ORACLE

The Complete Guide to
Customer Data Platforms

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What Is a CDP
and Why Do You
Need One?

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Over the years, the way businesses use customer data has evolved dramatically. With the rise of digital platforms, customers now interact with brands across countless touchpoints—whether browsing websites, scrolling social media, shopping in store, or engaging through mobile apps. This shift has created a massive challenge for companies as they strive to make sense of all this data and use it effectively. That's where customer data platforms, or CDPs, come in.

In the past, businesses relied on tools like CRMs and data warehouses to manage customer information. While helpful, these systems often worked in isolation, making it hard to get a full picture of each customer. CDPs changed the game by offering a solution specifically designed to pull all this data together, organize it, and make it actionable. What started as a niche tool for marketing teams has quickly become essential for any business trying to compete in today's customer-driven world.

This chapter of The Complete Guide to Customer Data Platforms covers the key aspects of CDPs, including their baseline capabilities and the role they play in transforming business operations today. We'll also highlight Oracle Unity CDP—a powerful platform that leverages the latest technologies to deliver exceptional customer experiences. Whether you're new to CDPs or refining your approach, this series is your go-to resource for understanding, selecting, and implementing a CDP effectively.

What is a CDP?

A CDP is a packaged software solution designed to unify and manage customer data from various sources to create a single, comprehensive view of each customer that includes their behaviors, interests, preferences, and value to the company. This holistic view allows businesses to deliver highly personalized experiences, improve customer engagement, and drive revenue growth.

At its core, a CDP can achieve the following:

✓ Establish a unified view of customers by compiling customer data from across the enterprise	✓ Run AI and ML models and scoring on the unified data to score, predict, identify propensity, and automate insights
✓ Build actionable customer profiles based on that data alongside contextual attributes	✓ Activate the intelligence driven by the above steps to generate more conversation-ready opportunities, personalize experiences, uncover insights, and optimize service operations

Imagine a fashion retail brand that operates both online and in physical stores. Without a CDP, customer data from in-store purchases, online browsing, and customer service interactions might be fragmented across different systems, such as point-of-sale (POS) systems, ecommerce platforms, and the traditional CRM tools. This fragmentation makes it difficult to get a complete picture of each customer. A CDP consolidates all this data, enabling the brand to see that a customer who purchased shoes in store has also been looking at a particular handbag online. With this insight, the brand can send a personalized offer for the handbag, increasing the likelihood of an additional purchase.

What's the purpose of a CDP?

A customer data platform is essential for businesses that want to make the most of their customer data. Here are the key benefits.

A unified customer and account view

A CDP provides a 360-degree view of each customer and account by consolidating data from multiple sources including CRM systems; marketing, sales, service, and loyalty platforms; and even back-office applications.

For B2C businesses, this comprehensive view helps them understand individual customer behaviors, preferences, and needs. With all their customer data in one place, companies can conduct more personalized interactions, improve marketing effectiveness, and increase customer loyalty by engaging customers with the right message at the right time.

For B2B companies, understanding accounts and buying group dynamics is crucial. While many platforms focus solely on individual customer data, only a select few CDPs—including Oracle Unity—can handle both individual and account hierarchies. This dual capability provides visibility into complex account structures, enabling marketing and sales teams to identify the key decision-makers and influencers within each account. With this comprehensive view, teams can deliver more personalized and targeted outreach based on engagement and intent, driving better results.

Example

A B2B technology firm uses a CDP to unify data from its CRM, email campaigns, and customer support systems. Within a target account, the CDP identifies that several department heads have been consistently engaging with product demos and attending webinars, while procurement staff have shown interest in pricing details. Using this data, the sales team can tailor their messaging, sending detailed product information to department heads while providing procurement with a customized pricing proposal. This targeted approach helps accelerate the sales cycle by addressing the specific needs of each stakeholder within the buying group.

Additionally, by integrating additional data from financial and service platforms, the CDP enables the sales team to monitor account health and anticipate potential cross-sell or upsell opportunities, allowing for a proactive, value-driven relationship with the client.

