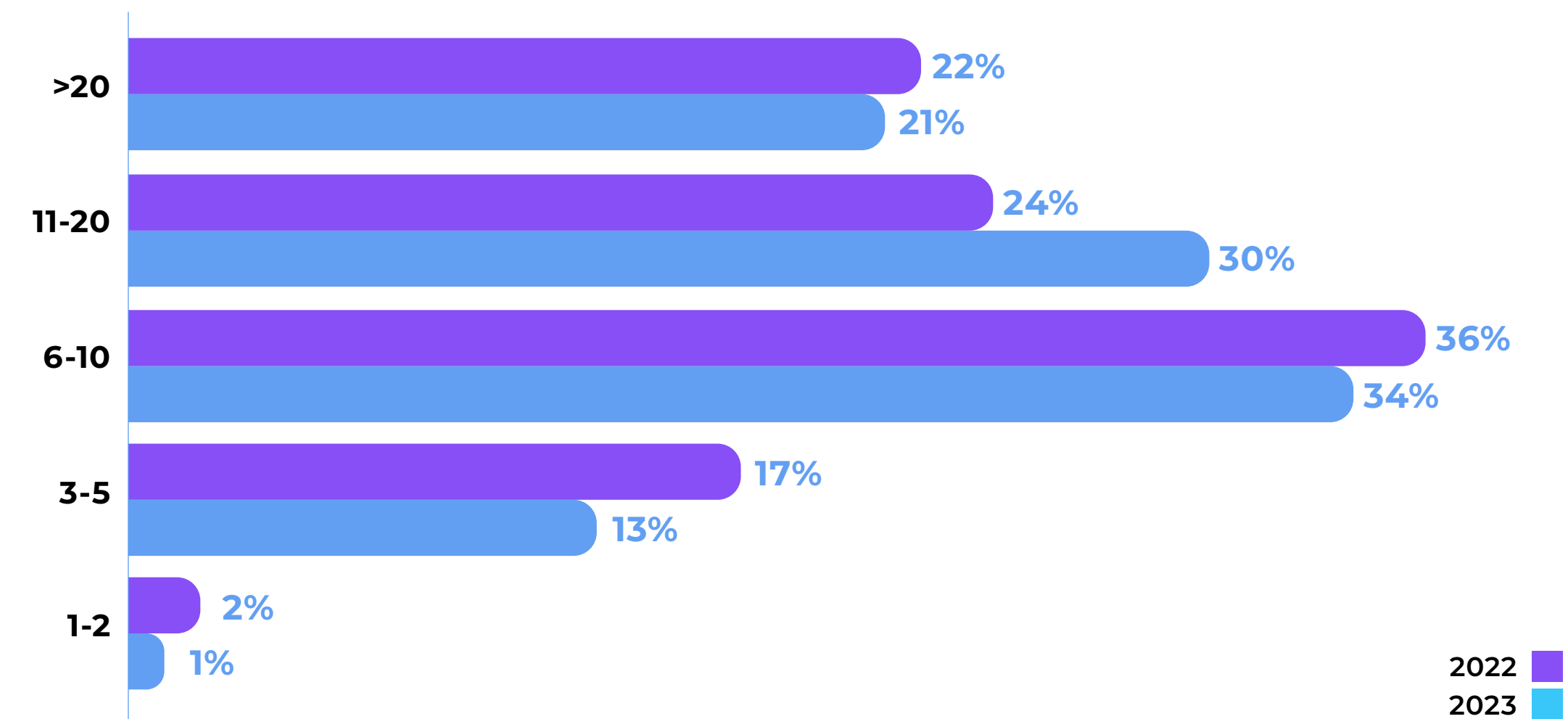
CDP Team Size Continues to Increase

The size of a team managing a Customer Data Platform can vary widely based on factors such as the complexity of the organization, the scale of operations, and the specific goals and requirements of the CDP implementation.

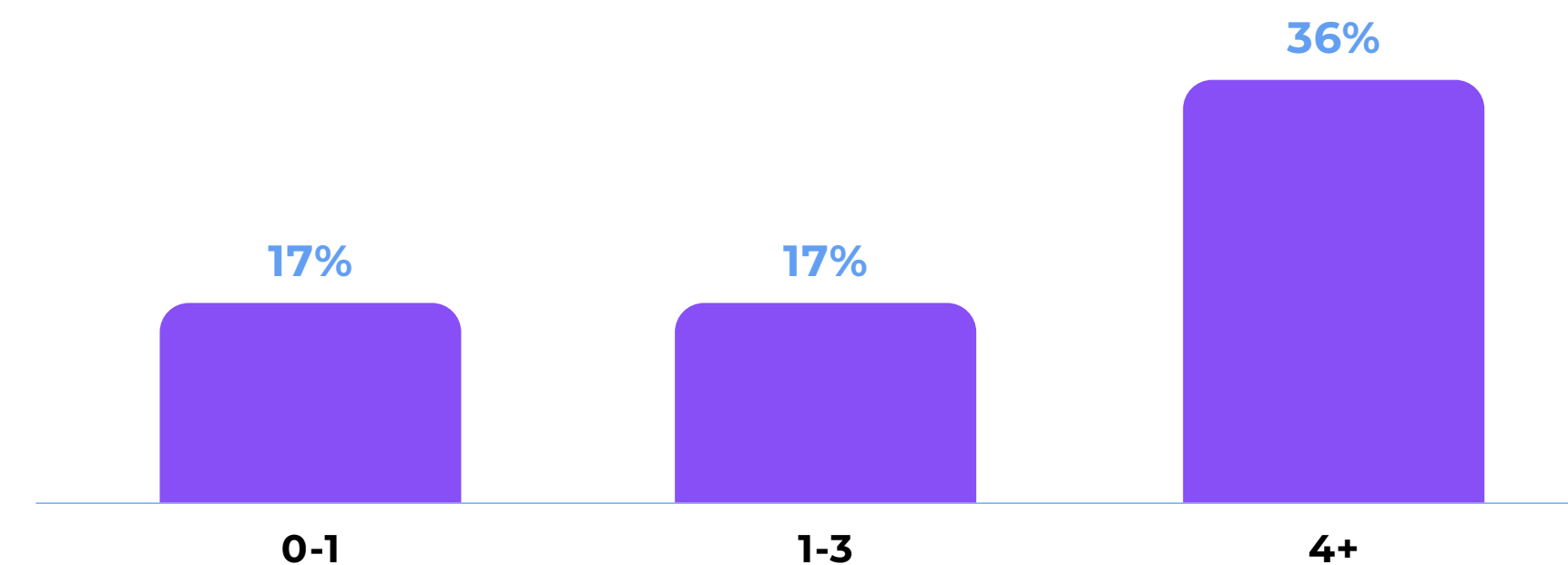
Average team size continues to expand, with 51% of organizations having more than ten employees on their CDP team, up from 46% last year.

And as the maturity of CDP usage increases, so does the team size, more than doubling after the four-year mark compared to companies just starting their CDP journey.

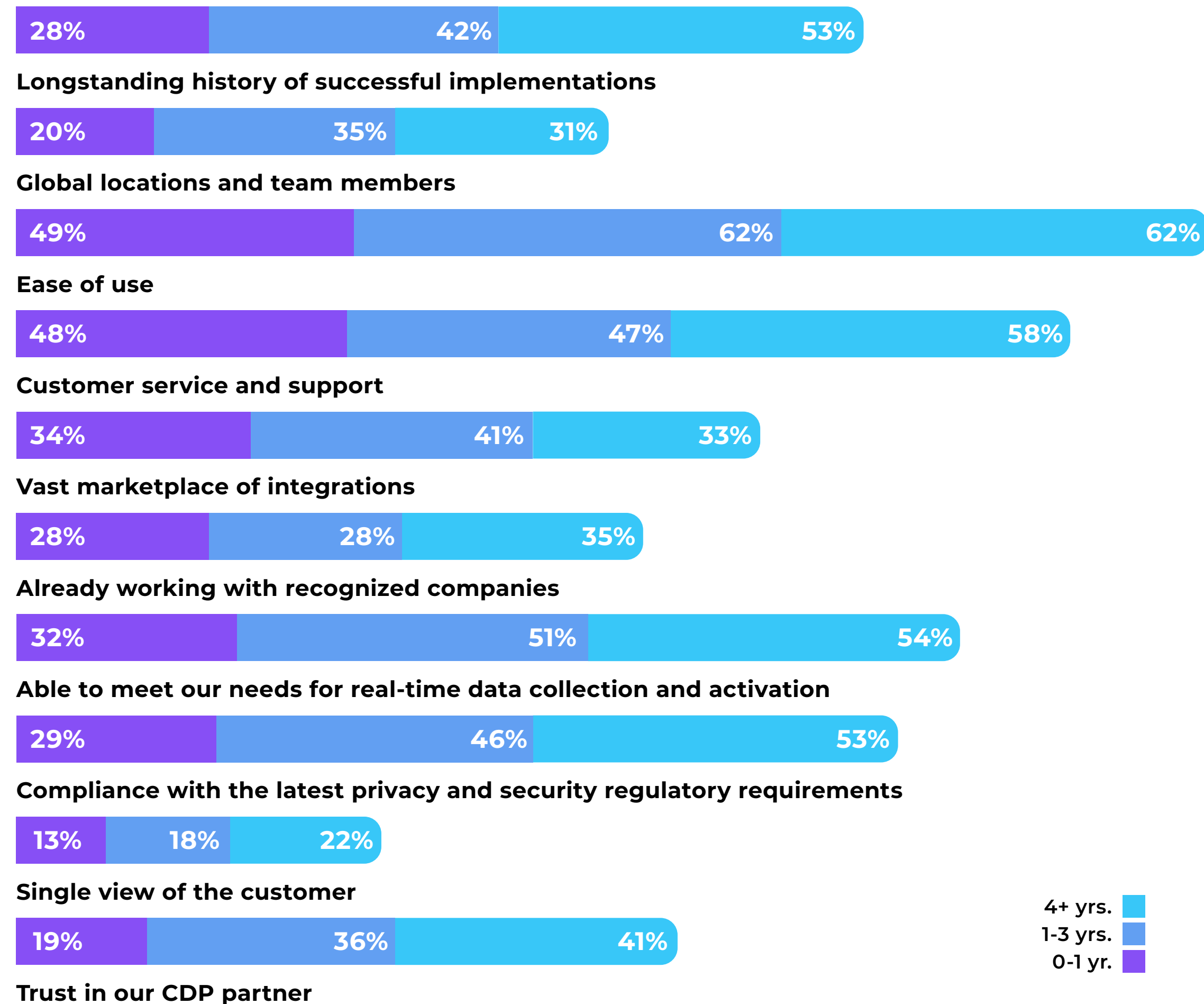
Average Team Size Managing the CDP



Organizations With More Than 20 CDP Team Members



CDP Vendor Selection Criteria



Selection Criteria for Choosing a CDP Varies by Maturity Levels

Organizations consider different criteria and characteristics when selecting a CDP that best fits their needs and how it will improve customer engagement and business outcomes.

“Ease of use”, “customer service and support,” and “able to meet our needs for real-time data collection and activation” were the most important factors when selecting the right CDP for these organizations.

Most Valuable CDP Capabilities and Use Cases

Moving from why companies select and adopt CDPs, the next part of the report results focuses on what specific capabilities drive success and value for organizations. Overall, companies are utilizing and receiving additional benefits from more CDP capabilities the longer they have employed a CDP.

