Real Story GROUP
MAKE BETTER
TECHNOLOGY DECISIONS

Composable CDPs:
Myths and Realities

April 2024

A Different Kind of Analyst Firm…

GEEKS	MYSTICS
LOSERS	POSERS

"the mystical quadrant"

INDEPENDENCE FACTORS	REAL STORY GROUP	OTHER FIRMS
CONSULT TO VENDORS?	NO	YES
SPEAK AT VENDOR EVENTS?	NO	YES
ACCEPT EXPENSES & HOSPITALITY FROM VENDORS?	NO	YES
WRITE PAPERS FOR VENDORS?	NO	YES

MARTECH STACK VENDOR MAP

Real Story Group's vendor evaluations and advisory services have helped thousands of organizations find their way. We can help you too.

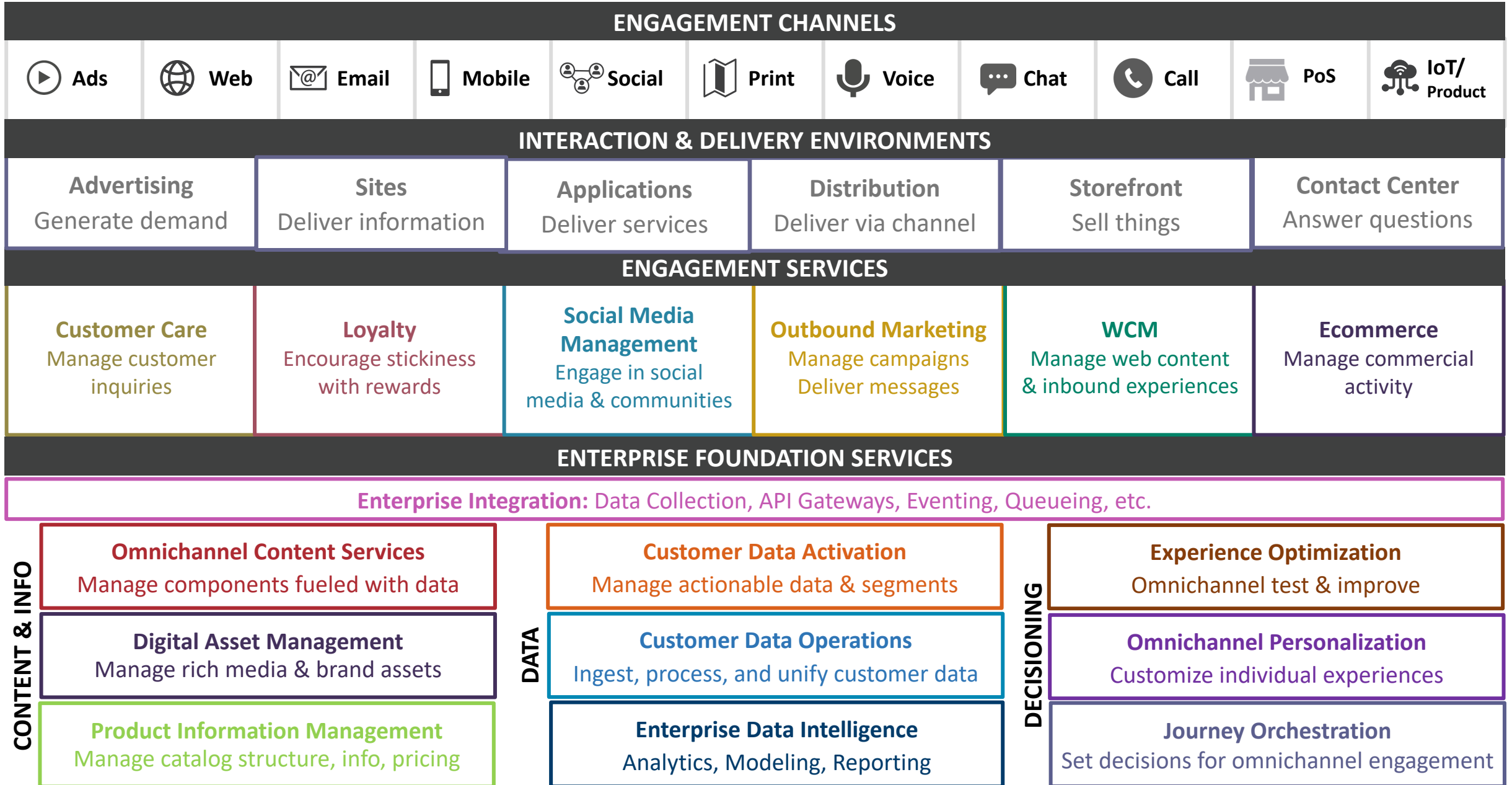Take a test ride—download a sample today: **www.realstorygroup.com/try**

