You're doing customer data wrong!

Name any business. It is collecting data about the customer, their own products, market research and everything in between today. Not only are they collecting this data, it's also growing rapidly to the point that it's getting ridiculous for humans to even figure out what to do with it all.

So what exactly is customer data? In simple terms, it's anything to do with the customer (or end user in technical speak). This could be financial transaction data, inventory transaction data, usage data from the platform products, demographic data and virtual infinite amounts of behavioural data.

All this data is used together to figure out marketing qualified leads, prospects, actual customers that converted, their usage patterns, the ideal customer, the not ideal customer, product development decisions, customer service improvements or general business strategy.

Customer data is the life blood of any business as it helps shape the business and its offerings.

So customer data is the superset of all of this data together.

In most businesses today, this customer data is stored in silos. Whether that's technological silos (such as specific business tools like CRMs, marketing, product analytics etc) or in organisational silos (such as the Finance department, engineering etc). This makes it very difficult for a business to provide consistent customer experiences across various channels, consumer devices or even internally within a business.

Introducing the Customer Data Platform

A Customer Data Platform (CDP) is a software that aggregates and organises customer data across a variety of touch points and is used by other software, systems, and marketing efforts. CDPs collect and structure real-time data into individual, centralised customer profiles.
Customer Data Platforms build customer profiles by integrating data from a variety of first-, second-, and third-party sources. This includes your CRM and DMP, transactional systems, web forms, email and social media activity, website and e-commerce behavioural data, and more.

CDPs inform people-based marketing, sales, product, engineering and business strategy, putting the customer at the centre of decision making

What a Customer Data Platform is Not...

While some CDPs may include overlapping functionality, a CDP...

Is Not a CRM system

CRMs (eg Hubspot) mostly store customer transaction data. They do not have insight into anonymous user behaviour (often requiring a form fill or purchase), typically are focused on sales data and only have limited integrations to other systems.

Is Not a DMP

DMPs are cookie-based, do not create a persistent customer profile and integrations tend to be limited to advertising (not the full customer journey). DMPs are focused on 3rd-party data, with some limited ability to integrate 1st-party data, whereas CDPs have a much heavier focus on 1st-party data.

Is Not a Personalisation tool

While some CDPs have built native execution tools such as website personalisation, this is not a core functionality for the category. This takes focus away from solving the underlying data fragmentation problem that companies in the market are experiencing today.

A few key difference between a Customer Data Platform and a CRM

Here are a few key differences between a CDP and a CRM.
1. CDPs **collect data on anonymous visitors**, whereas CRMs only report on known customers or potential customers.
2. CDPs **analyse lifetime customer behaviour and customer journeys**, whereas CRMs primarily analyse the sales pipeline and forecasting.
3. CDPs **track both online and offline customer data**, whereas CRMs cannot pick up on offline data unless manually entered.
4. CDPs **are built to handle multiple data points from a large number of sources**, meaning the potential for replicated or lost data is slim. On the other hand, CRMs collect individually-entered data that can get lost or mislabeled if not handled correctly.

Five Key benefits of Customer Data Platforms

1. Single View of the Customer

CDPs are purpose-built to collect data from a wide range of sources, unify it together to form a comprehensive view of the customer across devices and channels, and then make that data available to other systems. That view of the customer can move with your business and customers to wherever it needs to be.

2. Agility

A CDP provides businesses a tool to build and connect a flexible technology stack that adapts to ever-changing consumer behaviour and changing technology trends. By focusing on the data foundation, CDPs gives businesses to tools to collect data from everywhere and use it anywhere to drive better customer experiences.

3. Democratisation of Data

The value of customer data extends throughout any business. Marketing, business intelligence, customer service and beyond all depend on the availability of data to drive the business forward. A CDP democratises access to and the ability to leverage customer data across business departments and customer touchpoint.

4. More Effective Customer Experience and Marketing

Customers are using more channels and devices than ever and have high expectations for being delivered a consistent customer experience. Customers do not like when they are advertised a product online that they've purchased in-store. With a CDP in place, organisations gain a complete view of customer behaviour that can be used to drive the most comprehensive customer experience possible without blind spots.

5. Operational Efficiency

The task of integrating point solutions and setting up new technologies and tools used to be resource-intensive, while also not being very reliable as custom solutions can be hard to maintain. CDPs centralise customer data with maintained turnkey integrations saving hours of integration work. Also, audiences and business rules are set up centrally in one place and can be

applied across various tools saving huge amounts of duplicated effort between.

How are we at AgriDigital using CDPs?

At **AgriDigital** we have decided to utilise an open-source customer data platform called **RudderStack** for our CDP.

RudderStack has been built with a focus on privacy and security. Large organisations are increasingly under pressure to comply with the privacy and security requirements, and also deliver high growth with sales and marketing pressure. RudderStack is an open-source alternative to Segment built with a focus on privacy and security for businesses. At AgriDigital, we deal with customer data that is personal, business and financial in nature.

So security and privacy is very important to us and our customers. RudderStack allows AgriDigital to see on a per-user basis the flow of customer data across our entire software stack. Moreover, customer data never leaves our AgriDigital infrastructure.

We decide what data needs to go where based on the RudderStack control plane. Because the data never leaves our infrastructure, our customer data is only being used in the ways we intended it to be. It also vastly reduces the burden of the security and compliance teams to ensure high integrity usage of data.

RudderStack allows sending only the data that is needed by a third-party tool and not more. It brings transparency into the data exchange protocols which are otherwise opaque and hard to understand.

RudderStack replaces several third-party SDKs and integrations into one RudderStack SDK. RudderStack allows the ability to control customer data flow into various internal and external tools. It also leads to the benefit of performance improvement as several SDKs and integrations get replaced by RudderStack SDK.

As a result, we have already sees an improvement in the load times on our web app and marketing pages, an important metric for Google while ranking the search results. The impact is even bigger on mobile. It also replaces the need for integration with each individual third-party tool, unlocking rapid iteration for the product and growth teams.

Finally, at AgriDigital we believe that open source is a great alternative to proprietary tools, especially for fundamental infrastructures such as data collection and routing layers. It also allows for a vibrant community to support a wide array of integrations. Open Source reduces our overall long term cost, enables customisations to suit our business requirements and enables extensibility of the tool.

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