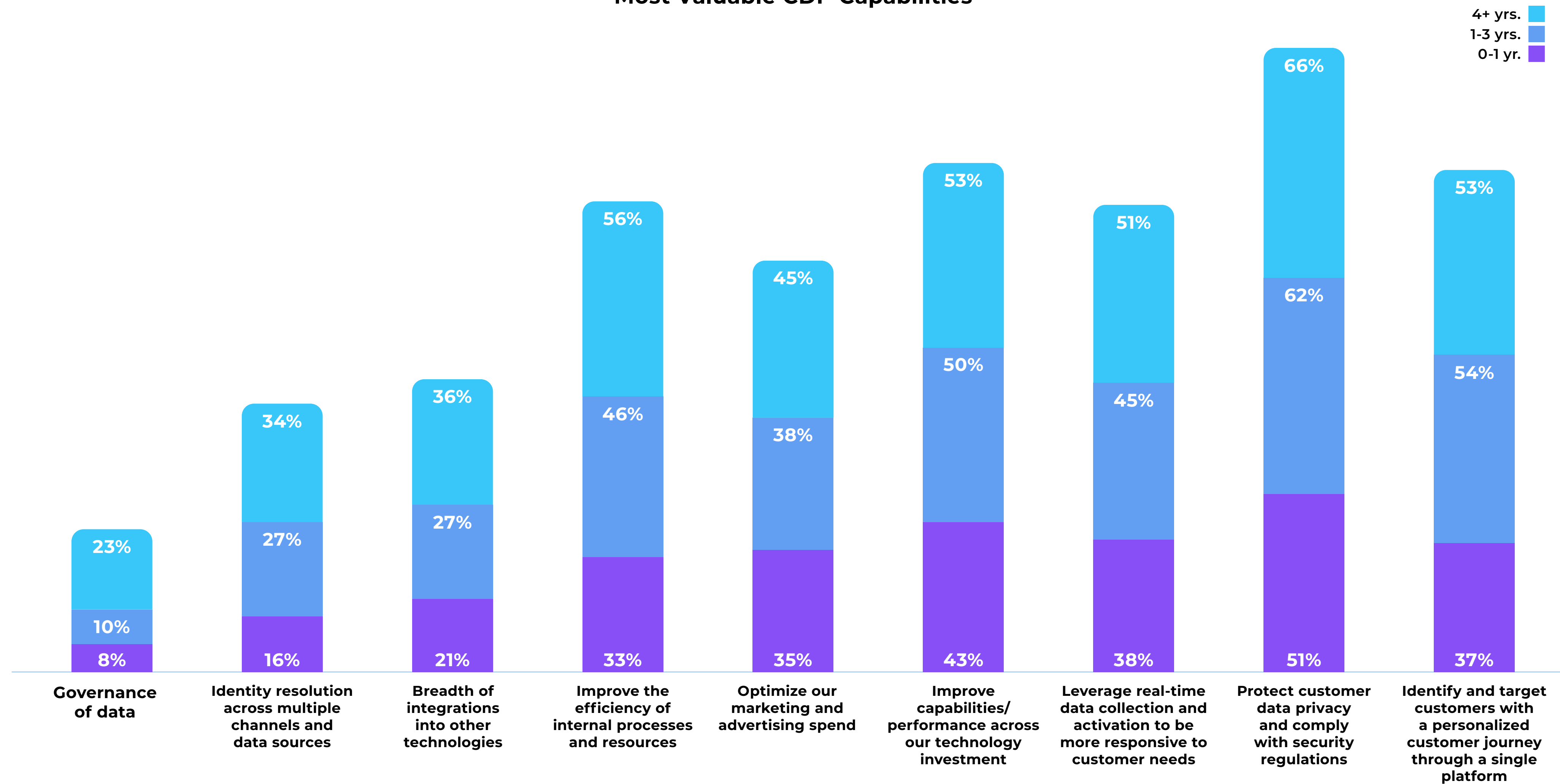
CDPs play a pivotal role in enhancing customer-centric strategies, improving operational efficiency, and fostering better customer relationships across the entire organization which is reflected in the top use cases identified in this study.

Companies are leveraging CDPs for specific use cases that help them focus on their customers, from first touch to acquisition to expansion and retention, all while building trust through privacy and regulatory compliance.

Top CDP Use Cases Identified

- 1 Customer retention
- 2 Customer acquisition
- 3 Privacy and regulatory compliance
- 4 Personalization at scale
- 5 Loyalty campaigns

Most Valuable CDP Capabilities



01

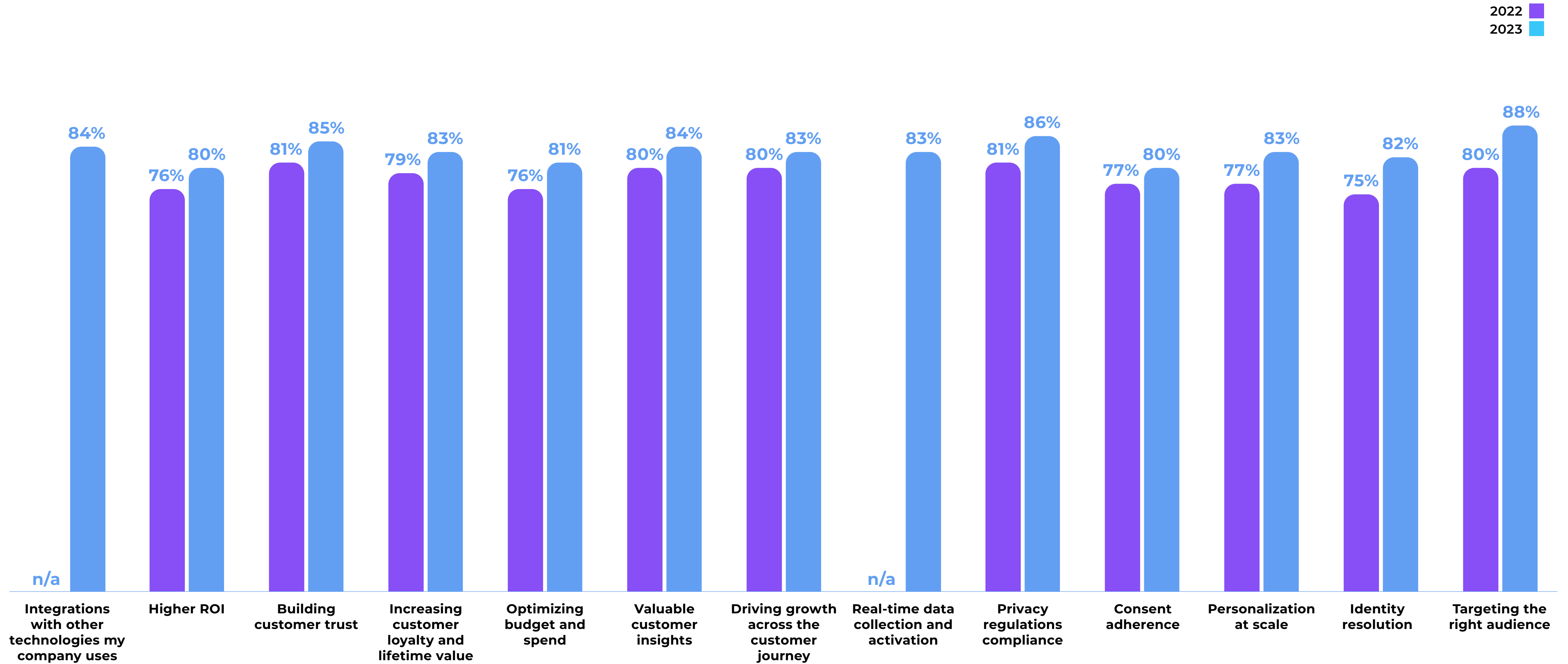
Companies are Delighted with CDPs Delivering on Core Objectives

Companies are realizing the CDP's ability to deliver on key objectives across the board, with over 80% of this year's respondents being satisfied across all 13 objectives (as seen in the next chart). In addition, there is increased satisfaction across all objectives compared to last year.

Organizations with CDPs are realizing increased value year-over-year in meeting their primary objectives.



Satisfied or Very Satisfied with CDPs Ability to Deliver on Objectives



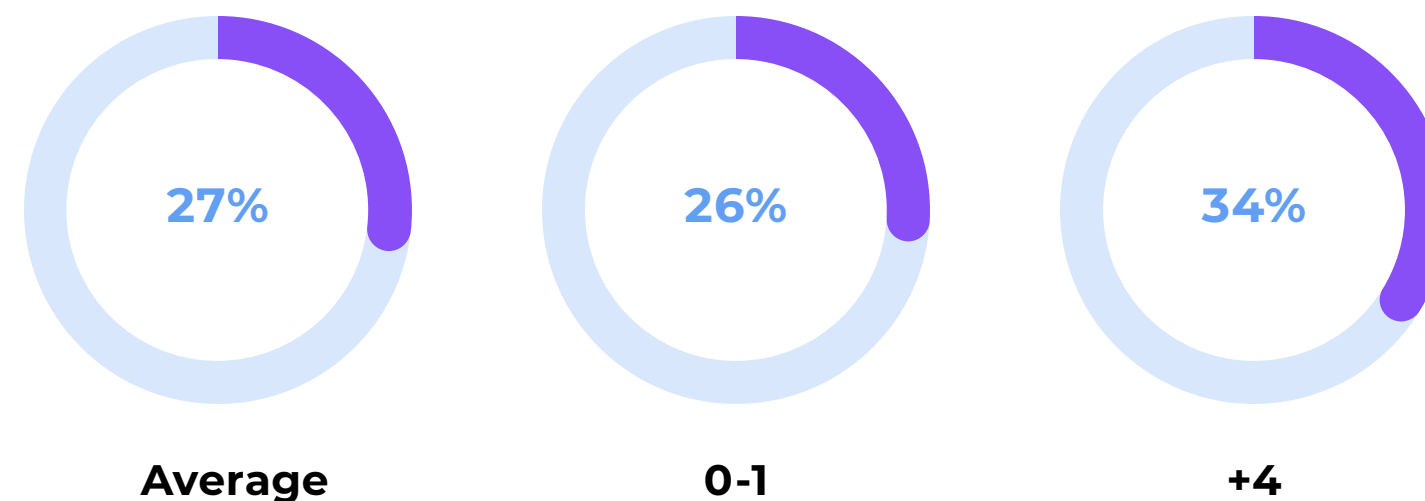
CDP Adopters are Leveraging More Data and Increasing Investments

Companies use various data sources to gather a comprehensive view of customer interactions and behaviors across different touchpoints. Leveraging diverse data sources allows them to create a unified and holistic customer profile, enabling more personalized and targeted marketing efforts.

27% of companies surveyed leverage more than 10 data sources, which increases to 34% for the most experienced CDP users.

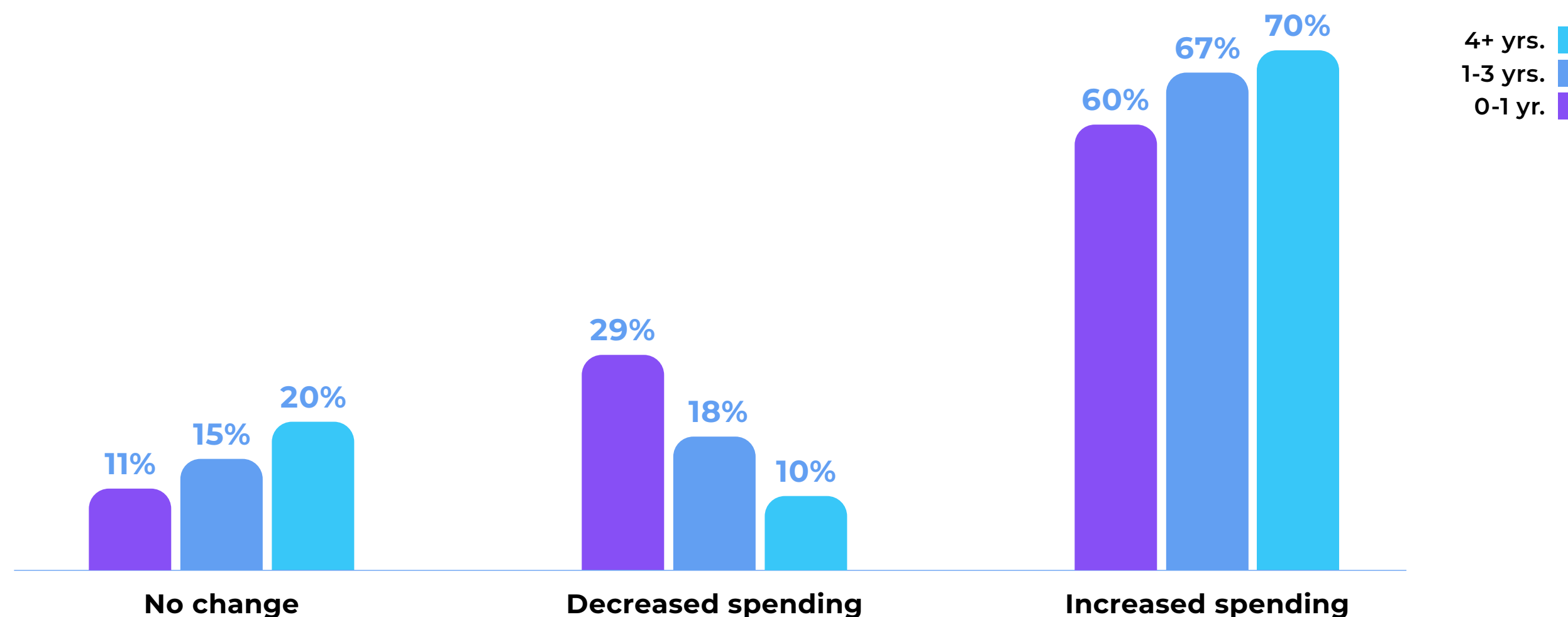
Those who have used a CDP longer have a lower tendency to decrease spending in this area (10% for 4+ years compared to 29% of CDP users just getting started).

