

CDPs in Asset Management: Myth and Reality

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Agenda

- About the CDP Institute and CDPs
- About the Survey
- Executive Summary
- Overview of Findings
- Response Details
- Call to Action
- Resources
- Appendices

The CDP Institute

- The CDP Institute was founded in 2016 (cdpinstitute.org) by David Raab as a vendor neutral organization to educate marketers and technologists about CDPs
- The Institute resulted from the convergence of marketing system vendors (unified) with tag manager and web analytic vendors (persistent)
- Over 12,000 members today
- Over 150 vendors today

State of the CDP Market Today

- Based on data provided by a few vendors and industry averages*
 - CDP Institute 2021 Revenue Estimate was \$1.6 Billion
 - CDP Institute 2022 Revenue Estimate is \$2.0 Billion
- With IDC at \$3 Billion by 2025
- And Markets & Markets at \$10.3 Billion by 2025
- And Fortune Business Insight at \$6.94 Billion by 2029 (25.4% CAGR)

*CDP Institute Industry Update, July 2022

CDP Institute: Benefits Claimed by Respondents Receiving High Value from their CDP Deployment*

- Create a unified customer view (enhancing CX)
- Less dependence on IT
- Predictive and general analytics
- Faster reaction
- Less time spent on data management

What is a CDP?

The CDP Institute definition for a **RealCDP**:

“packaged software that creates a persistent, unified customer database that is accessible to other systems.”

- Ingests data from any source
- Captures full detail of ingested data
- Stores ingested data indefinitely (subject to privacy constraints)
- Creates unified profiles of identified individuals
- Shares data with any system that needs it
- Realtime data collection and response to profile requests

Types of CDPs (CDP Institute)

- Data
 - Analytics
 - Campaign
 - Delivery
-
- They all have the Shared CDP Features (the Core) mentioned on the previous slide
 - CDPs do not all have the same functionality
 - They have distinguishing features

Distinguishing Features of CDPs

- Data Management
- Identity Management
- Real Time
- AI/ML + Next Best Action
- Web Site
- Mobile Aps
- Offline
- Business to Business (B2B)
- Analytics
- Journey Orchestration + Campaigns
- Privacy

About the Survey

- **Objectives**

- The **first industry study into Asset Management** use of CDPs
- Continue to develop the body of knowledge and understanding of the value of CDPs to Asset Managers
- Assess where the sector stands with respect to implementing CDPs
- Understand the constructs that make up members' customer data infrastructure

- **Research process**

- Online survey sent to members of The SME Forum and to other asset management firms. The core survey is patterned after the 2021 CDP institute member survey
- Responses analyzed for trends
- Research conducted between Aug 2022 – Oct 2022
- Research conducted by Marianne Hewitt in collaboration with the CDP Institute and the SME Forum

Executive Summary

- Asset Managers made operational effectiveness their highest priority in recent years
 - More recently, *Customer Experience has emerged as a close second priority to operational effectiveness*
- In order to deliver the desired Customer Experience, data quality and a 360 view of the customer in real time over any channel are required
 - CDPs provide the functionality needed for the desired CX and also contribute to operational efficiencies by eliminating data, people and technology silos
- Asset Managers are very much aligned with the broader cross-industry population (as identified by the CDP Institute) when it comes to benefits, challenges and capabilities desired

Executive Summary (2)

- Asset Managers *lag behind the broader cross-industry population* (as defined by the CDP Institute) in current CDP deployments
- However, Asset Managers are *ahead of the curve when it comes to CDP deployments (on a percentage basis) planned for the next 12-24 months*
- Similar to the broader cross-industry population, Asset Managers consider organizational readiness (rather than technology) the greatest challenge to deployment success
- 60% of Intermediary business unit respondents plan to supplement second generation Marketing Automation Platforms with CDP journey orchestration followed by Institutional businesses at almost 40%

Overview of Findings (1)

- Organizational readiness, not technology, is the greatest challenge for new CDP deployments
- There is a high level of consistency among The SME Forum respondents and the 2021 CDP Institute Member Survey with respect to:
 - Deployment Status
 - Benefits
 - Capabilities
 - Problems

Overview of Findings (2)

- The extent to which Asset Management firms have deployed CDPs
 - RealCDP certified by the CDP Institute *lags behind the cross-sector population**
 - as defined by respondents themselves also *lags behind the cross-sector population**

	This survey	CDP Institute*
	%	%
Deployed	6	26
In progress	6	18
In 2023	39	24
In 2024	6	7
No plans	28	19
Don't know	6	7

Overview of Findings (3)

