

BUYER'S GUIDE

Customer Data Platforms

Why the right CDP drives better reach and higher returns

Epsilon®



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Why read this guide?

With the latest developments in customer data platforms (CDPs), it's easier than ever to connect with your customers on a true one-to-one level. But how do you know which CDP solution is right for you? At a minimum, CDPs can help organize data, but the best CDPs go a step further: **They enhance a brand's first-party data to develop rich customer profiles that drive better-performing campaigns.** The key to finding that perfect solution requires asking potential vendors the right questions.

This guide is designed to **help you navigate the process and find a CDP that:**

- ★ **Gives you a 360-degree view of your customer to drive more effective media activation across owned and paid channels**
- ★ **Organizes and enhances your existing first-party data**
- ★ **Enables better insights and granular measurement that makes you feel confident and in control of your campaigns**

Read on to learn more about the essential capabilities and value drivers you should look for in a CDP solution, and what questions to ask during your evaluation process.

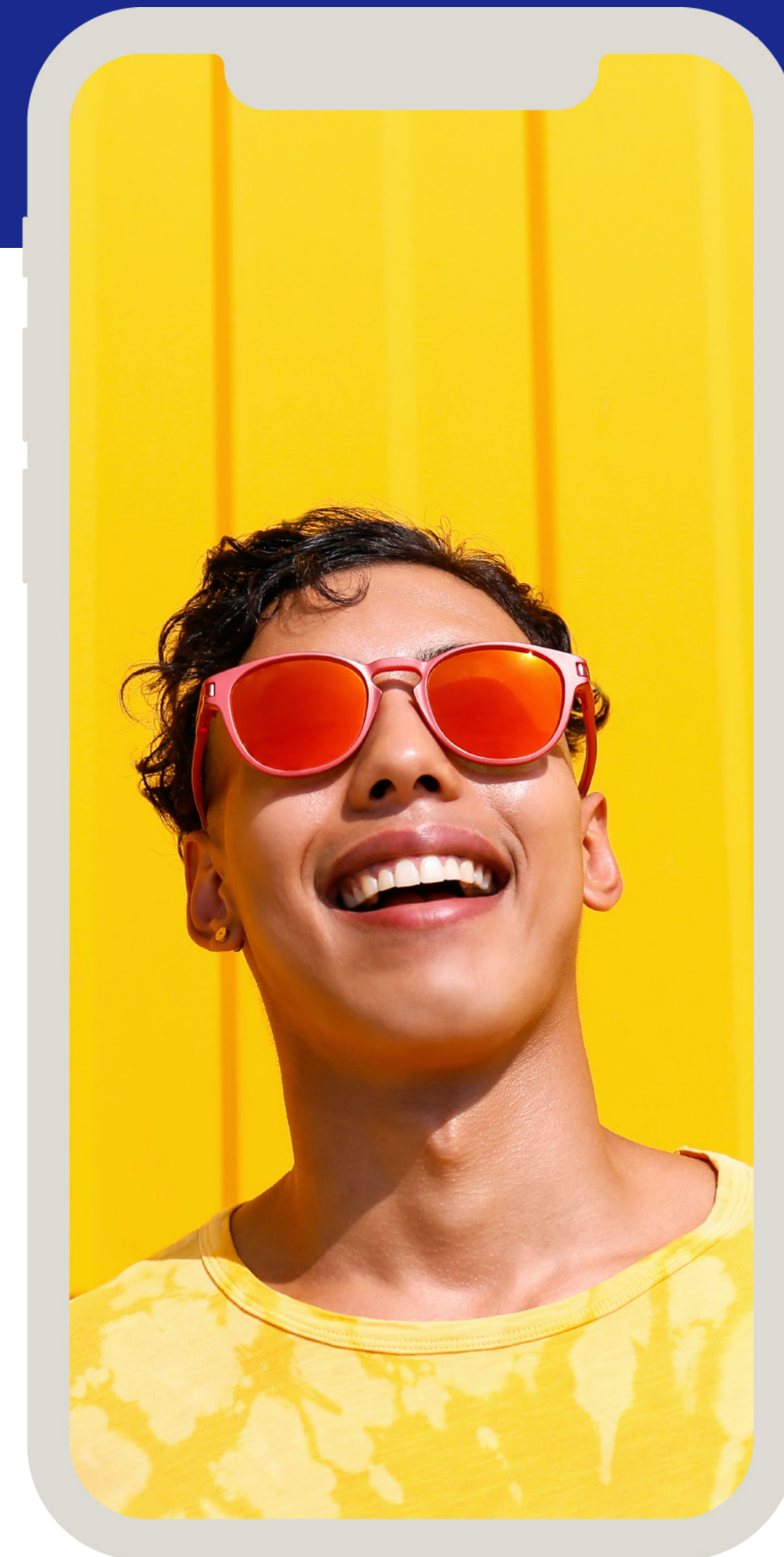


Essential capabilities

When choosing the right CDP, there are four capabilities you shouldn't compromise on:

- 1 A persistent, stable and continually fresh identity solution with unique data at the center
- 2 A secure, privacy-forward framework that makes marketers feel in control
- 3 Real-time audience insights with native activation for intelligence-driven campaigns
- 4 Person-based measurement and optimization

Keep reading to learn why these criteria are pivotal to your success.



① A persistent, stable and continually fresh identity solution with unique data at the center

Even brands that have valuable first-party data at their fingertips might not *really* know the full scope of who their customers are: Their evolving needs, attributes and behaviors. These siloes and gaps fragment your view of your customers and their journey on the path to purchase. And, as privacy regulations continue to change, reaching those people is becoming even harder.

On top of that, many brands don't have integrated online and offline experiences. Customers expect seamless experiences regardless of the channel or device they're using. Without that view across interactions, brands inadvertently create a fractured customer journey.

So how can marketers correct this problem? Identity. But what does that really mean, and what can it do for you?

- **Filling in gaps:**

Identity solutions inform brands of what a customer is doing outside of their owned channels. What they buy, what they browse, what they watch and on what devices.

- **Stronger than matching:**

Identity resolution connects real people (with wallets), who might have multiple emails or devices but are easily overcounted. Matching typically relies on digital identifiers and can be unreliable in producing valuable and predictive signals.

- **Accurate measurement:**

Connecting customer experiences on a granular level enables better measurement of true customer engagement and conversion and empowers marketers to make more informed decisions about their strategies.