Real-time personalization

CDPs enable real-time personalization by using up-to-date customer data to tailor interactions across channels. Whether it's a personalized email, a push notification, or a targeted ad, real-time data helps ensure that the right message is delivered at the right moment to drive engagement and conversions.

Example

A frequent traveler browses flights on a travel company's website but leaves before booking. With a CDP, the company can connect the dots between that site visitor's past trips, loyalty program activity, and recent searches. Within hours, the traveler receives a friendly email suggesting destinations based on their preferences, followed by a push notification with a special loyalty bonus for booking soon. Later, when they open the travel company app, a personalized message highlights an exclusive deal on flights they were eyeing. This approach not only feels personal but also encourages the traveler to book with confidence.

Audience building and segmentation

With a CDP, businesses can create detailed audience segments based on various data points such as demographics, behavior, and purchasing history. These segments can be used to target specific customer groups with highly relevant marketing campaigns.

Example

A professional services firm uses a CDP to segment its audience into current clients, high-value prospects, and leads who attended a recent webinar. Instead of sending everyone the same message, the firm can personalize its outreach—sending helpful case studies to prospects, sharing industry insights with webinar attendees, and providing service updates to existing clients. This tailored approach makes the firm's marketing feel more relevant and helps build stronger relationships with its clientele.

Data activation across sales, service, marketing, and ads

A CDP allows for seamless data activation across different departments, with sales, service, marketing, and ad teams all having access to the same customer data. This leads to more coordinated efforts and consistent customer experiences.

Example

Revisiting the travel company, when a customer books a flight online, the company's CDP helps ensures that the traveler-to-be receives follow-up emails with hotel deals or car rental options that fit their travel plans. At the same time, if that customer calls in with a question about their booking, the customer service team has all the details at their fingertips. This coordination makes the entire experience feel seamless and tailored to the customer's needs.

Orchestration of customer interactions

CDPs support the orchestration of customer interactions across multiple channels, which helps ensure a smooth and consistent experience no matter how the customer chooses to engage.

Example

A financial services firm uses its a CDP to coordinate interactions across its website, email campaigns, and in-person meetings. If a client starts an inquiry about an investment online, the CDP can orchestrate a follow-up email from an advisor who's ready with personalized advice. This makes the whole process feel effortless and connected on the client's end.

Automation and predictive analytics

Customer data platforms leverage automation and predictive analytics to anticipate customer behaviors. This allows businesses to proactively address customer needs and optimize their marketing strategies.

Example

A subscription box company uses predictive analytics to identify customers who are likely to cancel their subscriptions. Instead of waiting for them to leave, the CDP automatically kicks off a personalized retention campaign—perhaps with a special offer or a reminder of why other customers love the service—to keep those customers engaged and on board.

Consider another example

A B2B manufacturing company uses predictive analytics to identify when clients might be ready to reorder supplies based on their past purchasing patterns. The CDP analyzes a client's buying cycle and automatically triggers a personalized outreach from the sales team just before that client typically reorders. This proactive approach helps the B2B manufacturing company stay top of mind while making it easier for the client to place an order, which can reduce the likelihood that the client seeks out alternative supplies. The end result is a boost in sales and a stronger business relationship.

How does a CDP work?

A CDP operates through a series of structured processes that transform raw data into actionable insights to drive business outcomes. Let's follow the customer lifecycle using a B2B manufacturing company as an example to see how a CDP manages the process.

Data collection

The backbone of any CDP is its ability to gather data from numerous sources, including websites, CRM systems, ERP platforms, email interactions, sales records, and even events such as trade shows. During this gathering process, the CDP validates and standardizes that incoming data, addressing inconsistencies such as missing values or formatting errors. This creates a clean and consistent input layer, which prepares the data for advanced processing in later stages.

Example

A B2B manufacturing company collects data from client meetings, email exchanges, CRM entries, product inquiries, website visits, and past purchase orders. The CDP consolidates all this information, giving the sales team a complete picture of each client's engagement history and buying patterns.

ID resolution

After gathering data, a CDP takes on the important task of ID resolution. This process is all about matching and connecting data points that belong to the same customer or account. To do this, the CDP uses two main approaches. First, there's deterministic matching, which links records based on exact identifiers such as email addresses or customer IDs—essentially, a guaranteed match. Then, there's probabilistic matching, which looks for patterns or similarities such as shared behaviors or locations to make educated guesses when exact matches aren't available. By tying together these pieces, the CDP creates a complete, unified view of each customer or account, setting the stage for more informed and impactful decisions.