- The number of RealCDP deployments (on a percentage basis) planned over the next 24 months is greater than the same measure for the cross-industry population
- Asset Managers primarily with AUM < \$100B are not yet ready to plan for or deploy CDPs

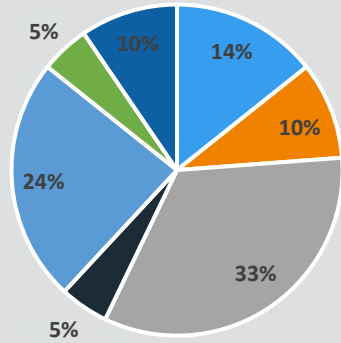
Firmographics*

- North American Asset Managers were the primary respondents
- AUM
 - 15% > \$1T
 - 50%+ \$100B-1T
 - 33% < \$100B
- Distribution of AUM across lines of business
 - 35% reported Institutional was 50-100% of their AUM
 - 76% reported Intermediaries is 50-100% of their AUM
 - 56% reported Direct Retail is 25% or less of their AUM

Response Details

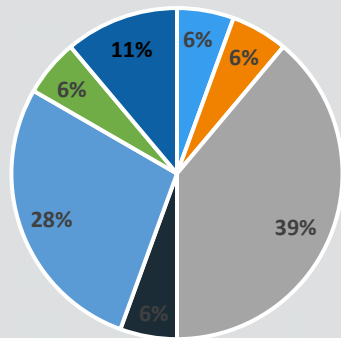
State of CDP Deployment

State of CDP Deployment



■ Deployed ■ In progress ■ In 2023 ■ In 2024 ■ No plans ■ Don't know ■ Incomplete

State of RealCDP Deployment

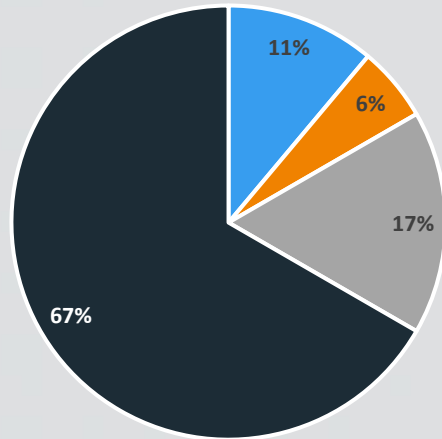


■ Deployed ■ In progress ■ In 2023 ■ In 2024 ■ No plans ■ Don't know ■ Incomplete

- “CDP” vs. RealCDP certified
- Regardless, Asset Managers lag behind the cross-sector community at 26% deployment
- “No plans” or “Don’t know” primarily with \$100B AUM or less
- Deployed or will deploy – distributed over all levels of AUM

CDP Deployment Status

Deployment Status



■ On time/on budget ■ Took longer/cost more ■ Still underway ■ Never tried to deploy

- Never deployed - 67%
- Still deploying - 17%
- Deployed on time and budget - 11%
- Took longer and cost more than anticipated - 6%

CDP Institute 2021 member survey reports similar top 3 experiences

CDP Deployment Problems

- Our organization was unprepared
- Input data was missing or inadequate
- Requirements were understood but time and cost were underestimated

CDP Institute 2021 member survey reports same 3 top problems

CDP Deployment Benefits

- Create a unified customer view
- Improved data analysis and segmentation
- Improved orchestration of customer treatments across channels

CDP Institute 2021 member survey reports same 3 top benefits

Most Desired Capabilities

- Collect data from all sources including CRM, website, mobile apps and third parties
- Powerful identity matching and management
- Deliver customer profiles to other systems in real time

CDP Institute 2021 member survey reports same 3 top capabilities

CDPs and Privacy

- Almost all respondents are not using CDP for privacy
- A small number are interfacing with a privacy manager