Companies Using More than 10 Data Sources



Companies are investing more to support their first-party data strategies, with 65% of CDP users increasing spending in this area in 2023.

Investment to Support First-Party Data Strategy



Top Data Sources and Utilization Satisfaction

The top data sources used with a CDP vary depending on the specific needs and objectives of the organization. However, some familiar and essential data sources stand out across verticals and company size.

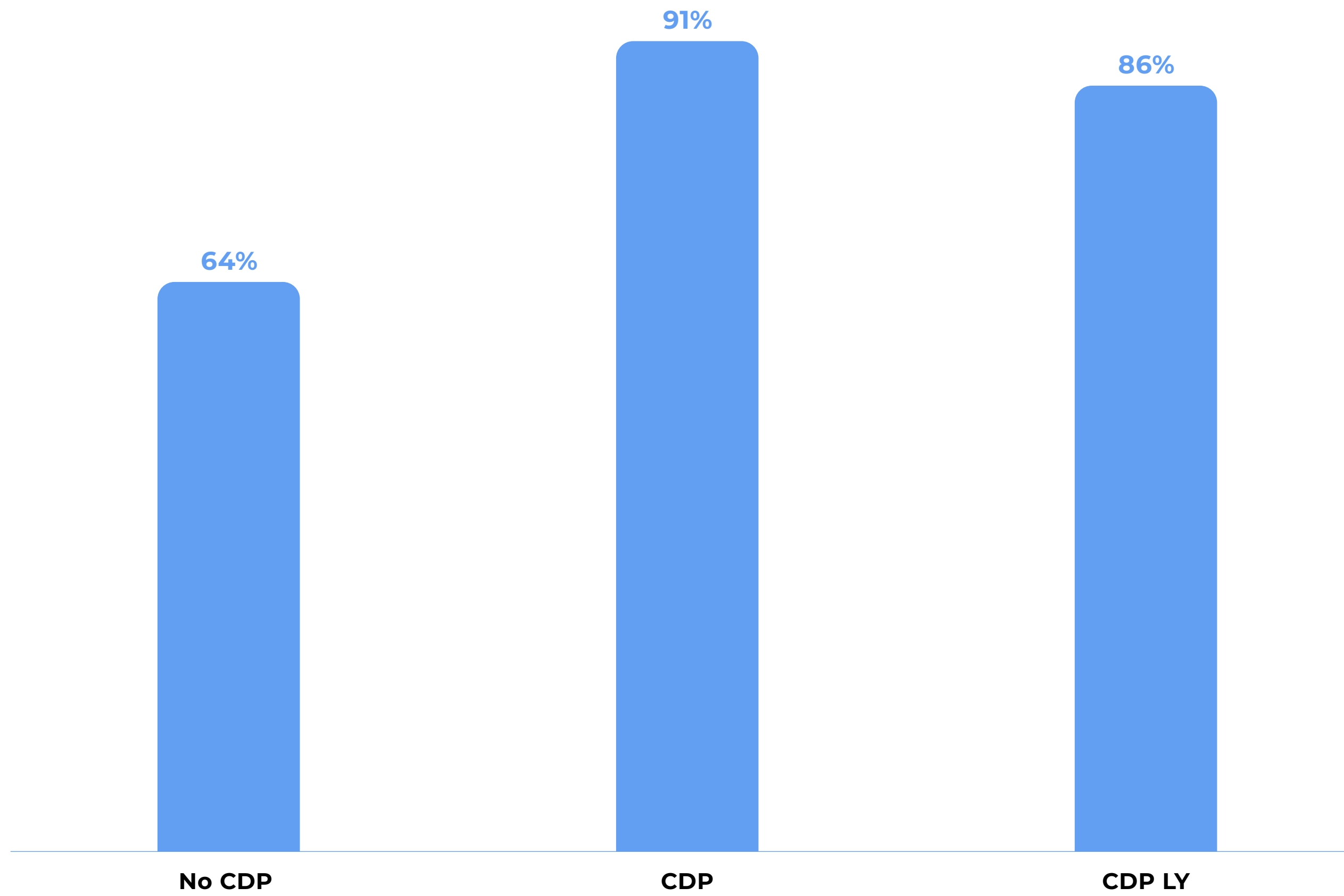
First-party data continues to be the leading data source used by companies with a CDP. Identity, customer service, and transactional data are sources gaining more popularity.

Having the right data is essential to creating these customer experiences, but having the right technology, like a CDP, to derive insights and take the right action is critical. **Companies with a CDP were more satisfied with their ability to “create relevant customer experiences through customer data” (91%, up from 86% in 2022) than those without a CDP (64%).**

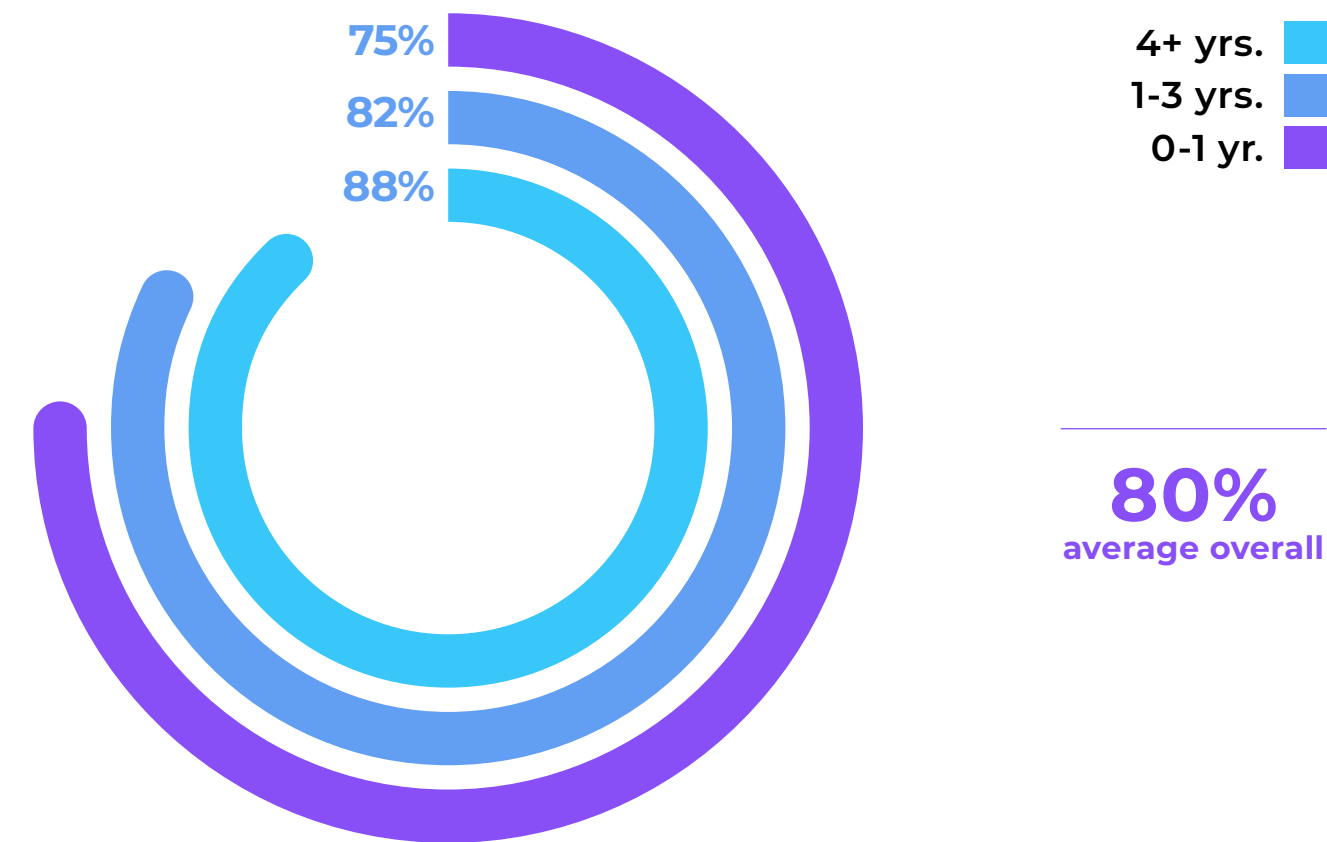
Top 5 Data Sources Currently Used

- 1 First party data
- 2 Identity data
- 3 Customer service data
- 4 Transactional data
- 5 Third-party data

CDP Users Are More Confident in Creating Relevant Customer Experiences



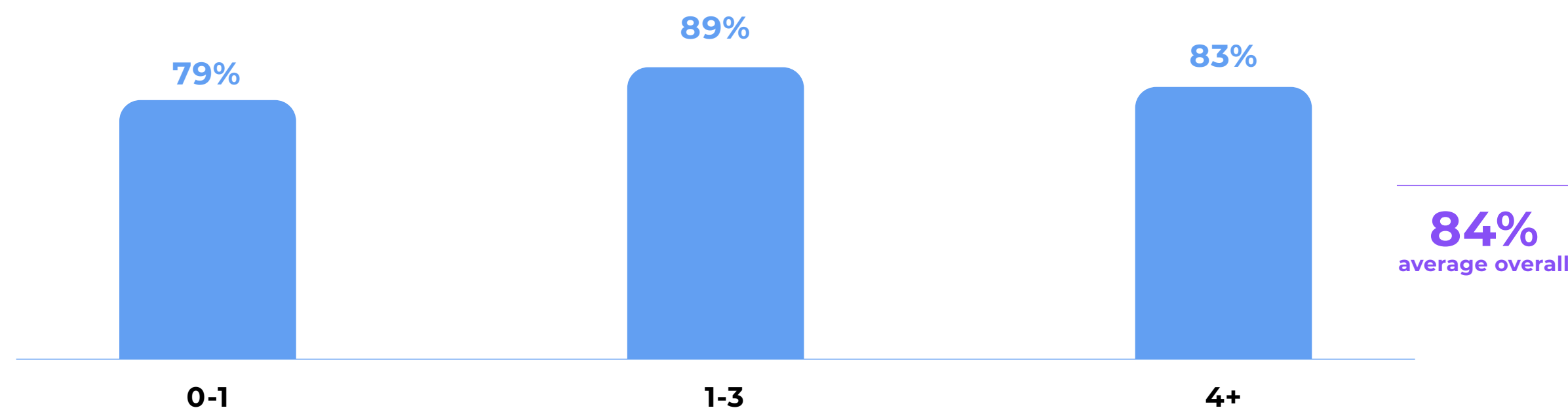
CDP Adopters State Real-Time Data is Critical for Them to Meet Their Business Objectives



Real-Time Data is Critical to Achieve Business Objectives

Organizations have realized that real-time data is instrumental in delivering dynamic personalization, maintaining cross-channel consistency, optimizing campaigns, and ensuring compliance. It enables businesses to orchestrate customer journeys, engage customers based on events, and create unified customer profiles for a holistic understanding of their audience.

CDP Provides Ability to Take Advantage of Real-Time Data



Survey respondents demonstrated the importance of real-time data, with **80% of CDP adopters responding that real-time data is critical for them to meet their business objectives.** This number rises to 88% for the most experienced CDP users.