Example

The manufacturing company may have multiple entries for the same client due to different departments placing orders or contacting the sales department. The CDP merges these scattered records, connecting all interactions from the procurement team, finance department, and technical support to the correct account as part of one unified profile.

Data unification and enrichment

The next step is data unification and enrichment, where the CDP integrates data from different sources and applies enrichments to enhance the customer profiles. This may include adding industry-specific data, scoring engagement levels, or applying predictive metrics such as potential order size.

Example

The CDP enriches the manufacturing company's client profiles by adding each client's annual revenue, number of employees, industry ranking, and recent purchasing trends. Using this enriched data, the sales team can identify high-value clients and tailor their communication accordingly.

Audience building/segmentation

With this unified and enriched data, the CDP enables the creation of highly specific audience segments. These segments can be based on criteria such as purchasing behavior, industry, engagement level, or product interest, allowing for more precise targeting.

Example

The manufacturing company uses the CDP to create audience segments for repeat buyers, clients interested in eco-friendly products, and accounts with potential for upselling. This segmentation allows the sales and marketing teams to focus their efforts on the most promising clients and deliver highly tailored offers and content.

Analyze, predict, and recommend

CDPs come equipped with advanced analytics tools, powered by AI and machine learning (ML), to analyze past behaviors, predict future actions, and recommend the next best steps. With these capabilities, businesses can gain deeper insights, identify patterns, and make more accurate predictions to help optimize customer interactions and sales strategies for better business outcomes.

Example

Using AI and ML algorithms, the CDP analyzes the past orders and interactions of one of the manufacturing company's clients, identifying that it tends to reorder specific industrial components every six months. The system predicts, with high confidence, that the client is approaching its next purchase cycle. Based on this insight, the CDP recommends that the sales team reach out with a personalized offer, such as a bulk discount on these components or a complementary product that fits its usual purchasing pattern. This proactive, AI-informed approach significantly increases the likelihood of securing the reorder—and potentially upselling additional products.

Engage

The final step in the CDP process is engagement, where AI and ML can play a crucial role in driving personalized and timely interactions. The CDP integrates with various marketing, sales, and service platforms to activate customer segments across channels, using AI-driven insights to deliver the right message to the right audience at the optimal time.

Example

Leveraging AI, the manufacturing company's CDP triggers a personalized email to the client about the upcoming reorder opportunity, highlighting the bulk discount for frequently purchased components. Simultaneously, the CDP's AI models identify the best time for the assigned sales representative to follow up with a phone call, engaging the client when they're most likely to respond. Thanks to this AI-guided engagement, the client feels valued and understood and is thus more likely to proceed with the reorder and explore additional offerings.
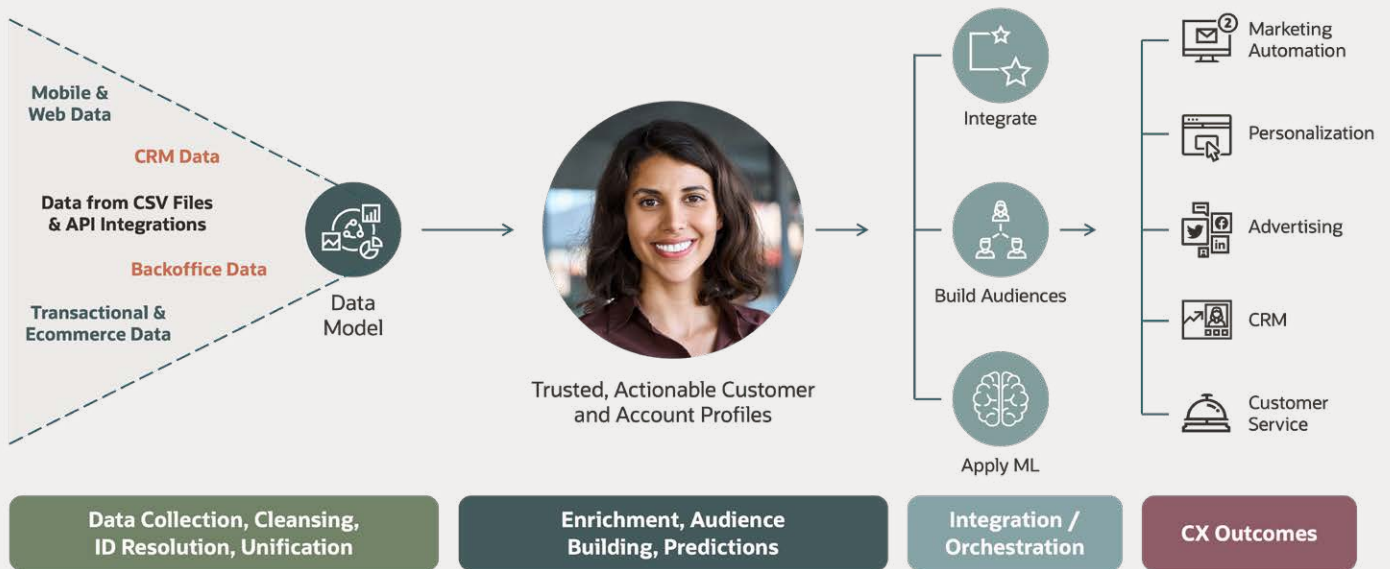
By completing this entire process using a CDP, the manufacturing company can help ensure that every customer interaction is informed, relevant, and timely—leading to higher engagement, better customer relationships, and ultimately, more sales.

