



CDP VS DMP: WHATS THE DIFFERENCE?

A BASIC EXPLANATION

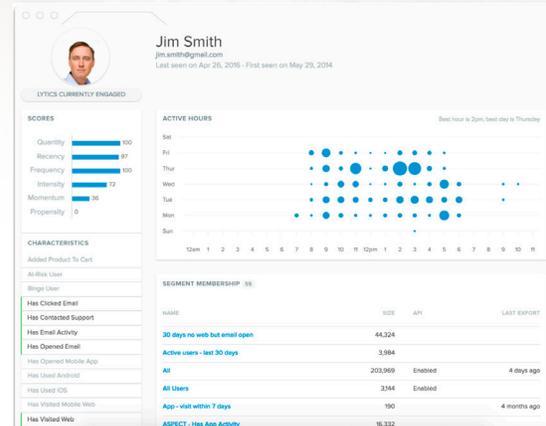
According to the Customer Data Platform Institute, “a Customer Data Platform is a marketer-managed system that creates a persistent, unified customer database that is accessible to other systems.” *Martech Today* defines a Data Management Platform (DMP) as “a central location for marketers to access and manage data like mobile identifiers and cookie IDs to create targeting segments for their digital advertising campaigns.”

BASIC DIFFERENCES

The differences between CDPs and DMPs can be boiled down to the fact that most DMPs primarily make use of third-party data—aggregated data from all kinds of third-party websites with varying levels of quality — to target anonymous cookies for advertising (i.e., acquisition marketing). CDPs focus on first-party data, which belongs to companies themselves, and consists of both known and anonymous customer data that details user behaviors (ex. most active time), actions (ex. purchases, email opens) and interests (ex. affinity for baseball) across the company’s online and offline presence. Data such as offline purchases or call center interactions, that aren’t attached to an online cookie, can only be utilized by a CDP.

WHAT ARE YOU PAYING FOR?

With a DMP, you are essentially paying to combine your anonymous website tag data with rented data from data vendors, so that you can target prebuilt segments with online advertising. You are paying for access to data as opposed to a marketing execution tool or integrations. CDPs, on the other hand, help with collecting and managing your user and customer data (web, email, mobile, social, commerce etc.),



Example of a Lytics CDP user profile

allow you to build audience segments off of that data, and then sync those audiences to your various marketing tools. It’s important to note that DMPs require you to use prebuilt audiences for targeting, while CDPs allow you complete freedom in building and customizing audiences.

THE PURPOSE OF A DMP

DMPs are designed to improve display ad targeting through the use of anonymous cookies. These cookies contain information about an anonymous person’s behaviors throughout the web, and are without a doubt the most important piece of data a DMP can gather. Companies most frequently use their Data Management Platforms’ pre-built audiences, which sort individuals based on behaviors, to strengthen their acquisition marketing strategies.

It’s important to note that DMPs store user data for a much shorter period of time than CDPs do. DMPs create temporary (~90-day lifespan), anonymous profiles.

Unfortunately, the lack of identification, as well as the restricted lifespan of each profile tends to limit their accuracy. Some DMPs (Blukai for example) let you see your own profile online.

THE PURPOSE OF A CDP

CDPs are designed to be a system of record for marketing departments to manage disparate user data — across a company’s martech tools — to enable one to one marketing experiences across a variety of communication tools (e.g., web, mobile, ads, email). CDPs such as Lytics go beyond the typical CDP offerings and use machine learning to analyze behaviors (e.g., content affinity, lifecycle, etc.), and discover predictive indicators (e.g., likely to churn, likely to buy) to enhance personalization. These capabilities allow you to e-mail offers to only those “likely to buy” or to greet a frustrated customer “likely to churn” on your website with a message that offers assistance.

CDP VS DMP: DATA ONBOARDING

Data Management Platforms are primarily designed to pull in data from 3rd party data vendors, and a company’s anonymous website tag data. DMPs focus on pushing that data out to display ad networks to be used in acquisition marketing. CDPs are able to pull in, and push out data (in the form of known and unknown audience segments) to and from every marketing channel, including website, email, mobile app, Facebook advertising, Google advertising, display ads, and more.

CDPs can also leverage information available for no cost in ad platforms like Google and Facebook to work in tandem with DMPs.

CDP View



Gavin McMahon
Opened Email 6/10/17
Visited Website 6/12/17
Browser: Chrome
Referred From:
www.Facebook.com
Location: Portland, OR
Affinity For: Soccer,
Basketball, Music

DMP View



Anonymous User
Age: 30-34, 61-65
Married, 3-8 Kids
High Schooler
Location: Anchorage, AK
Interested in: Cats,
Automobiles, Dogs

This means that they can onboard CRM data directly to Facebook, Google, and Twitter for ad targeting, or use other data services like LiveRamp to onboard directly to DMPs. To put it simply, a CDP greatly expands the options available to your team for both data onboarding and exporting.

WRAPPING IT ALL UP

Although the anonymous cookie-targeting prowess of a DMP can be useful for acquisition marketing, CDPs save you time and money, and give you far greater access to data import and export tools. CDPs go beyond a display advertising use case and allow marketers to easily act on their data in a plethora of ways across all their marketing channels.



Some of the integrations available in the Lytics CDP