- **Activation:**

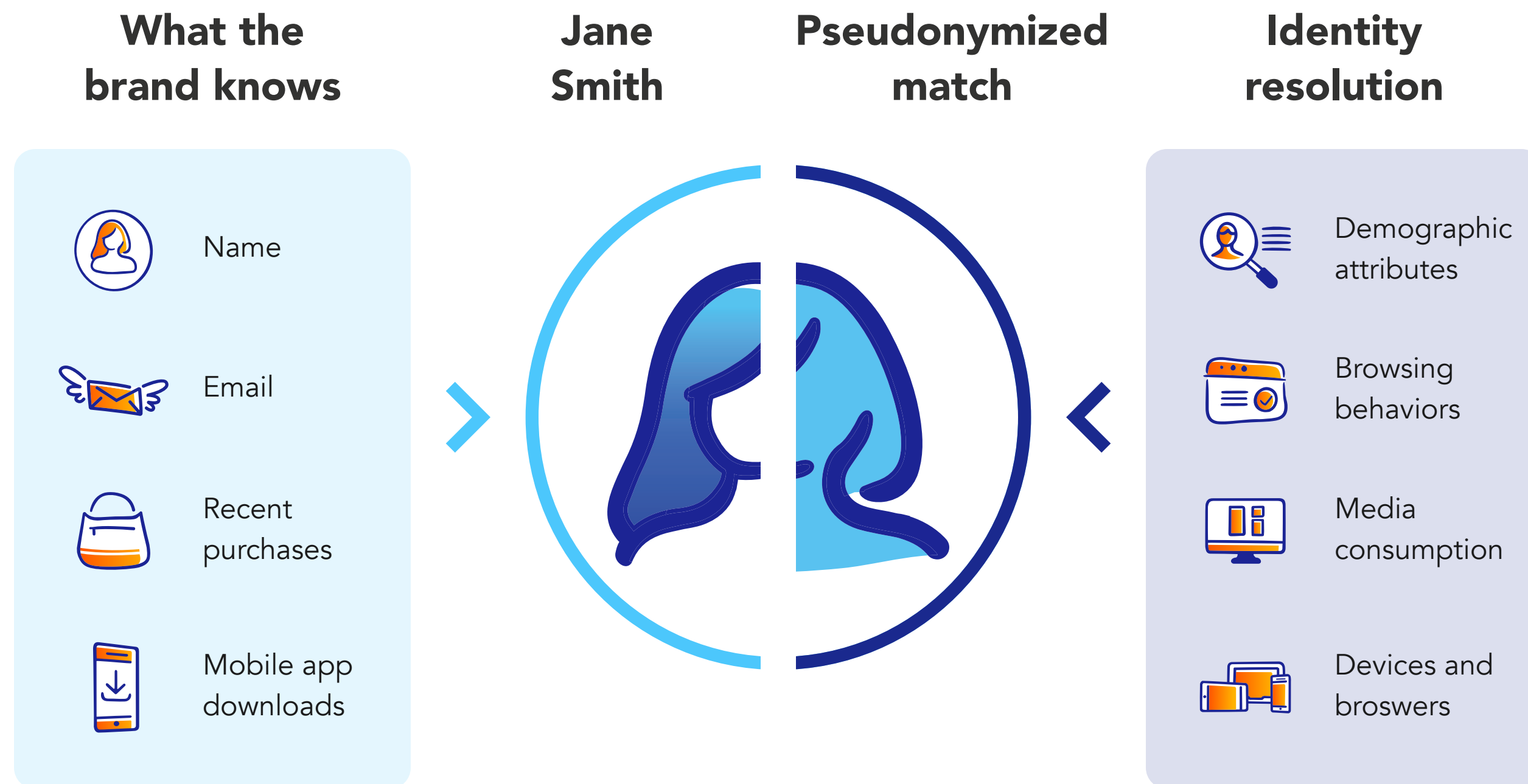
Identity resolution takes the guesswork out of how and when to interact with real people (not cookies or devices). This includes rectifying duplicate records for a single customer; determining the best offer and product for the people most likely to convert; enabling analysis, segmentation, audience creation and journey orchestration.

A CDP in real life: meet Jane Smith

Do you have data dark spots?

What's a data dark spot? They are gaps in your customer data that can give you an incorrect—or incomplete—view of your customer. They come from:

- **Inaccurate identity of customers**
- **Limited customer attributes & interests**
- **Disconnected experiences**
- **Outdated privacy & preferences**
- **Cracks in digital measurement and performance**



Essential capabilities

2 A secure, privacy-forward framework that makes marketers feel in control

Any marketing solution you buy should have privacy built into it. That said, future-forward privacy solutions can differ depending on the product. You have your first-party data all organized and aligned within your secure CDP space, but you need to be able to reach those people far beyond just your owned channels.

With an underlying identity layer, you can pseudonymize your first-party data (i.e. stripping away the Personal Identifiable Information (PII)) so you can better reach all of your customers and people like them across activation channels. And if you want to learn and experiment in a privacy-safe way with other data partners, you can use your fresh and persistent data in a clean room.

The key here is the pseudonymized view of individuals in the activation step because this keeps your first-party data secure and your customers' privacy at the forefront.

And the buck doesn't stop there. You know that you're using a secure space, but you need to allow your customers to determine what they're comfortable with, too. This includes preferred (or unpreferred) devices and other contact information. Your solution should honor a customer's preferences and consent. That's how you build strong relationships.

CORE ID: Built with privacy in mind

At Epsilon, our identity resolution—CORE ID—enables our CDP solution, Customer, to enhance data in a privacy-safe way through pseudonymized profile matching. Here's how it works:

- 1 **Clients' existing first-party data is ingested into Customer**
- 2 **Epsilon's proprietary CORE ID is attached to that data exclusively for that client's use**
- 3 **CORE ID fills in the gaps about what your customers are doing in the wild, creating a unified view of individuals (not segments).**

Essential capabilities

3 Current audience insights that drive intelligent campaigns

Everyone changes—it's a fact of life! What we loved one, five or ten years ago might not be the same today. Consumers change their habits as their life changes, and if you can't keep up, they're going to love you today but leave you tomorrow.