Read the Blog: Debunking the Top 5 Myths About Customer Data Platforms (CDPs)

What are the key benefits of CDPs?

Customer data platforms provide a range of tangible benefits that directly impact business growth, operational efficiency, and customer satisfaction. Here's how CDPs deliver value.

Expand revenue growth

CDPs enable businesses to leverage first-party data to identify high-value customers, optimize pricing strategies, and enhance cross-sell and upsell opportunities. By understanding customer behavior and preferences, businesses can tailor their offerings to meet specific customer needs, leading to increased revenue.

Elevate the omnichannel customer experience

A CDP facilitates a consistent and personalized customer experience across all channels, whether they interact with your brand online, in-store, via mobile apps, or through customer support. This seamless experience is vital for retaining customers and encouraging repeat business.

Increase customer loyalty and retention

By utilizing a CDP to proactively manage customer relationships, businesses can offer personalized services and launch targeted campaigns that increase customer loyalty and reduce churn. Understanding customer behavior allows companies to intervene before a customer leaves, offering solutions that meet their needs.

Move with agility

CDPs enable businesses to act quickly on insights derived from real-time data, allowing for rapid decision-making and nimbler adaptation to changing market conditions. Automation of workflows and data driven processes can increase operational efficiency, reducing the time it takes to execute campaigns or respond to customer needs.

Maintain compliance and boost trust

CDPs help businesses manage data privacy and security by providing tools to support compliance with global regulations such as the GDPR, CCPA, and HIPAA. This is essential not only to avoid legal penalties but to build and maintain customer trust.

Create an integrated data ecosystem

By breaking down data silos, a CDP creates a unified data infrastructure that supports informed decision-making across the entire organization. This integration helps ensure that all departments—including marketing, sales, and customer service—are working with the same data, leading to more coordinated and effective operations.

Check out the Forrester report: Enhance the Effectiveness of Your Customer Data with a CDP

How can you use a CDP?

With a CDP, your business can unlock the full potential of customer data via tailored strategies that span marketing, sales, and service. Here are some key uses for this platform.

- ✓ Connected online and offline experiences

- ✓ Customer segmentation

- ✓ Customer personalization

- ✓ Lead scoring

- ✓ Optimized conversion rates

- ✓ A/B testing

- ✓ Omnichannel automation

- ✓ Improved email deliverability

- ✓ Retargeting and lookalike advertising

- ✓ Product recommendations

- ✓ Increased customer lifetime value (CLV)

- ✓ Unified marketing, sales, and service

Introducing Oracle Unity CDP

Oracle Fusion Cloud Unity Customer Data Platform, built from the ground up on Oracle Cloud Infrastructure (OCI), unifies data across your enterprise to provide a single, real-time view of your customers or accounts. With Oracle Unity CDP, your organization can seamlessly orchestrate data across all channels, enabling personalized, consistent customer experiences; predictive insights; and increased customer loyalty.