KEY

- **Web Content & Experience Management**
- **Digital Asset Management**
- **Outbound Marketing Platforms**
- **Marketing Analytics & Attribution**
- **Customer Data Platforms**
- **Journey Orchestration Engines**
- **AI for Marketing**
- **Omnichannel Content Platforms**
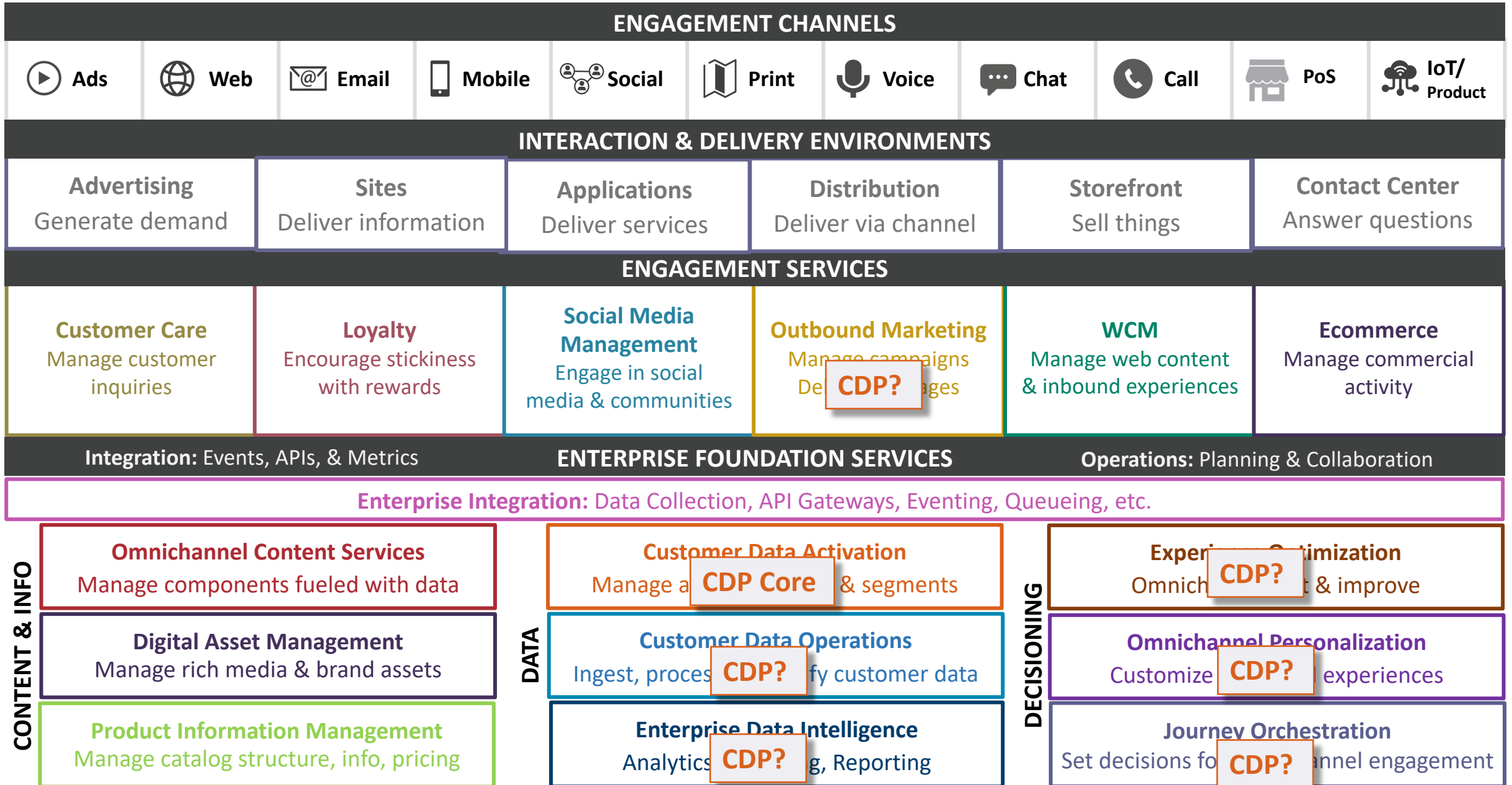- **Personalization Platforms**
- **Ecommerce Platforms**