Additionally, 84% of these organizations stated that CDPs provide the ability to take advantage of real-time data for analysis, decision-making, and execution.

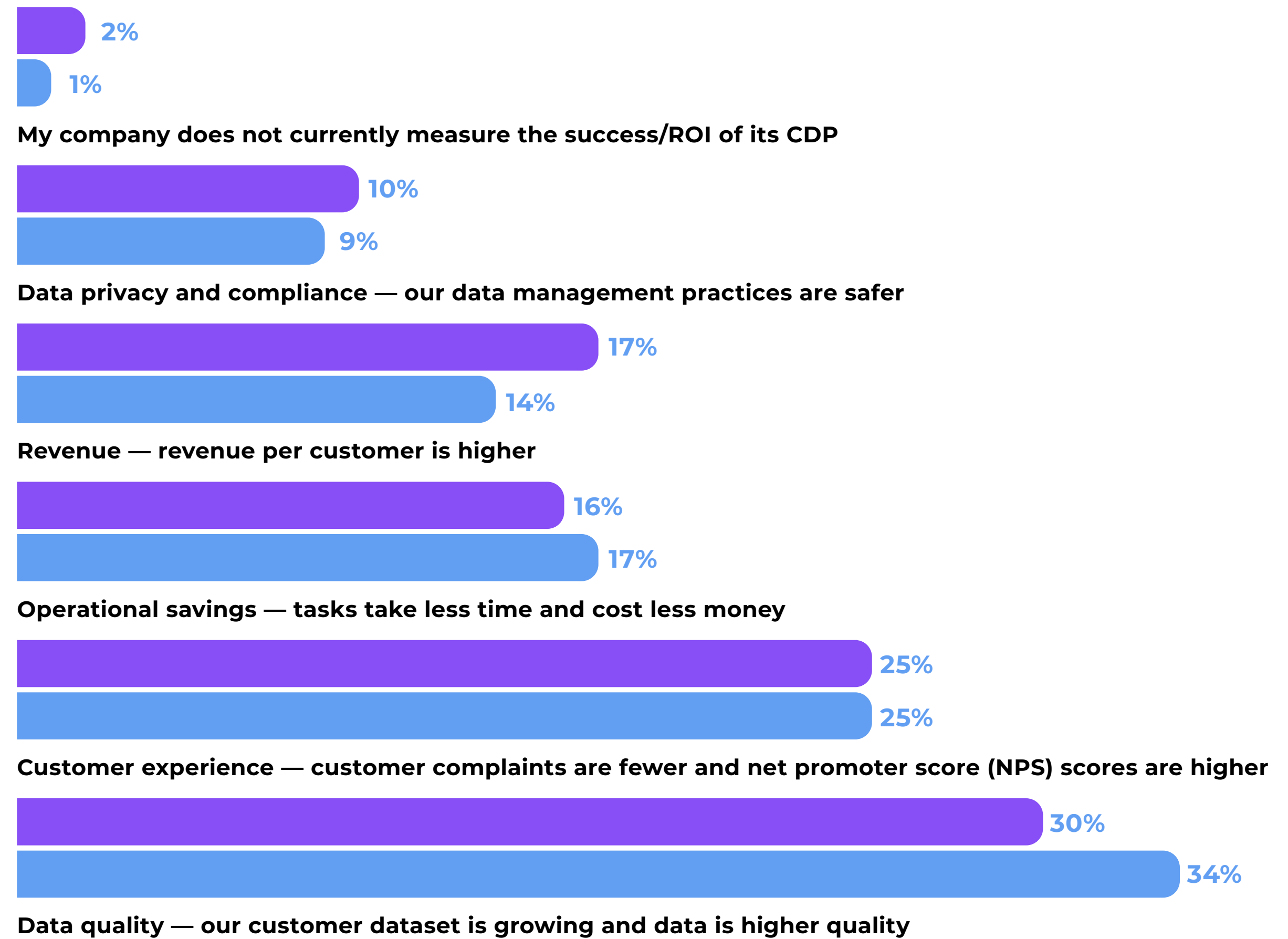
How Companies Measure the Success of Their CDP

Measuring the success of a CDP involves assessing its impact on key business objectives, customer experiences, and overall operational efficiency. It's important for companies to establish clear objectives before implementing a CDP and regularly assess these metrics to gauge the platform's success.

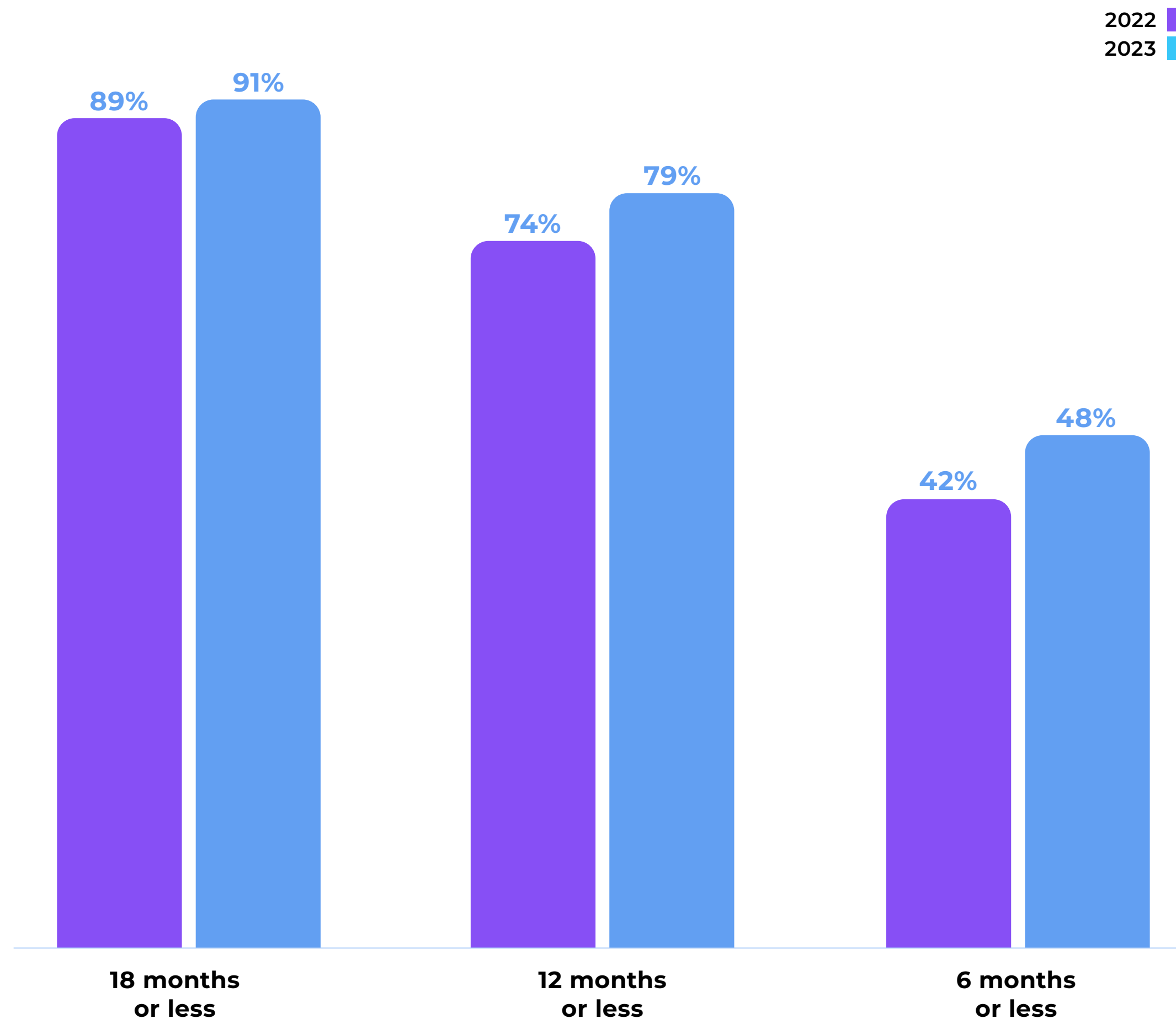
When asked to choose one metric on how their company measures the success/ROI of its CDP, respondents listed Data Quality first (34%) followed by Customer Experience (25%), which mirrored the same trend as last year.

Indicators of Success and ROI of a CDP

2022 ■
2023 ■



Time to Realize ROI From CDP Once Implemented



CDP Adopters Realizing Quick Time to Value and ROI

One of the primary concerns or questions for implementing any technology is how long it will take to realize value and recognize ROI on its investment.

CDPs, in general, have shown that time to value and ROI realization happen quickly. **Almost half (48%) of CDP adopters responded that they realize ROI in as little as six months.** 79% of respondents stated they see ROI within 12 months, and 91% said they reach this goal within 18 months. All faster compared to 2022 benchmark data.

Only 8% of companies said it took longer than 18 months to see ROI.

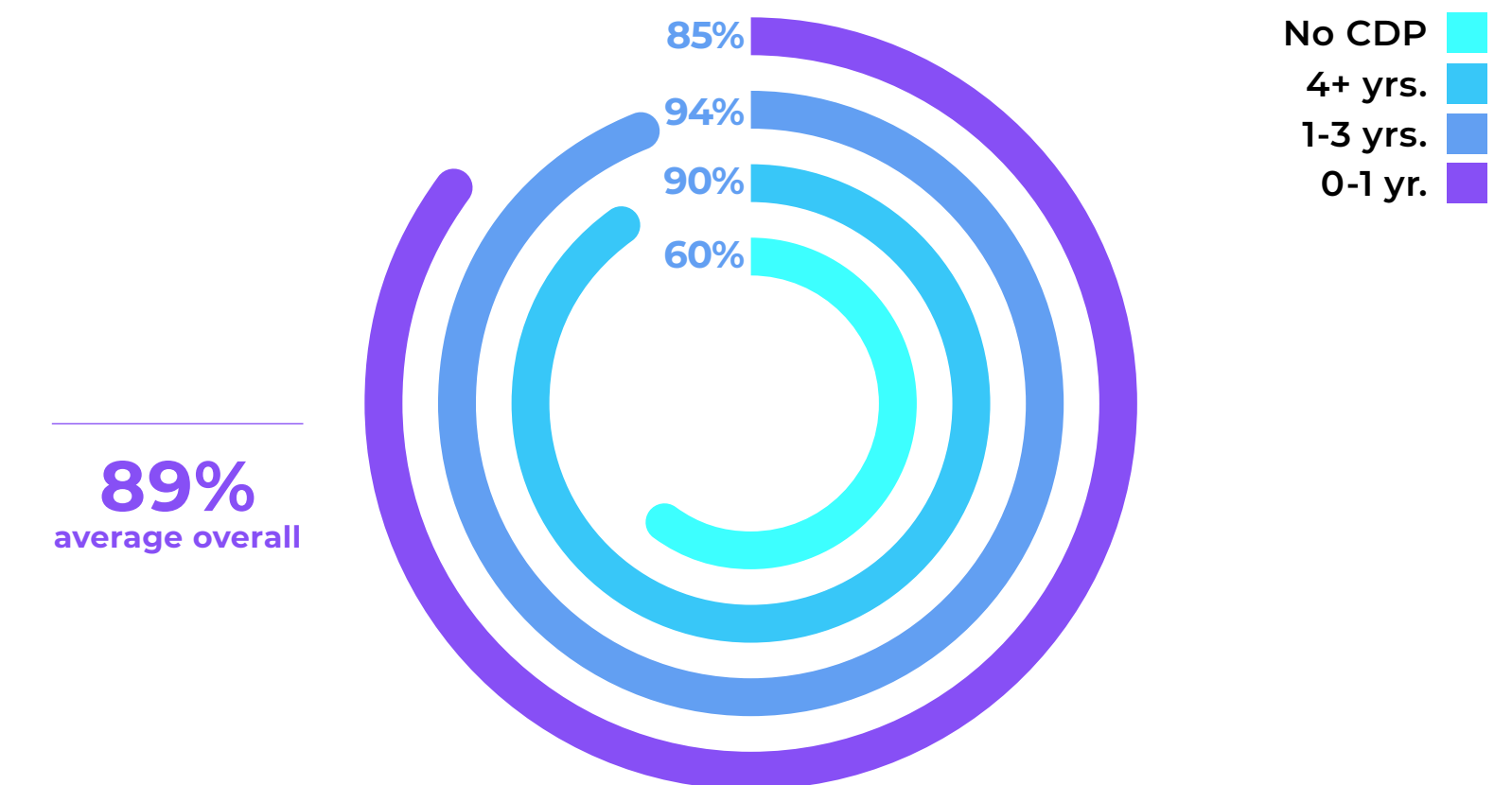
CDPs Paving the Way to Meet Objectives and Future-Proof Business

2023 continued to provide a challenging landscape in a tough economy. Respondents showed that CDPs are an indispensable solution for companies striving to meet their business objectives, empowering organizations to stay resilient and adaptive. From optimizing marketing strategies through data-driven insights to enhancing customer experiences for increased loyalty, CDPs play a pivotal role in driving business success even in challenging times.