CDP Institute Privacy Survey 2022

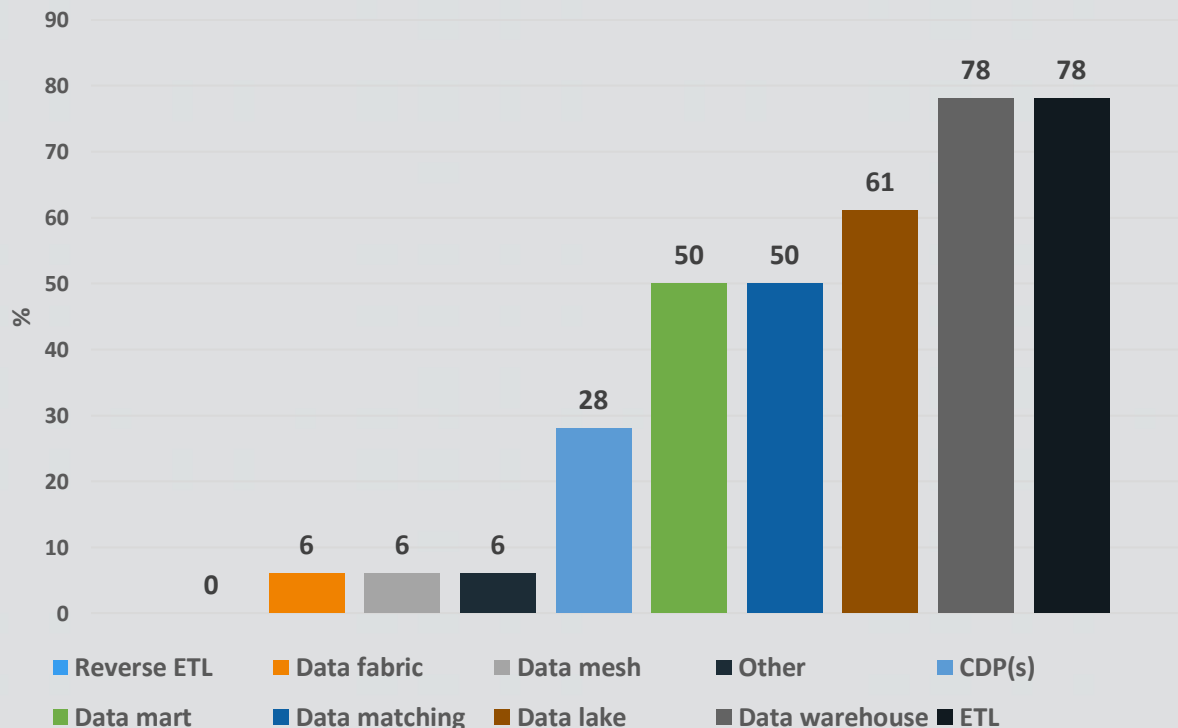
- The privacy ecosystem continues to evolve
- Most CDPs have consent and preference management data
- Some CDPs present themselves as a Consent Management platforms
- Segment survey: 51% use a CDP for Privacy purposes (real time is crucial)

Will your CDP be your NextGen Marketing Automation Platform?

- Over 60% of intermediary respondents will supplement MAP (Marketing Automation Platform) capabilities with a CDP
 - Institutional and Retail respondents also intend to supplement
- Across all business segments, a modest degree of uncertainty exists about how firms will manage transitioning to the next generation MAP

The Components in your Customer Data Infrastructure (CDI)

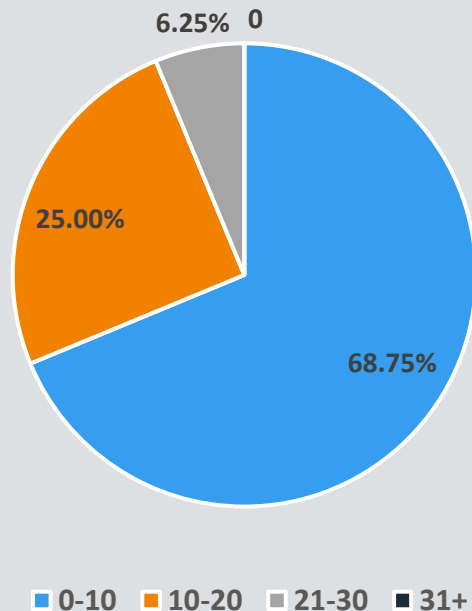
Customer Data Infrastructure Components



- Data lakes trail data warehouses
 - Data lakes are schema-less and hold unstructured data
- Data fabrics and meshes in early adoption stage
- Data matching has traction

The Age of your Customer Data

Age of Customer data



- Almost 70% report their data is less than 10 years old
- Over 6% report their data is 21-30 years old

CDIs Main Technical Obstacles

- Quality of data in general
- Quality of first party data
- Integration of data
- Poor/no data governance

CDP Institute 2021 member survey reports Organizational Readiness, not technology, is the greatest challenge for new deployments

CDIs Main Non-Technical Obstacles

- Resistance to change
- Cross-functional collaboration
- Executive support
- Budget

CDP Institute 2021 member survey reports Organizational Readiness, not technology, is the greatest challenge for new deployments

Call to Action

- If deployed or deploying
 - Affirm KPIs from your business case
 - Are you accruing the forecasted benefits?
 - Continue education and following the evolution in the category e.g. Privacy, Next Generation Marketing Automation Platform (omnichannel)
 - Are you addressing the gaps in your program relevant to objectives?
- If you have no plans or don't know if you should have plans
 - Do you need a CDP?
 - What are the objectives and use cases?
 - What vendors are the best match for your use cases?
 - Prepare the organization
 - Conduct an evaluation
 - Incremental deployment steps

Resources

- www.cdp.com/articles/how-asset-managers-use-cdps-to-create-the-martech-stack-of-the-future/
- CDP Institute: www.cdpinstitute.org
- The Growth Strategy Group: www.growthachieved.com
- www.cdp.com
- Vendor websites
- www.chiefmartech.com
- Real Story Group/Gartner/Forrester

Thank you!