BLUECONIC
CROSSENGAGE
BLUESHIFT
REDPOINT GLOBAL
MPARTICLE
TREASURE DATA
BLUEVENN

GENESYS
NICE
QUALTRICS
RELAY42
MEDALLIA
CSG

TYPEFACE
MESSAGEPOINT
ANTHROPIC
JASPER
POSTELLO
PERSADO
OPENAI
COPY.AI

NG DATA
ACTIONQ
D4T4 SOLUTIONS
MASTERCARD
ZETA GLOBAL
LEMNISK

SAP

INFOR
CREATIO
PEGA
HCL

MESSAGEGEARS
ITERABLE

IPSOS

HUBSPOT
SELLIGENT

SHOPIFY
ELASTIC PATH
COMMERCETOOLS
BIGCOMMERCE

TEALIUM
QUICKPIVOT
AMPERITY
ASCENT360
DUN & BRADSTREET

ACOUSTIC
GOOGLE

ZINEONE
ALGONOMY
OPTIMIZELY

KIBO
DYNAMIC YIELD
AMPLITUDE
MONETATE
ALGOLIA

LYTICS

JAHIA
ACQUIA

MICROSOFT
SALESFORCE

TWILIO-SEGMENT

RUDDERSTACK
OPTIMOVE
LEXER

BLOOMREACH
EZ SYSTEMS

OPENTEXT
APRIMO

CONTENTFUL
MAGNOLIA

ENONIC
SITECORE

MARCOMCENTRAL

ADOBE
ORACLE

COREMEDIA

CLOUD CMS
LIFERAY
DRUPAL
AMPLIENCE

MERLINONE
BYNDER
CELUM
INTELLIGENCE BANK
ESKO/MEDIABEACON
HYLAND NUXEO

KLAVIYO
MOENGAGE
ACT-ON

NEUSTAR
NIELSEN
MERKLE
C3 METRICS

CANTO
BRANDFOLDER
EXTENSIS
ASSET BANK
FOTOWARE

EVOLPHIN
WOODWING
NETX
BRANDWORKZ
ORANGE LOGIC
CLOUDINARY
MEDIAVALET
RESOURCESPACE

WORDPRESS
BRIGHTSPOT
CONTENTSTACK
PROGRESS SOFTWARE
CROWNPEAK
UMBRACO

MASS ANALYTICS
MEASURED
ANALYTIC PARTNERS
MARKETING EVOLUTION
SAS
AMPLITUDE

PICTUREPARK
TENOVOS
CENSHARE
SHAREDIEN

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MarTech Services Reference Model: Composability is Good!

ENGAGEMENT CHANNELS

| ▶ Ads | 🌐 Web | ✉ Email | 📱 Mobile | 👥 Social | 📖 Print | 🎤 Voice | 💬 Chat | 📞 Call | 🏪 PoS | IoT/ Product |

INTERACTION & DELIVERY ENVIRONMENTS

| **Advertising** Generate demand | **Sites** Deliver information | **Applications** Deliver services | **Distribution** Deliver via channel | **Storefront** Sell things | **Contact Center** Answer questions |

ENGAGEMENT SERVICES

| **Customer Care** Manage customer inquiries | **Loyalty** Encourage stickiness with rewards | **Social Media Management** Engage in social media & communities | **Outbound Marketing** Manage campaigns Deliver messages | **WCM** Manage web content & inbound experiences | **Ecommerce** Manage commercial activity |

ENTERPRISE FOUNDATION SERVICES

Enterprise Integration: Data Collection, API Gateways, Eventing, Queueing, etc.