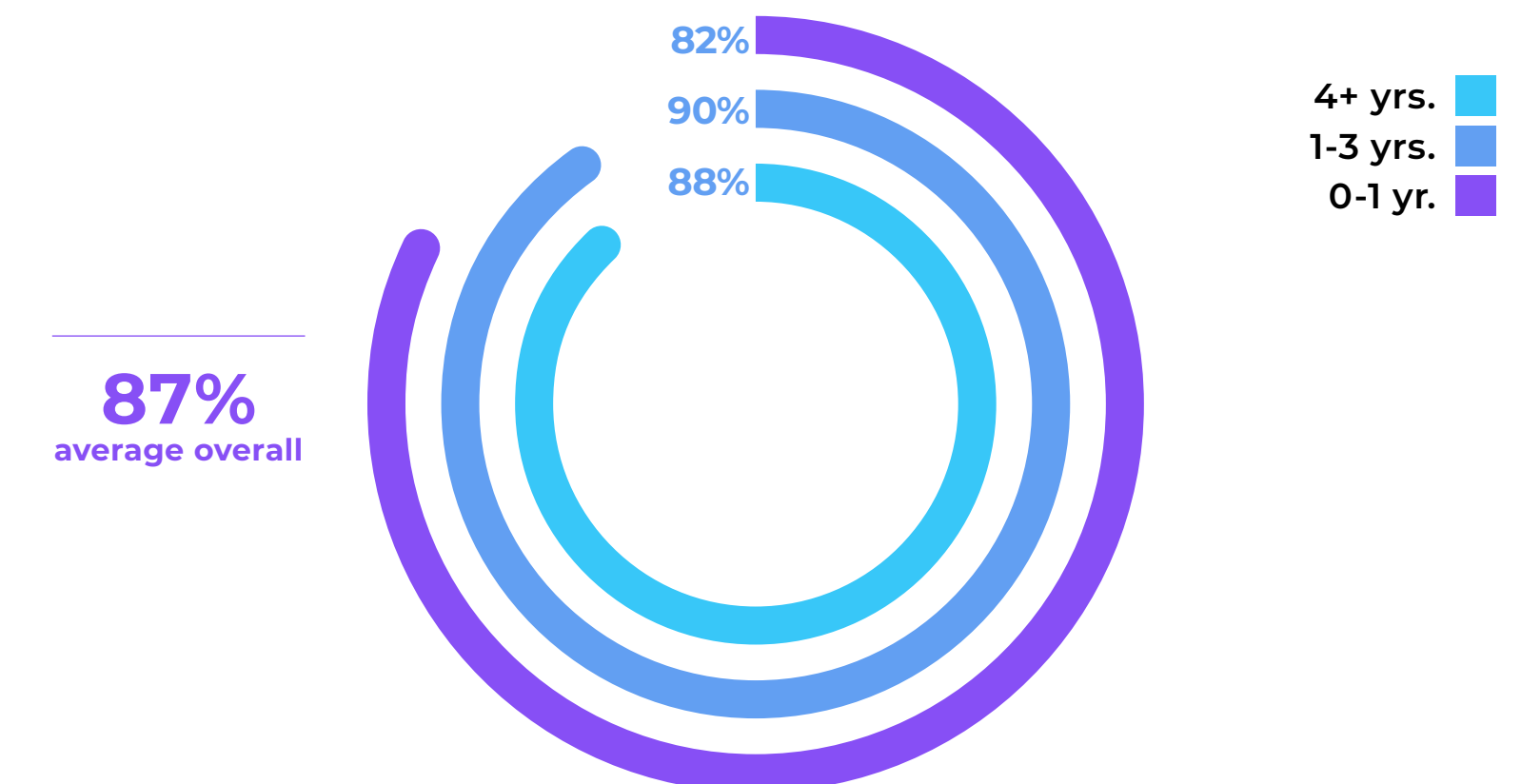
Companies with a CDP showed high levels of satisfaction in meeting their business goals over the past 12 months (89%) and significantly higher compared to those without a CDP (60%). This is an increase from 2022, when 84% of companies with a CDP stated they were satisfied meeting their business goals.

87% of CDP users also stated, “Our CDP helps us future-proof our business to be more resilient and adaptable in the face of future challenges.” The ability to harness real-time insights and deliver personalized customer experiences allows companies to navigate changing landscapes and anticipate future trends.

Satisfaction in Meeting Overall Business Objectives



Agree CDPs are a Main Way to Future-Proof Business

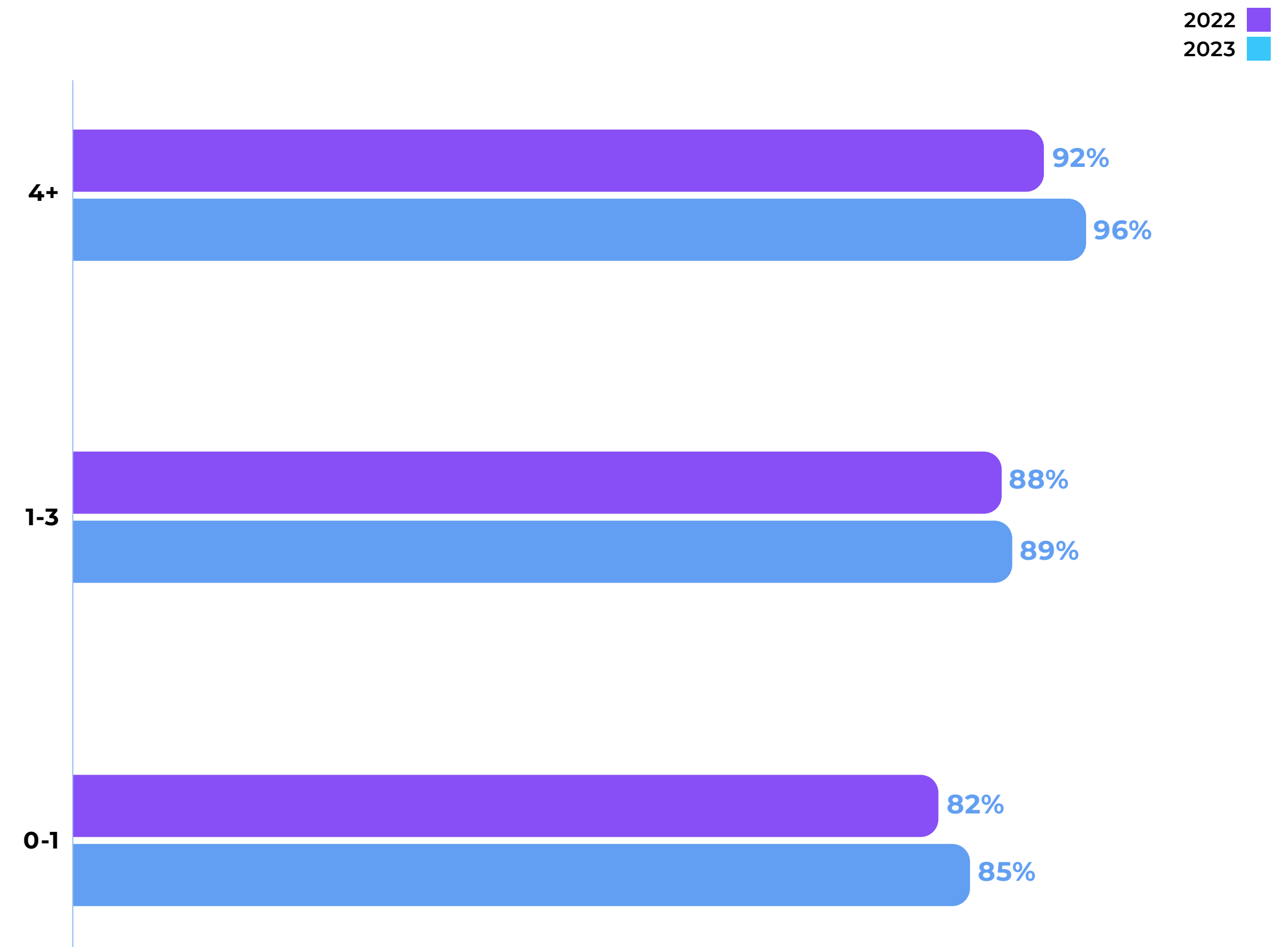


Delivering More Trusted Customer Experiences Through the CDP

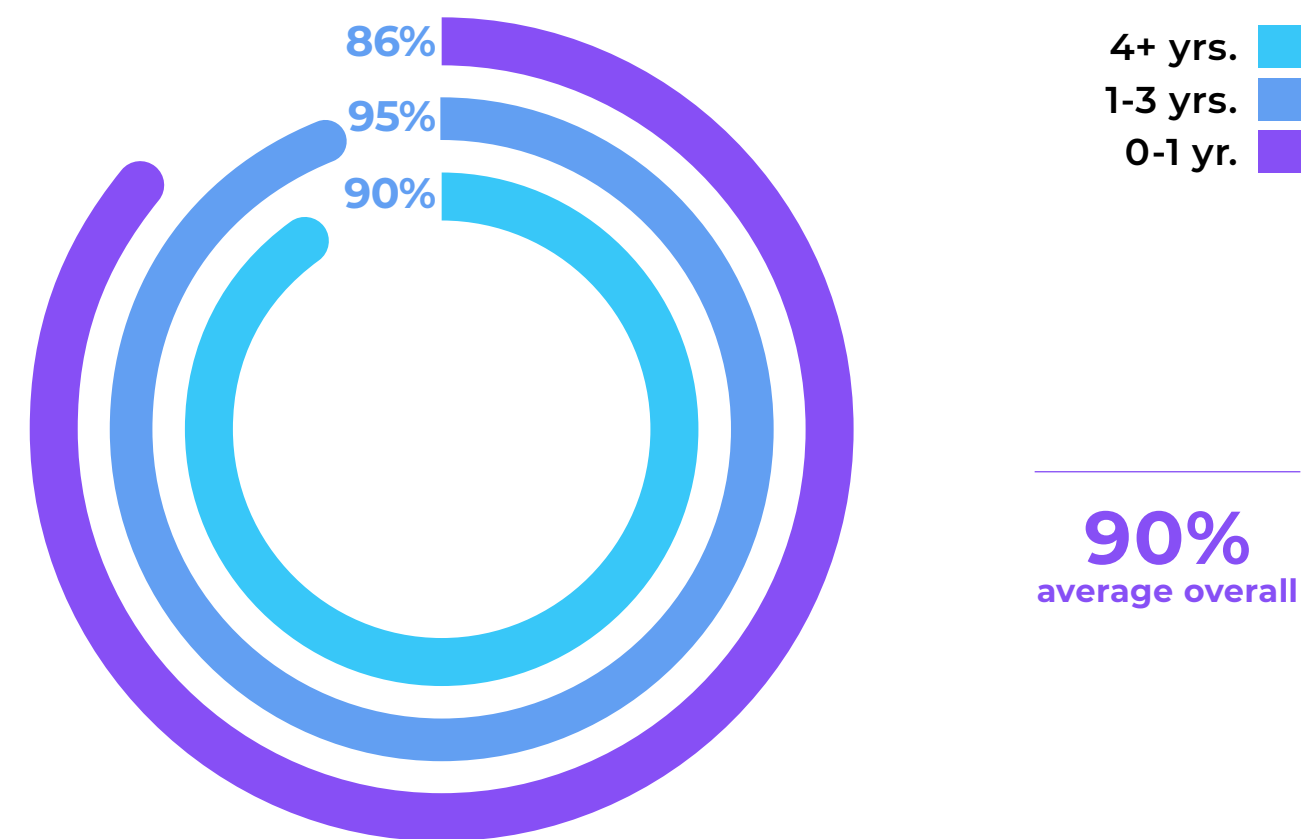
CDPs play a crucial role in delivering trusted customer experiences by unifying data from multiple sources, creating accurate and up-to-date customer profiles, and delivering relevant, personalized experiences. They also empower customers by allowing preference management and delivering personalized experiences without compromising privacy, resulting in a customer-centric approach, fostering trust in all interactions.