By offering a centralized repository of customer data and metrics, Oracle Unity CDP can align your sales and marketing teams to facilitate precise targeting, cross-selling, and upselling. With real-time insights, Oracle Unity CDP can empower your organization to make data-driven decisions, optimizing every interaction and accelerating revenue growth.

Moreover, Oracle Unity CDP simplifies complex sales processes, breaking down data silos and fostering cross-department collaboration. Its AI-driven analytics, combined with the power and security of OCI, position your organization to lead with innovation and efficiency so you can stay ahead in the market.

Oracle Unity Customer Data Platform (CDP)

Oracle Unity Customer Data Platform (CDP) is at the heart of unifying data across the enterprise and helping deliver real-time, connected experiences
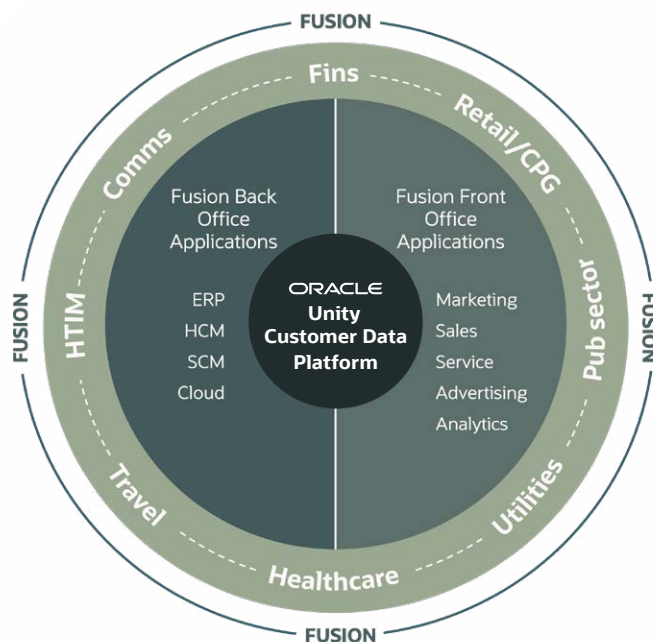
Why Oracle Unity CDP?

Highly adaptable: Oracle Unity CDP is designed to scale and adapt to the evolving needs of your business. Whether you're a small company just starting with data management or a large enterprise with complex data requirements, Oracle Unity can grow with you.

Data privacy-centric: With increasing concerns about data privacy, Oracle Unity CDP is built in line with the highest standards of security when it comes to your customer data. It helps businesses comply with global data privacy regulations including the GDPR and CCPA, protecting consumer data rights and building trust with customers.

Insight-driven: Oracle Unity CDP goes beyond data collection by turning data into actionable insights. Leveraging advanced analytics and AI, the platform can help your business understand customer behavior, predict future actions, and make smarter decisions.

Bolstered by a trusted partnership: Backed by Oracle's extensive experience and support, Oracle Unity CDP offers a reliable and robust solution for businesses of all sizes. With Oracle, you're not just getting a tool—you're gaining a partner committed to your long-term success.

AI-enabled: Oracle Unity CDP comes equipped with AI-driven features that automate processes and provide predictive analytics to help your businesses anticipate customer needs and behaviors to drive more proactive and personalized interactions.

Unified across front- and back-office applications: Oracle Unity CDP seamlessly integrates with both front-office applications such as marketing and sales tools, and back-office applications such as inventory management or customer support systems. This facilitates a consistent flow of information across the entire organization.

| Learn more about Oracle Unity CDP | Read about our out-of-the-box AI/ ML models |

Dive deeper into the world of CDPs

We can help you harness the full potential of your customer data by unlocking new levels of customer engagement to fuel your growth.

Learn more

Request a demo

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Call +1.800.ORACLE1 or visit oracle.com

Outside North America, find your local office at oracle.com/contact