CONTENT & INFO

Omnichannel Content Services
Manage components fueled with data

Digital Asset Management
Manage rich media & brand assets

Product Information Management
Manage catalog structure, info, pricing

DATA

Customer Data Activation
Manage actionable data & segments

Customer Data Operations
Ingest, process, and unify customer data

Enterprise Data Intelligence
Analytics, Modeling, Reporting

DECISIONING

Experience Optimization
Omnichannel test & improve

Omnichannel Personalization
Customize individual experiences

Journey Orchestration
Set decisions for omnichannel engagement

4

Almost All CDPs are Composable: Just to What *Extent*…

ENGAGEMENT CHANNELS

▶ Ads	🌐 Web	✉ Email	📱 Mobile	Social	Print	🎤 Voice	💬 Chat	📞 Call	PoS	IoT/Product

INTERACTION & DELIVERY ENVIRONMENTS

Advertising Generate demand	**Sites** Deliver information	**Applications** Deliver services	**Distribution** Deliver via channel	**Storefront** Sell things	**Contact Center** Answer questions

ENGAGEMENT SERVICES

Customer Care Manage customer inquiries	**Loyalty** Encourage stickiness with rewards	**Social Media Management** Engage in social media & communities	**Outbound Marketing** Manage campaigns De~~~~ ages **CDP?**	**WCM** Manage web content & inbound experiences	**Ecommerce** Manage commercial activity

ENTERPRISE FOUNDATION SERVICES

Integration: Events, APIs, & Metrics   **Operations:** Planning & Collaboration

Enterprise Integration: Data Collection, API Gateways, Eventing, Queueing, etc.

CONTENT & INFO

Omnichannel Content Services
Manage components fueled with data

Digital Asset Management
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DATA

Customer Data Activation
Manage a~~~~ **CDP Core** & segments

Customer Data Operations
Ingest, proces~~~~ **CDP?** fy customer data

Enterprise Data Intelligence
Analytics~~~~ **CDP?** g, Reporting

DECISIONING

Experi~~~~ Optimization
Omnich~~~~ **CDP?** t & improve

Omnichannel Personalization
Customize~~~~ **CDP?** l experiences

Journey Orchestration
Set decisions fo~~~~ **CDP?** annel engagement

5

Before We Begin….

We believe DWHs are a very important component of Enterprise Tech Stacks

Almost 100% of RSG customers have some for of DWH / Lake

Composability calls into question what is the *role* of a DWH in your customer data management ecosystem….

The Real Story on Composable CDPs

- Composable CDPs are marketed as a revolutionary approach, promising agility and innovation in managing customer data.

- What **is** "Composable"?

- Is it actually novel or revolutionary?

Composability in Context

- **Roots in System Design:** Composability has deep roots in system design and software engineering, predating the CDP buzz.

- **Based on Key Principles:** Founded on modularity, interoperability, scalability, and flexibility with interchangeable components.

- **Evolution:** Evolved from CMS and e-commerce, offering an alternative to monolithic systems through best-of-breed solution integration.

- **Vendor Definitions:** Some CDP vendors' narrow focus on Data Warehouse (DWH) for storage does not fully capture true composability.
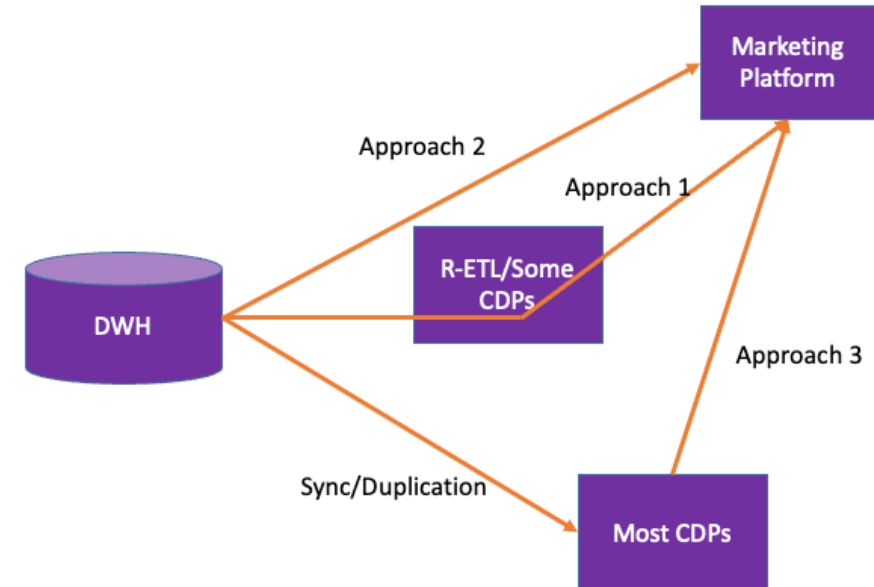
Advocate for a broader understanding of composability that extends beyond data storage.