90% of CDP adopters stated their “CDP is critical to delivering trusted experiences to our customers,” up from 87% last year.

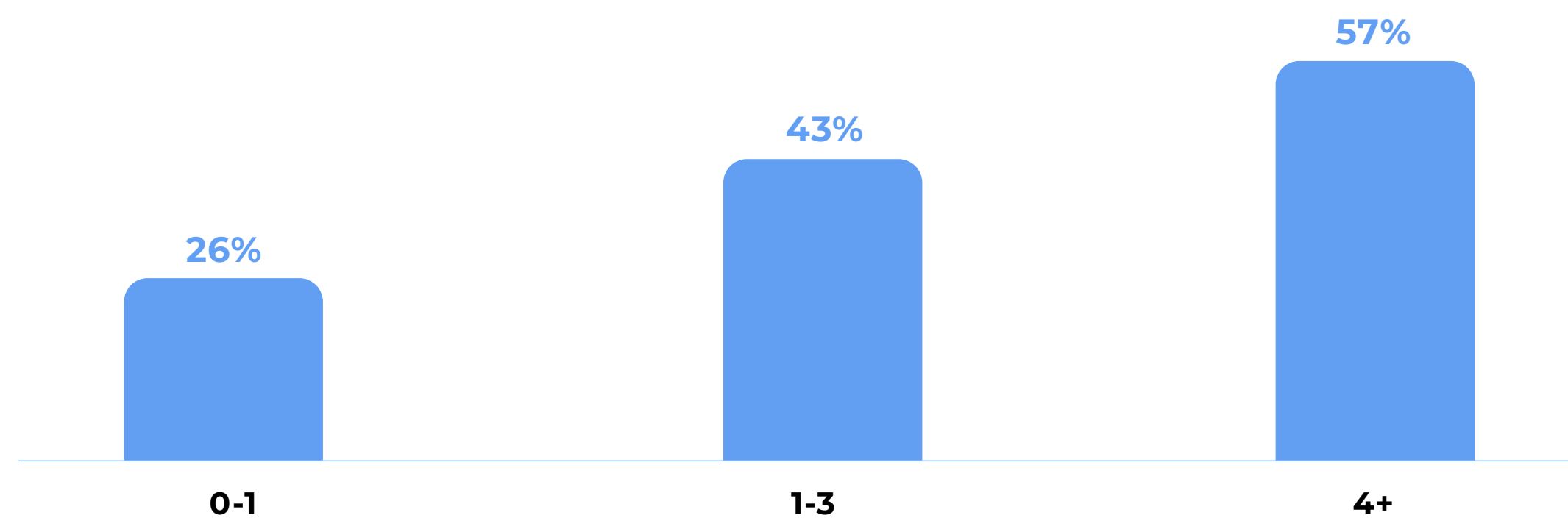
CDPs are Critical to Deliver Trusted Customer Experiences



Overall Satisfaction with CDP Investment



Very Satisfied with CDP Investment



CDP Adopters are Very Satisfied with Their Investment

Organizations embracing CDPs expressed an exceptionally high level of satisfaction with the transformative impact of CDPs on their businesses. The adoption of CDPs has proven to be a pivotal decision, with organizations recognizing the value of managing their data combined with customer engagement capabilities. **90% of companies with a CDP stated they were “Satisfied” or “Very Satisfied” with their investment.**

As businesses continue to leverage CDPs’ evolving features and functionalities, there is a notable increase in overall satisfaction and positive outcomes. The most experienced CDP users stated they were “Very Satisfied” at twice the rate of those users just getting started with their CDP.

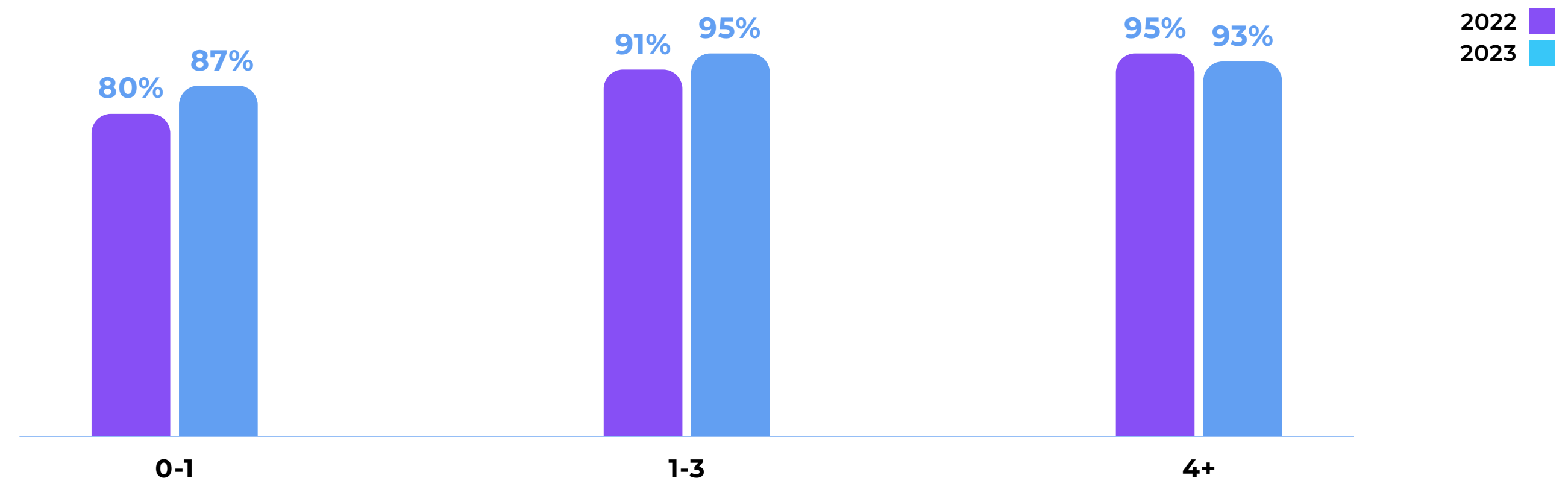
Companies Rely on CDPs to Help with Global Privacy Regulations and Compliance

Compliance with global privacy regulations is reshaping how businesses handle and prioritize data. While presenting challenges, it also offers opportunities for organizations to differentiate themselves through responsible data practices, ethical conduct, and a commitment to safeguarding customer privacy.

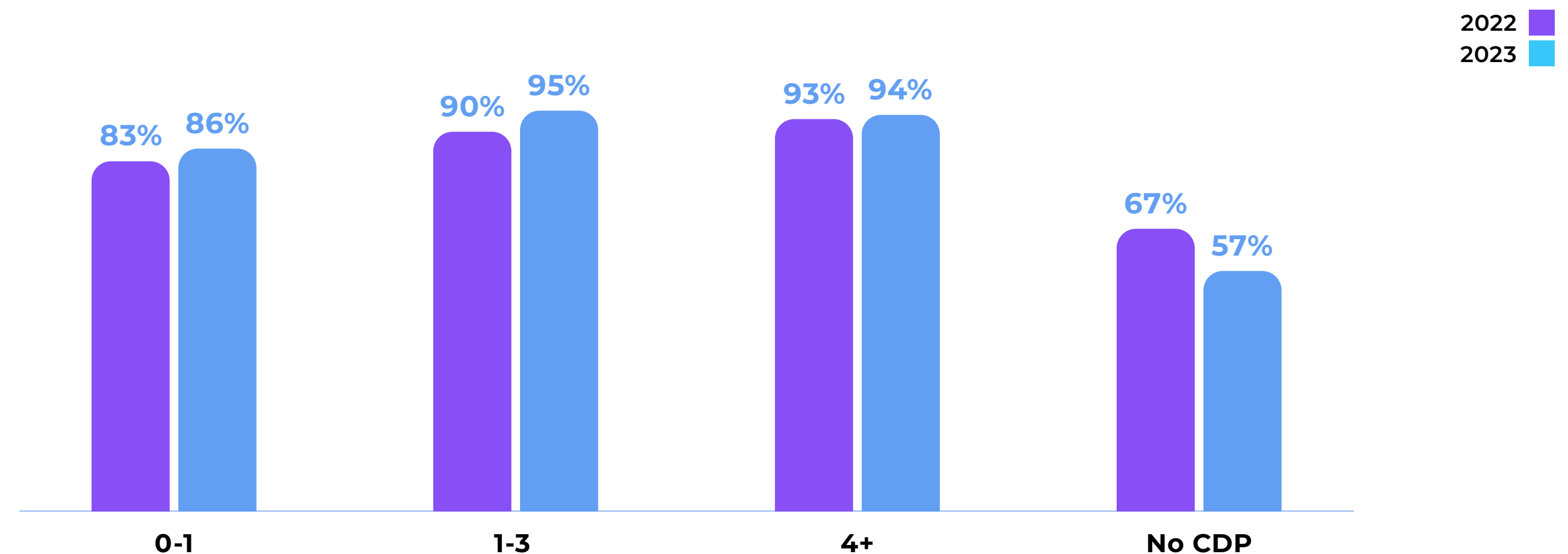
Organizations are turning to CDPs to help comply with current regulations and prepare for future changes.

91% of all CDP users feel confident that their CDPs help to comply with current privacy regulations, up from an average of 87% in 2022. CDP users also feel more prepared (91% on average) to adapt to new privacy regulations vs those who do not have a CDP (57%), down from 2022 (67%).

Confidence in the CDP's Ability To Support Current Privacy Compliance



Prepared to Adapt to New Privacy Regulations

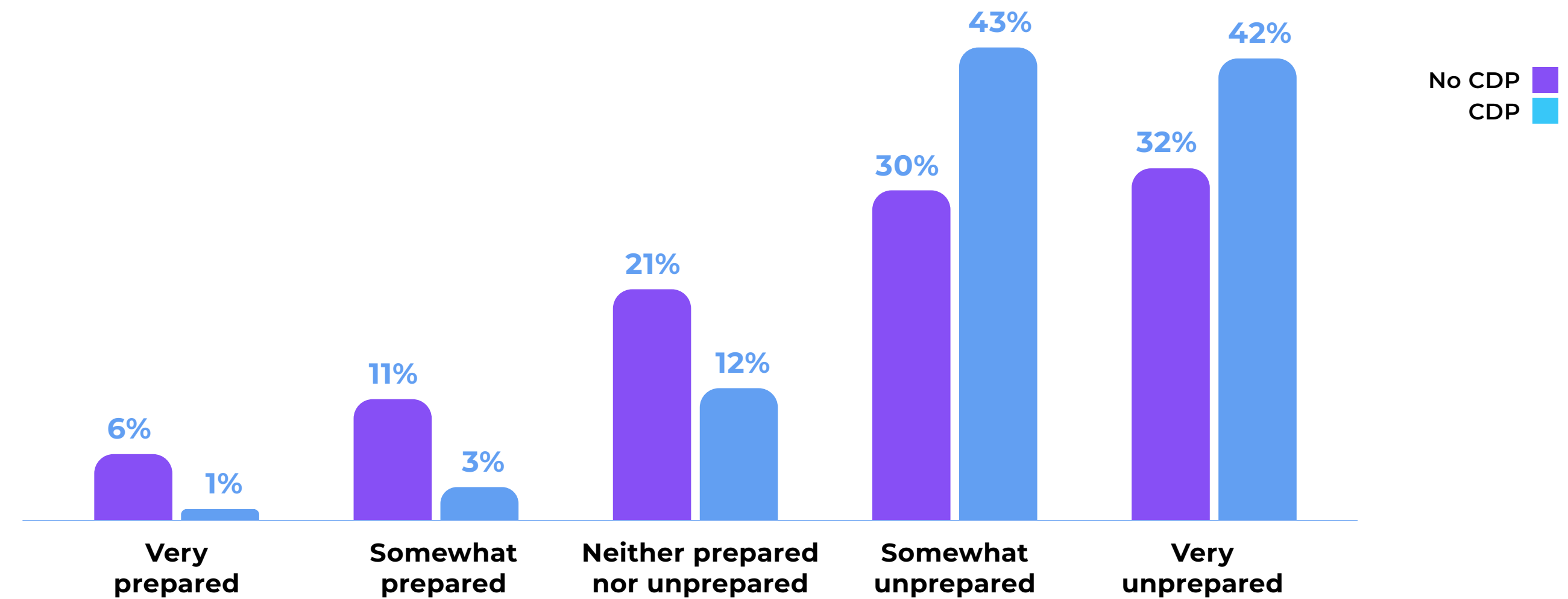


Companies are Preparing for Third-Party Cookie Deprecation

The major web browsers like Google Chrome, Mozilla Firefox, and Apple Safari continue to phase out or eliminate third-party cookies, which are small pieces of data stored by websites on users' browsers. To mitigate the impact of third-party cookie deprecation, businesses are exploring alternative solutions such as first-party data strategies, contextual advertising, and privacy-focused identifiers. As the digital landscape evolves, companies that proactively adapt to these changes will be better positioned to maintain effective marketing and personalization practices while respecting user privacy.