This is why it's essential for your CDP to grow with your customers. AI and machine learning models allow you to predict your customers' needs before they happen. And with deeper, richer insights, you can reengage customers who have gone cold. **In privacy-compliant digital spaces, brands can gain insights into digital signals that show interests and intent to drive highly relevant media activation.**

Your CDP solution should maintain key things about your customers. Did they move out of market? Are they starting a family? Did they suddenly (and somewhat inexplicably) get really into mountain biking?

These are the things that help you create compelling, always-aware customer experiences. Understanding these touchpoints online and offline gives you the chance to analyze the customer journey on a comprehensive level.



Essential capabilities

4 Person-based, closed-loop measurement and optimization

Remember printing out maps in ye olden days of the internet? They were helpful if you paid close attention or had a hyper-observant passenger. More often than not, you missed a turn along the way and possibly got lost. With GPS technology, there's a lot more certainty in where you're going: You can see that you need to turn in .5 miles onto Front Street, right after the McDonalds.

Data enhanced by identity resolution is the GPS in this metaphor. You know who your customers are individually and in aggregate which includes demographic, lifestyle and transaction insights. **This allows you to construct a multistep journey with real-time personalization across all channels (both owned and paid!) to optimize performance and engagement.** Better insights beget better measurement, and when you're able to prove a strategy is working (or identify one that isn't) you optimize to better 1:1 campaigns.

Closed-loop measurement and analytics show you how your marketing is driving business results on all levels, and help you continually adjust your strategy.

The more you know

Identity resolution gives you rich insights about your customers, so you can drive smarter campaigns. When looking at general audience attributes, consider:

- 1 **What attributes are common across your best customers?**
- 2 **What new attributes can you uncover?**
- 3 **How can you use some of the attributes to reach your dormant customers to get them to re-engage?**
- 4 **How can you use scoring to build more accurate and sophisticated targeting?**

Essential capabilities

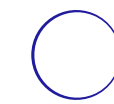
Industry report card

See how we stack up:



| | Identity | Privacy | Audience insights | Measurement & optimization |
|----------------|--|---|---|--|
| Epsilon | <p>Epsilon's CORE ID is the industry's most accurate, stable and scalable identity solution reaching 250M+ U.S. consumers.</p> | <p>Industry-leading privacy and data stewardship designed to evolve with regulatory changes.</p> | <p>Extensive audience insights build from unified, enriched customer profiles enabling 1:1 campaigns.</p> | <p>Closed-loop measurement across owned and paid platforms all on one user interface.</p> |
| CRMs | <p>Most CRMs do not come equipped with identity matching or resolution capabilities.</p> | <p>CRMs are built to store customer data in a secure, privacy-compliant space.</p> | <p>Brands can draw some customer insights based on actions and information they already know.</p> | <p>Measures leads and lead scoring, but doesn't often tell you where (or how) those leads came in.</p> |
| DSPs | <p>DSPs use a brand's PII data and typically that data alone; The quality will determine insight quality.</p> | <p>These spaces are designed to be secure. There's limited risk when brands give DSPs their first-party data.</p> | <p>Most DSPs don't deliver insights. Brands are tasked with giving DSPs audience information to build campaigns.</p> | <p>DSPs provide marginal metrics. Without identity, can only provide larger segment data.</p> |
| Walled Gardens | <p>Walled Gardens use PII-based data, but typically rely on weak identifiers like email.</p> | <p>These solutions follow strict privacy regulations.</p> | <p>The insights provided vary from vendor to vendor and are often general insights based on audiences and segments.</p> | <p>Reporting varies based on the provider, and those metrics are often determined by the vendor.</p> |

Key



Better



Worse

Value drivers

Now that you know what you *must* have, let's look at capabilities that go above and beyond to drive real value. These are the flourishes that make a good CDP solution great. And, most importantly, they give you a competitive edge for success.

- ★ **A solution that fits into your tech stack (and one that's easy to use)**
- ★ **Native activation using 1:1 campaigns from one platform**
- ★ **Fast implementation that proves return on investment**





Value drivers

A solution that fits into your tech stack (and one that's easy to use)

Marketers use a variety of solutions. And anyone who's purchased new tech can tell you, having a patchwork tech stack can be headache-inducing.