Composability: A Spectrum Not a Feature

- **Beyond Data Storage**: Ideal composable CDPs should enable robust data management ecosystems, integrating best-of-breed tools for flexibility and scalability.

- **Not Just a Feature**: Composability isn't a binary feature but varies in degree, representing an evolving continuum.

- **Strategic Consideration**: Requires strategic consideration within overall business strategy and technology integration.

CDP Alternatives – Composability vs. Functionality

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Functional Richness

Broad

Limited

Suite   Best-of-Breed   Componentized   DIY
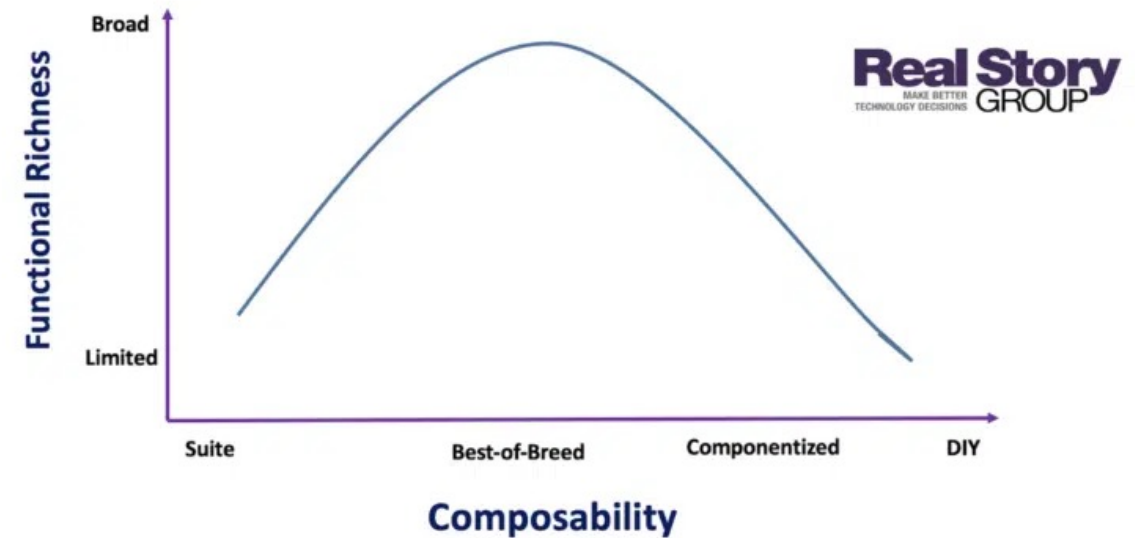
Composability

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Develop a nuanced composability strategy that aligns with your unique business needs and goals.

Stalking Horse for Reverse-ETL

- **Strategic Facade:** The term "composable CDP" often masks the limited features of vendors primarily offering reverse-ETL services.

- **Reverse-ETL's Evolution:** Originally a narrow focus, reverse-ETL has expanded under the "composable CDP" umbrella to include more features.