Businesses are leveraging CDPs to help prepare for the loss of third-party cookies. 85% of CDP users stated they are “somewhat prepared” or “very prepared,” compared to only 62% of companies without a CDP.

Prepared to Adapt to New Privacy Regulations



Businesses with a CDP are more prepared for the loss of third-party cookies.



The Rise of AI Adoption and Prioritization

Companies are approaching AI adoption strategically by aligning with business objectives, prioritizing based on data quality, considering customer experiences, emphasizing operational efficiency, adhering to ethical practices, and staying attuned to industry-specific challenges and competitive dynamics. The prioritization of AI initiatives is a dynamic process that involves a careful balance of factors to maximize the value derived from AI technologies.

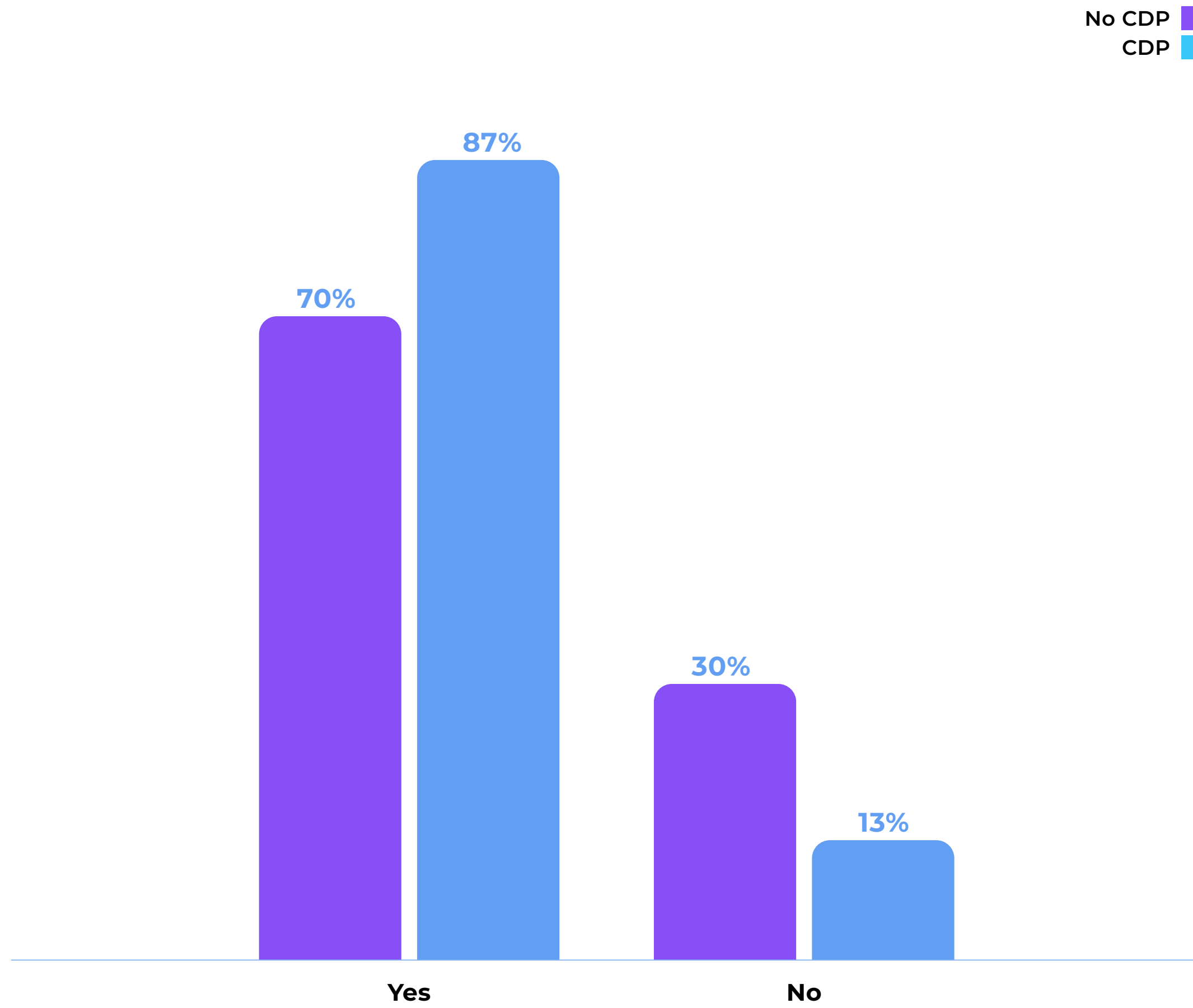
Companies are prioritizing different types of AI, with AI-driven chatbots, virtual assistants, and predictive analytics topping the list.

87% of Organizations with CDPs are more likely to have already adopted AI technologies in some capacity compared to those without CDPs (70%).

Top 5 Data Sources Currently Used

- 1 AI-driven chatbots
- 2 Virtual assistants like Siri and Alexa - making tasks easier and more automated
- 3 Predictive analytics for forecasting future trends and outcomes
- 4 Recommendation systems - next best action
- 5 Diagnosis and pattern recognition - patterns in data or fraud detection

AI Technologies Adopted by Organizations



Overcoming Internal Roadblocks and Realizing the Benefits of AI

Organizations face various roadblocks when implementing AI initiatives, including data quality and availability challenges, the need for more skilled AI talent, and the complexity of integrating AI with existing systems. Privacy and ethical concerns, coupled with regulatory compliance issues, often hinder progress. Successful AI implementation requires overcoming these barriers, emphasizing data governance, upskilling teams, addressing ethical considerations, and fostering a culture of innovation.

Integrating AI with a CDP delivers transformative benefits to organizations. AI enhances data analysis within the CDP, uncovering valuable insights into customer behavior, preferences, and trends. This, in turn, enables personalized customer experiences, targeted marketing campaigns, and predictive analytics for proactive decision-making.

Top 5 Roadblocks for Implementing AI Initiatives

- 1 Strict data privacy regulations and compliance
- 2 Lack of AI skills - need more data scientists, machine learning engineers, and AI specialists
- 3 Integration challenges - integrating AI systems with existing technology stacks and workflows
- 4 Limited budget and resources for AI initiatives
- 5 Data Silos- data may be stored in isolated departments or systems

Top 5 Benefits of Using AI with a CDP

- 1 Real-time Insights and Predictive Analytics
- 2 Cost Savings
- 3 Improved Customer Personalization
- 4 Enhanced Customer Segmentation
- 5 Automation of Routine Tasks

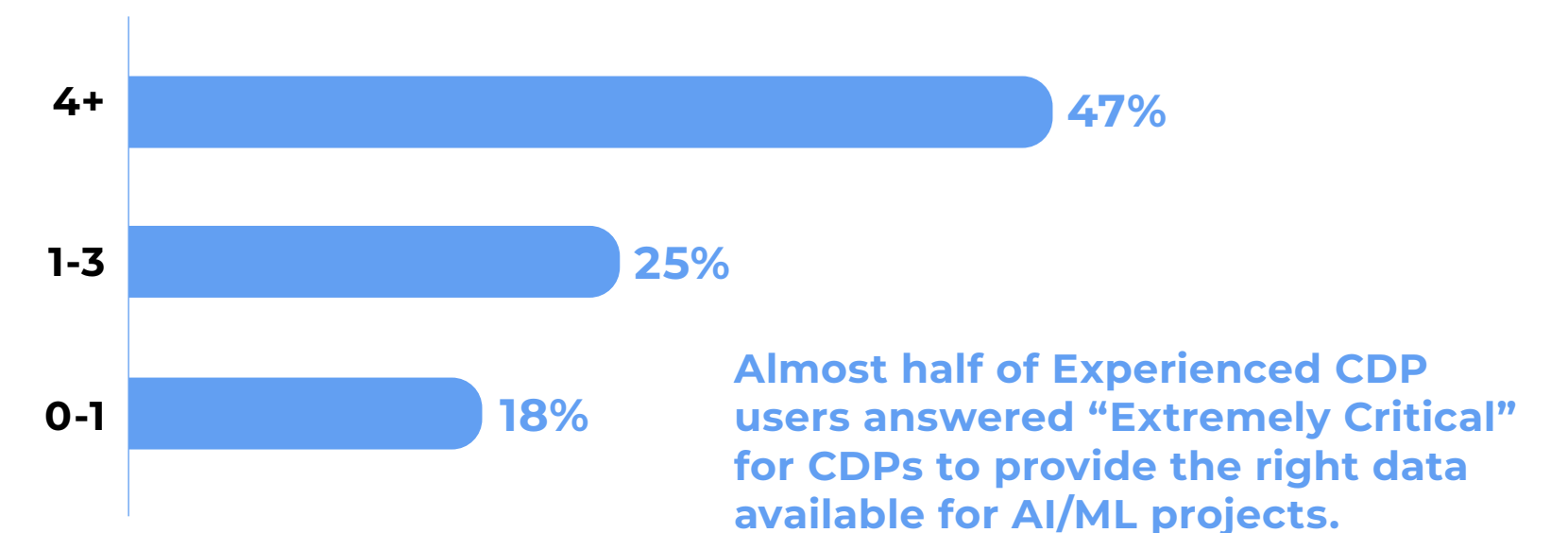
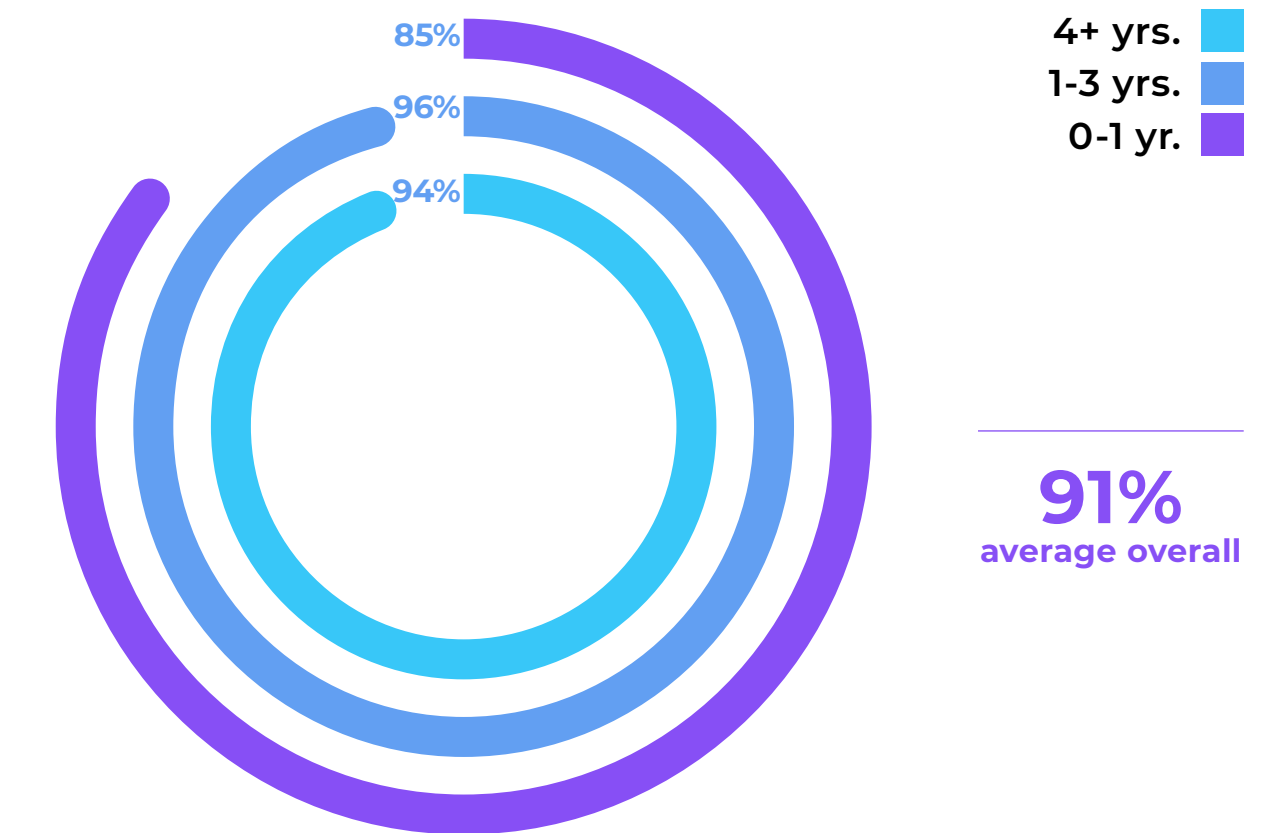
All Companies Need Trusted CDP Data for AI/ML Projects

