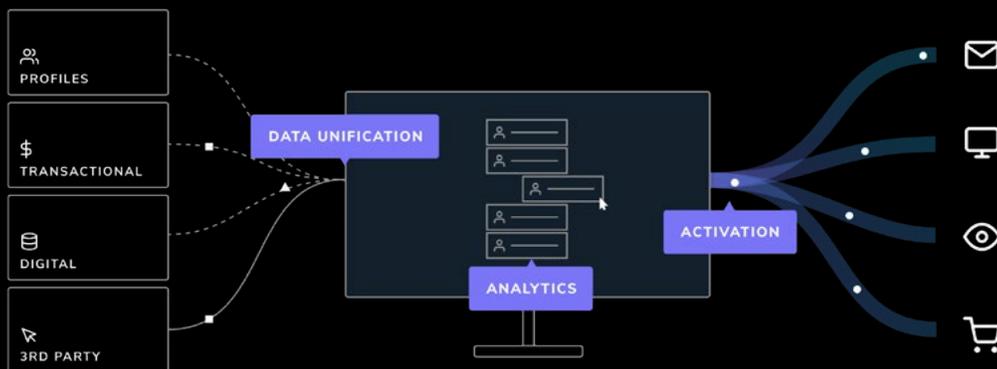




Customer Data Platform

Buy vs. Build Comparison Chart



The decision to buy or build a CDP is the starting point of your customer-centric transformation. Learn more about the factors that should be considered when deciding if buying or building is the right decision for you.

Introduction

To support your efforts to become a customer-centric organization that offers its customers helpful, personalized experiences, you've probably come to the realization you need a customer data platform (CDP). [According to Gartner](#), CDPs are systems that unify your company's customer data across multiple channels to enable customer modeling and optimize the timing and targeting of messages and offers.

[Core functions of a CDP](#) include unifying your data and customer profiles, analyzing your customers and defining segments and audiences, and activating & orchestrating personalized experiences—all atop secure, scalable and flexible infrastructure. CDPs are designed to be used by business people, as opposed to being exclusively for technical specialists. And the best CDP's go beyond just serving the marketing department. Rather, they enable a seamless and personalized brand experience across every touchpoint including marketing, product, merchandising, service, support and more.

The core capabilities and foundational components of a CDP can be broken into four key areas:

- **Unify** – Bringing together and matching granular customer behavior across online and offline channels, creating a single customer view
- **Analyze** – Making customer insights rapidly and readily available to everyone who needs them—especially business users—and augmenting human intelligence with AI
- **Activate** – Giving the ability to orchestrate, test and measure experiences across all customer touchpoints
- **Infrastructure** – Providing a highly performant, secure and scalable backend that integrates with your existing tech stack and any future best of breed additions

The first three categories of capability—unify, analyze and activate—take your raw data and turn it into insights you can use to benefit both your customer and your business. Underneath it all, your infrastructure is the foundation to enable that work and activate across all your data sources, multiple channels and touchpoints.

Comparison Chart

But [should you build or buy your CDP?](#) Use this chart to understand the tradeoffs of build versus buy so you can decide which approach is best for your organization.

	BUY	BUILD
Total cost of ownership	<ul style="list-style-type: none"> • Can be higher initially on a per user basis due to software licensing/ subscription costs • As usage increases, vendor-provided enhancements, maintenance and support drive TCO down significantly 	<ul style="list-style-type: none"> • Can be lower initially if built to a tight spec and usage is limited • As usage increases, higher cost of maintenance, support and enhancement can drive TCO up significantly
Time to value	<ul style="list-style-type: none"> • If a vendor solution is a good match for your use cases, buying your solution offers the fastest time to value (for example, see how Pandora achieved ROI in 90 days) 	<ul style="list-style-type: none"> • Slower time to value due to engineering efforts at startup • This option can make sense for certain highly specialized use cases, if skilled resources are available to build and deploy
Total ROI	<ul style="list-style-type: none"> • Quick wins plus ability to grow capability quickly gets you to high-value use cases faster • Internal IT resources are freed up to focus on the highest-value projects in the organization 	<ul style="list-style-type: none"> • ROI dependent on your ability to develop and support new capability quickly and cost-effectively • ROI hindered by opportunity costs of IT being occupied with a platform-level engineering effort, rather than focusing on high-value business use cases
Risk	<ul style="list-style-type: none"> • Technical risk is low for vendors with a proven implementation approach and technology • Change management risk moderate—can be mitigated with a well-executed change management strategy 	<ul style="list-style-type: none"> • Technical risk is moderate to high, depending on the state of your tech stack and the skills and experience of your personnel • Change management risk moderate to high, depending on the usability and business user adoption rate of the UI/UX you develop

	BUY	BUILD
User experience	<ul style="list-style-type: none"> • Vendor solutions include a UI/UX tested across a large user base, supported by the vendor as well as an existing user community, and enhanced on a periodic basis 	<ul style="list-style-type: none"> • User experience dependent on your technical team's proficiency with designing UI/UX and rapidly iterating the deployment to create an intuitive and effective workflow for business users
Ability to meet unique requirements	<ul style="list-style-type: none"> • Met through configuration, customization and integration using the out-of-the-box technology as a foundation for rapid development 	<ul style="list-style-type: none"> • Met through bespoke development using skilled internal or system integrator technology resources
Ease of integration	<ul style="list-style-type: none"> • CDP vendors typically offer a library of pre-built integrations that grows over time, enabling rapid integration with the most common data sources and martech systems • Enterprise-class CDPs include programmatic interfaces easing interoperability and integration with vendor-provided and homegrown systems where a pre-built integration doesn't exist • Leading CDPs can ingest and utilize fully granular data from nearly enterprise data source without requiring any upfront data modeling or data transformation exercise 	<ul style="list-style-type: none"> • Dependent on the state of your existing tech stack and the skills & experience of internal or contracted systems integration resources
Privacy, security, governance	<ul style="list-style-type: none"> • Vendor-provided CDPs will typically house your customer data in a secure cloud environment such as AWS • Solutions offer granular role-based and user-level permissioning for data governance • Enterprise-class CDP vendors participate in SOC 2 Type 2 examination and support privacy standards including GDPR, CCPA, HIPAA and others 	<ul style="list-style-type: none"> • Option to build your solution behind-the-firewall or in the cloud • Privacy, security and governance designed, managed and implemented by your internal IT teams or contracted service partners

Bringing it All Together

If your CDP is rich in capability and well-architected across all four categories of unify, analyze, activate and infrastructure, you're likely to have a solution that's well-positioned to handle both the current and future demands you'll make of your CDP.

About ActionIQ

ActionIQ empowers the world's leading brands to win in today's experience economy by completely changing how they interact with their customers, creating more authentic and valuable experiences. Our platform is used by the largest brands across retail, media, finance, hospitality, and subscription services to intelligently personalize customer experiences across every touchpoint, at scale. For a deeper dive on setting up a robust CDP evaluation, as well as a complimentary checklist of core CDP requirements that you can use to help build a great RFP reach out to us today to set up a demo, marketing@actioniq.com



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