- **Impact on the Market:** This strategic positioning may mislead about the capabilities and innovations of composable CDPs.
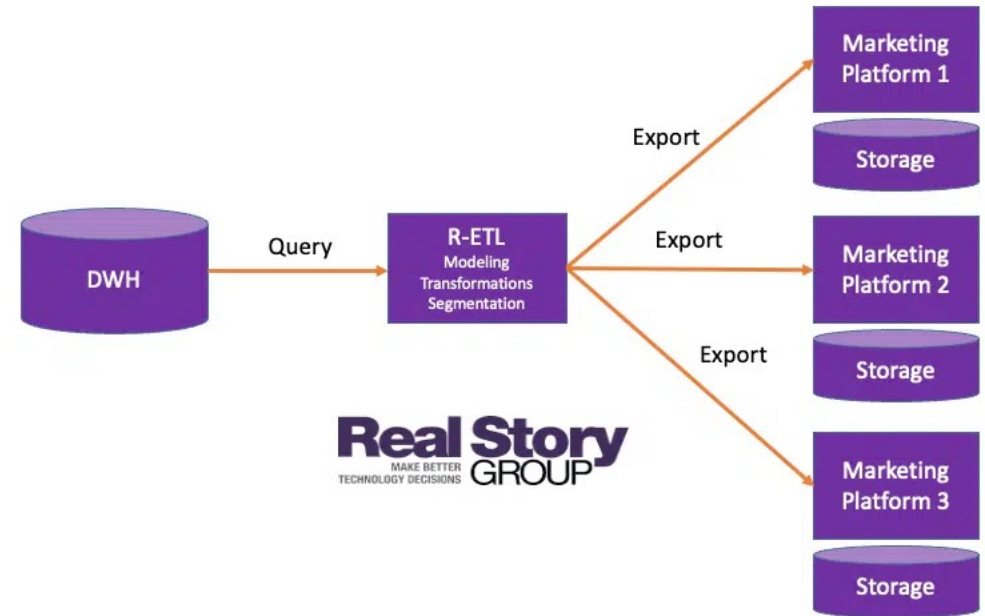
Evaluate the depth of features and capabilities beyond the label of composability.

Misplaced Enthusiasm Among CDP Vendors

- **Marketing Overlaps:** Overlap between composable CDP and DWH vendors often obscures distinct value propositions.

- **Apples and Oranges Together:** Often buckets broadly-featured CDPs and narrowly-focused tools such as reverse-ETL tools together

- **Future speculation** on DWH vendors entering CDP space.

R-ETL
Modeling
Transformations
Segmentation

CDPs
Modeling
Transformations
Segmentation
ID resolution
Orchestration
Personalization

Seek clear and distinct value propositions that differentiate composable CDP offerings from DWH capabilities, focusing on real-life use cases.

Targeting the Wrong Opponent

- **Misguided Competition:** Reverse-ETL vendors mistakenly position traditional CDPs as primary competitors, overlooking broader architectural challenges.

- **Real Challenges:** Focus on poor architectural practices and enhancing flexibility, rather than composable vs traditional CDPs.

CDP Marketplace, Circa 2024
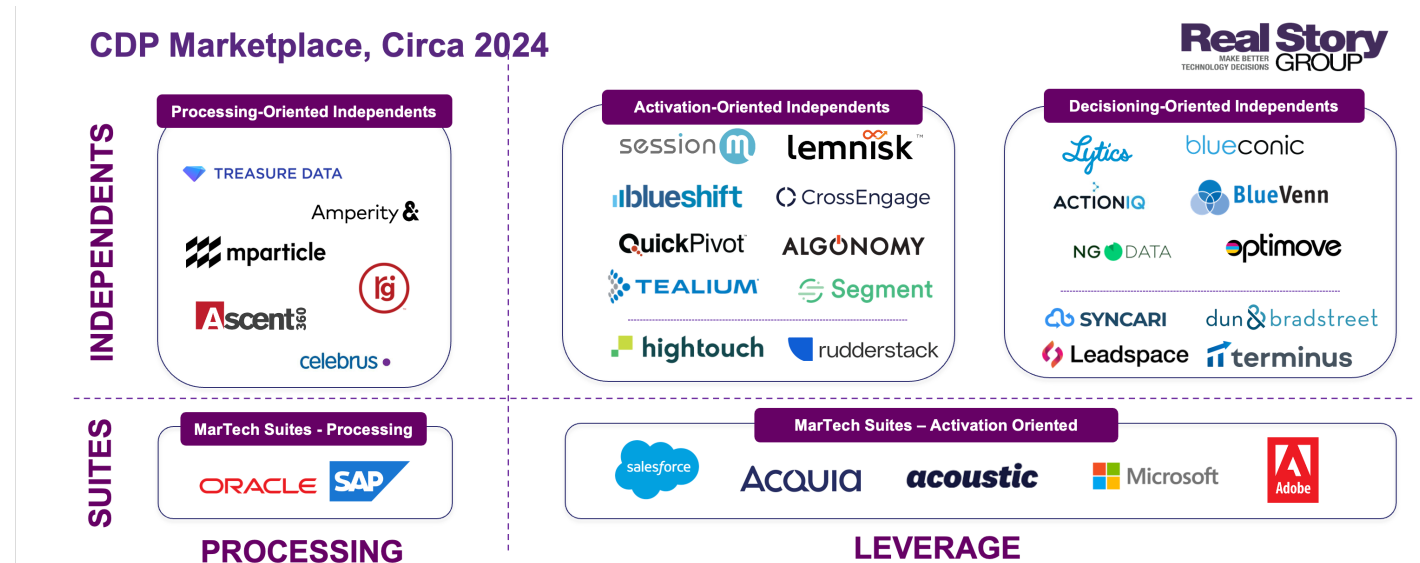
Prioritize addressing architectural and strategic fit of CDP solutions over vendor-driven narratives. Focus on solutions that enhance organizational agility and flexibility.