As companies think about leveraging AI and Machine Learning for ongoing and future initiatives, they must consider the data sources they are leveraging. This includes the quality, relevance, and trustworthiness of the data used for AI initiatives. Prioritizing accurate, diverse, and bias-free datasets ensures the effectiveness of AI models. Robust data governance, addressing privacy concerns, and adhering to security measures are imperative for compliance and building customer trust. Scalability, continuous monitoring, and interdisciplinary collaboration further contribute to successful AI implementations.

91% of CDP adopters feel that CDPs are critical in providing the right data available for AI/ML projects.

Additionally, 47% of experienced CDP users (four or more years) stated it was “Extremely Critical” for CDPs to have this data available for AI/ML projects.

Agree CDPs are Critical in Having the Right Data Available for AI/ML Projects



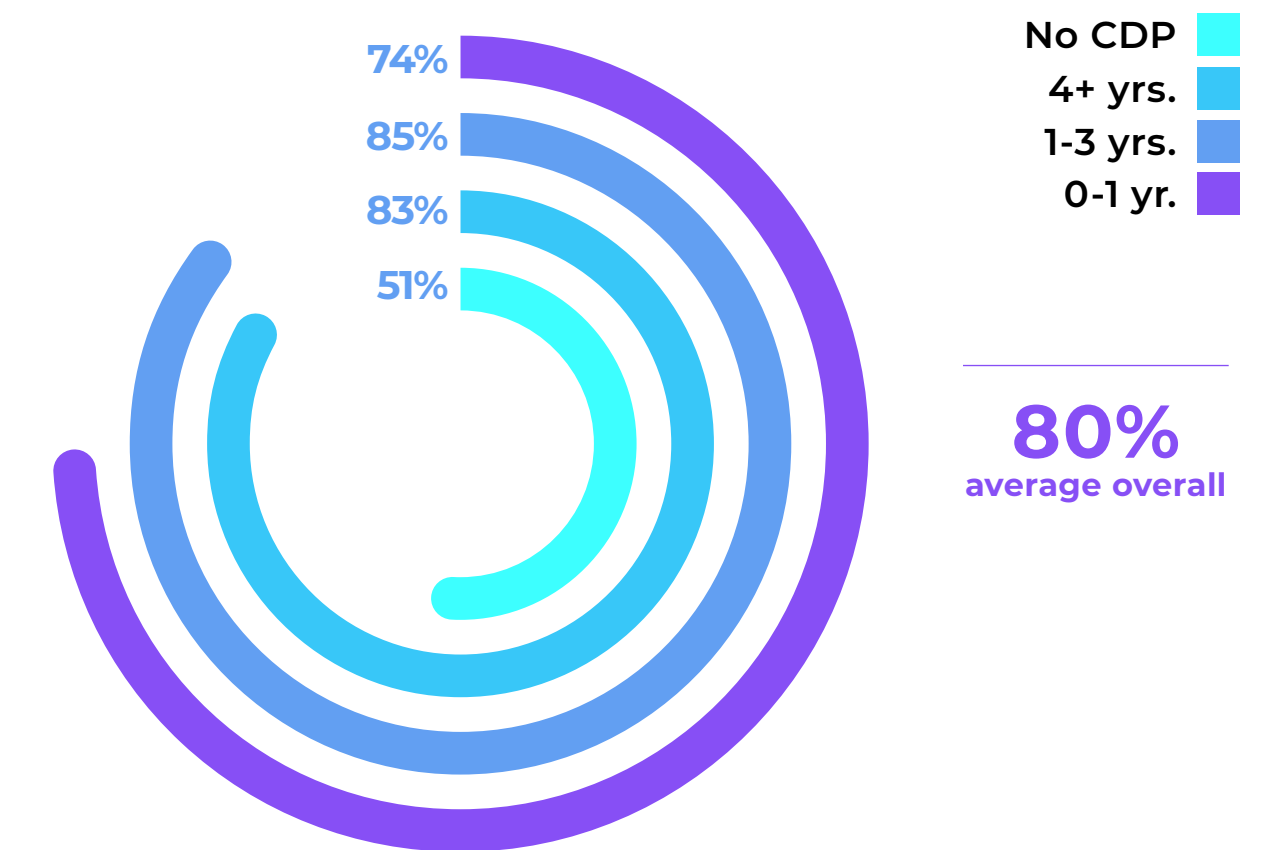
Businesses are Already Receiving Value from AI Technologies

Businesses are seeing value from AI technologies - optimizing operations, enhancing customer experiences, and driving innovation. AI automates repetitive tasks, boosting efficiency and reducing costs. Predictive analytics enables proactive decision-making, while personalized customer interactions improve engagement and loyalty. AI-driven insights enhance strategic planning, and advanced data analysis uncovers valuable trends. Businesses benefit from improved competitiveness, streamlined processes, and the ability to quickly adapt to market changes.

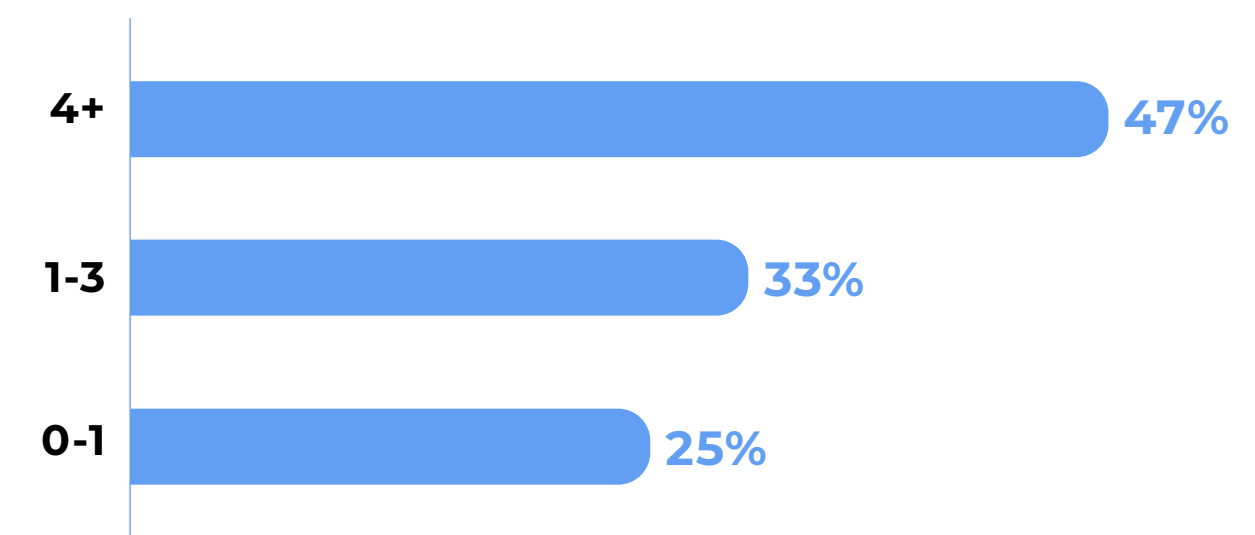
80% of companies with CDPs are already recognizing business value from AI technologies vs those without a CDP (51%).

47% of experienced CDP users (four or more years) stated their businesses have received “Exceptional Value” from the implementation of AI technologies, at almost twice the rate (25%) of companies just getting started with CDPs.

Companies Recognizing Value from AI Technologies



CDP Users Receiving Exceptional Value from AI Technologies



What Industry Leaders Are Saying

“The overwhelming message of this report is that CDPs put companies in control of their customer data – whether for privacy and security, AI applications, or real-time response. In a world where rapid change is constant, that control is essential for success in adapting to whatever comes next. The high satisfaction levels of experienced CDP users show that CDPs are delivering on their promise, especially when operated by knowledgeable users. The increased role played by IT teams in managing CDPs, and the corresponding drop in CDPs run primarily by marketing, illustrates the extension of CDP beyond its original use in marketing to serve the entire enterprise. This, again, shows the enterprise-wide recognition of the central role that customer data plays throughout the customer life cycle and the importance of CDPs in making that data available to every department that needs it.”

David Raab
Founder and CEO of Customer
Data Platform Institute

“Beyond basic data integration and silo elimination, the evolving CDP maturity curve paves the way for unlocking exponential customer value through sophisticated personalization and predictive analytics capabilities. While many companies are currently laying the groundwork for unified customer profiles and streamlined data management, the future lies in harnessing deeper customer insights, AI-powered personalization, and real-time decision-making. Businesses that master data unification, activation, and orchestration along this curve will stand to achieve unparalleled customer loyalty and market differentiation.”

Anish Krishnan
Analyst at Quadrant Knowledge Solutions

“It’s interesting to see that companies are investing more in their first-party data strategies, with the majority of CDP users increasing spending in this area. This directly supports their initiatives in providing personalized, relevant customer experiences. That is no surprise when you see the list of top use cases: Customer retention, Customer acquisition, Privacy and regulatory compliance, Personalization at scale, and Loyalty campaigns. The continued growth of setting up dedicated Marketing Operations teams will accelerate this trend further.”

Peter O’Neill
Research Director at Research in Action GmbH,
formerly VP and Research Director at Forrester

Methodology



Tealium surveyed 1,200 online professionals between October 25, 2023, and November 22, 2023.



The study targeted professionals in the US, UK, France, Spain, Germany, UAE, Japan, Singapore, Australia, and New Zealand with annual company revenue of \$100+ million and above.



Both B2B and B2C companies and respondents in IT, Operations, Marketing, and Data/Analytics departments were included.



The margin of error for this study at a 95% confidence level is 3%.

This report was published by



Tealium connects customer data across web, mobile, offline and IoT so businesses can better connect with their customers. Tealium's turnkey integration ecosystem supports more than 1,300 built-in connections, empowering brands to create a complete, real-time customer data infrastructure. Tealium's solutions include a customer data platform with machine learning, tag management, an API hub and data management solutions that make customer data more valuable, actionable, privacy-compliant and secure. More than 850 leading businesses throughout the world trust Tealium to power their customer data strategies.

For more information, visit

tealium.com