CDPs can be bespoke. For some marketers, that's going to be fine, but for others, **having a CDP that can plug and play with your other solutions is going to be key.** If you can't find a CDP that fits perfectly into your existing stack, consider a CDP that at least doesn't overcomplicate your existing software. Look for next-generation technology that integrates easily with what you already have and to whatever you might need next.

But don't stop there! Your tech doesn't have to be hard to manage. You should expect a self-service platform, as well as white-glove service to help you when you need it.

Value drivers

Native activation using 1:1 campaigns from one platform

Ultimately, the end goal for any marketer is to, well, market.

Typical CDPs can generate data that informs media activation, but many require a whole other solution to activate it. They will “plug” a brand’s data into somewhere else (so to speak) and use those insights to drive activation. What ends up happening, though, is when it goes from one place to the next, you can experience data loss and fidelity.

Native activation takes your data directly from your CDP and uses it to inform media campaigns. In layman’s terms: Now you can launch a bunch of campaigns across multiple channels—such as connected TV, display or email—and have the confidence the audiences are right because your data is clean, unified and enriched. This means bigger reach and bigger return on ad spend.

Visualizing activation





Value drivers

Fast implementation that proves return on investment

Martech solutions can be complicated—and expensive.

Marketers want to see value ASAP. The difference between weeks and months can change how much money is being left on the table. What sets a great CDP apart is its true speed to return on investment (ROI). You want a solution that can get you real results as fast as possible, and not just upfront. Proving value today and tomorrow gives you the confidence to know your strategy is having a true impact, and if you find it's not performing as well as you hoped, you're able to pivot when needed.

Speed-to-market is a game-changer that puts you in control of your campaigns. And that means less ad waste. If you can find a CDP that delivers quality insights, increases your reach, enhances your understanding of your customers and does it fast, you've hit the jackpot.

What the industry experts have to say

[Epsilon's Customer](#) is an all-in-one solution that meets all the guide's essential capabilities and value drivers. As part of our connected tech stack, Customer delivers granular, person-based audience insights that drive higher performing media.

But don't take our word for it; see what the experts have to say.



Container Store partnership:

The Container Store partnered with Epsilon to leverage our Customer solution. They wanted to transform their first-party data strategy, starting with their customer data. **"Epsilon's [Customer] was chosen because it contains knowledge about our shoppers that we didn't possess while enriching our customers' identity profiles. This is not an empty container, but rather a data rich platform that brought us speed to market faster than any other player in the space."**

-Tory Marpe, Vice President of Loyalty, The Container Store



2023 IDC Commentary:

A new IDC Link commentary reviews Epsilon's Customer solution, saying it allows marketers to activate at scale in a matter of weeks. The IDC Link, "Epsilon Announces Digital Customer Data Platform: Activation at Scale in Weeks," commented on Epsilon's new Customer solution, which officially launched earlier this year. [Read more here.](#)



CDP Institute whitepaper:

This 2023 whitepaper highlights the importance of personalized and persistent marketing across channels. Brands need to look for CDPs with identity at the core, which include Epsilon's Customer. [Read more here.](#)

Key questions to ask in your RFP

Based on everything we've discussed in this guide, below are **five key questions** to ask potential CDP partners when you're evaluating options to **ensure you're not settling**:

- 1 **How does the solution provide identity resolution?**
- 2 **Can your CDP unify online and offline sources?**
- 3 **How are measurement and analytics used to drive better insights?**
- 4 **How sophisticated is this tech stack, and how fast can I start using it?**
- 5 **Does your solution extend to digital media?**

Epsilon[®]

Epsilon is a global advertising and marketing technology company positioned at the center of Publicis Groupe. We connect advertisers with consumers to drive performance while respecting and protecting consumer privacy and client data. Epsilon accelerates clients' ability to harness the power of their first-party data in order to enhance, activate and measure campaigns with confidence. We believe in an open, privacy-first advertising ecosystem. Over decades, we've built the industry's most comprehensive identity graph to give brands, agencies and publishers the ability to reach real consumers across all channels and the open web. For more information, [visit **epsilon.com**](https://www.epsilon.com).