Are Composable CDPs Really Less Expensive?

- **Initial Cost Misconception:** Initial storage cost savings with DWH may be offset by increased compute costs and operational inefficiencies.

- **Hidden Costs:** Compute costs are often shifted upstream, impacting overall efficiency and cost-effectiveness, potentially increasing overall expenses.

Photo by Markus Winkler on Unsplash

Conduct a thorough cost-benefit analysis that includes all potential costs, focusing on long-term operational impacts and efficiencies.

Single Source of Truth…Not!

- **Zero-copy and Zero-ETL: Not always "zero"**

- **Challenging the Ideal:** The ideal of a single source of truth is complicated by practical needs for data replication and transformation.

- **Data Management Realities:** Data often needs to be replicated or transformed for various activation platforms, undermining the claim of a single source of truth.

Marketing Platform

Approach 2

Approach 1

R-ETL/Some CDPs

DWH

Approach 3

Sync/Duplication

Most CDPs
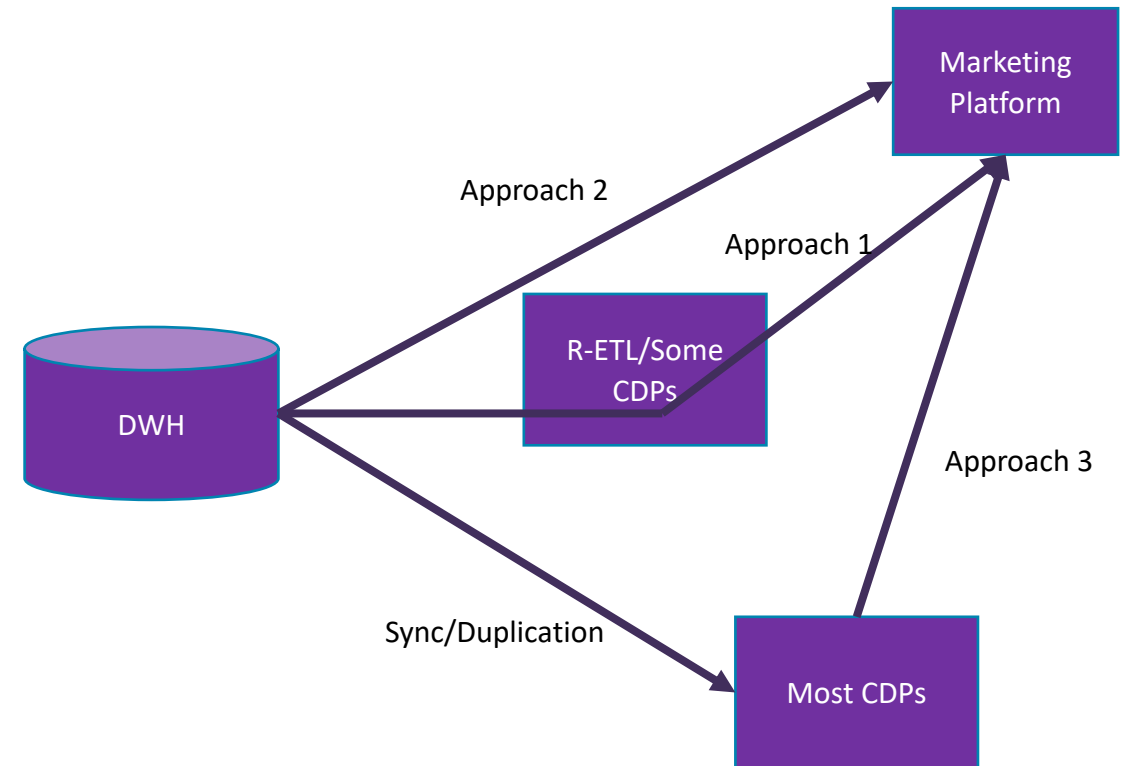
Be realistic about data management needs and the practicalities of achieving a single source of truth. Focus on practical data strategies that support your business goals.