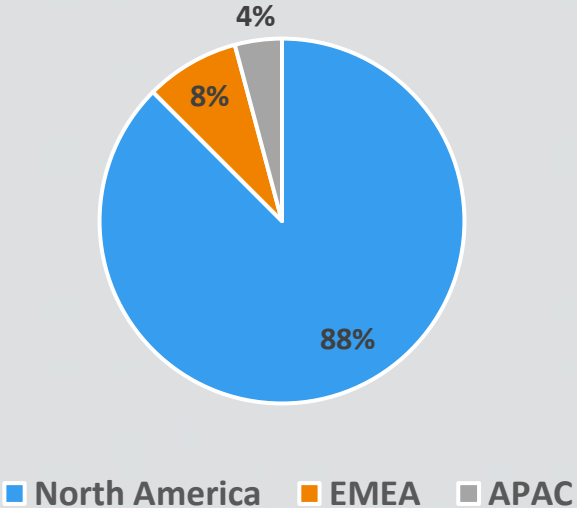
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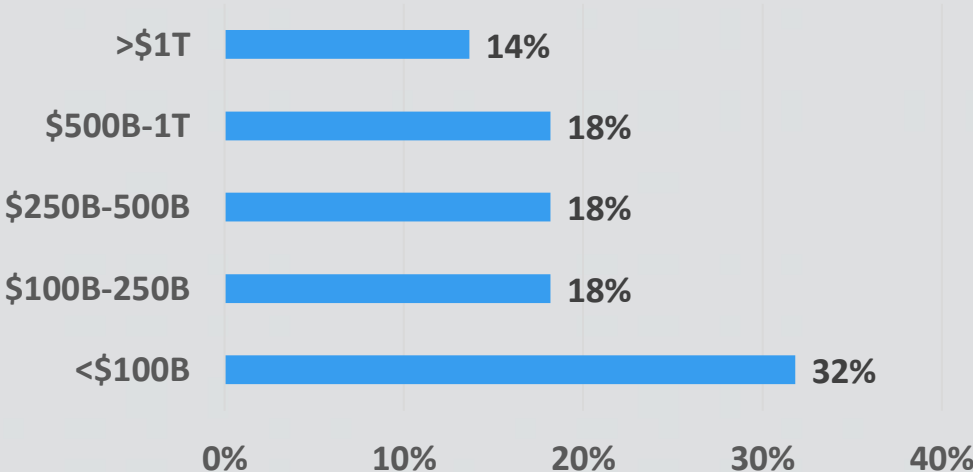
Appendices

Appendix A – Firmographics (1)

Regions Represented

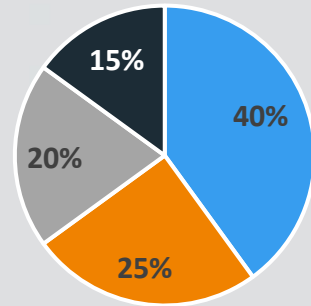


Total AUM



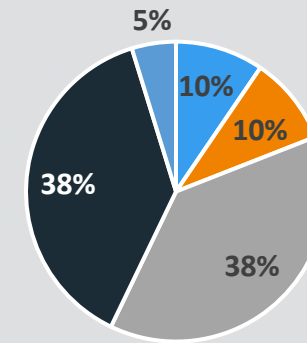
Appendix A: Firmographics (2) – AUM By Line of Business

AUM Institutional



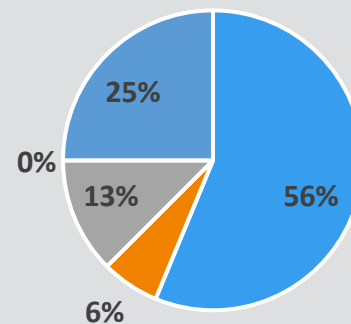
■ 25% or less ■ 25-50% ■ 50-75% ■ 75%+

AUM Intermediary



■ 25% or less ■ 25-50% ■ 50-75% ■ 75%+ ■ N/A

AUM Direct Retail



■ 25% or less ■ 25-50% ■ 50-75% ■ 75%+ ■ N/A