The Myth of Escape from Vendor Lock-in

- **New Form of Lock-in:** Composable CDP solutions introduce their own form of vendor lock-in, particularly with DWH providers.

- **Critical Questions:** Raises questions about true freedom from vendor dependencies within the data platform ecosystem.

Photo by Lucas van Oort on Unsplash

Carefully consider the implications of vendor lock-in across different components of your MarTech stack. Seek flexibility and independence in choosing solutions.

The Assumption of Universal DWH Adoption

(For Marketing)

- **Universal Adoption Myth:** The presumption that all organizations can or should centralize their marketing data in a DWH overlooks diverse operational realities.

- **Reasons for CDP as Universal Hub:** Organizations may lack a DWH or choose not to use an existing one for marketing due to governance or strategic priorities.

Assess the suitability of DWH-centric approaches in light of your organizational context and constraints. Prioritize flexibility and independence in data management strategies.

CDP Marketplace, Circa 2024

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INDEPENDENTS

Processing-Oriented Independents
- TREASURE DATA
- Amperity &
- rg
- mparticle
- Ascent 360
- celebrus

Activation-Oriented Independents
- session M
- lemnisk
- blueshift
- CrossEngage
- QuickPivot
- ALGONOMY
- TEALIUM
- Segment
- ZEOTAP
- ZETA
- hightouch
- rudderstack

Decisioning-Oriented Independents
- Lytics
- blueconic
- ACTIONIQ
- BlueVenn
- NG DATA
- optimove
- dun & bradstreet
- SYNCARI
- Leadspace
- terminus

SUITES

MarTech - Processing
- ORACLE SAP

MarTech – Activation Oriented
- salesforce
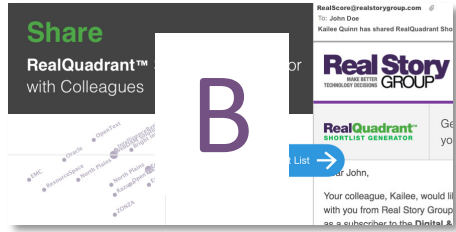- ACQUIA
- acoustic
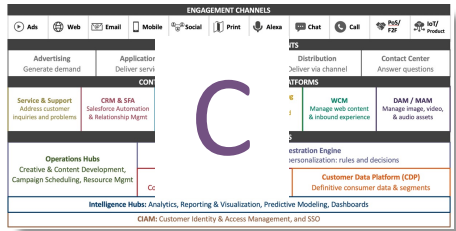- Microsoft
- Adobe

PROCESSING

LEVERAGE

What You Should Do?

- **Define Composability for Your Organization:** Definitions of composability vary; it's crucial to define what it means for your organization, and at what level

- **Assess Vendor Claims:** Critically assess vendor claims against your organization's composability requirements and real-life use cases, especially real-time personalization and multi-channel segments

- **Analyze Real Costs:** Conduct a thorough cost-benefit analysis before transitioning to a composable CDP

- **Practicality of Architecture:** Focus on addressing core architectural issues rather than getting caught in vendor competition

- **Recommendation:** Clearly define your composability requirements and engage in a detailed evaluation of MarTech vendors' claims, focusing on alignment with your unique business needs and goals

MARTECH STACK VENDOR MAP

Real Story Group's vendor evaluations and advisory services have helped thousands of organizations find their way. We can help you too.

Take a test ride—download a sample today: **www.realstorygroup.com/try**

Left panel

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Find Best-fit Vendor
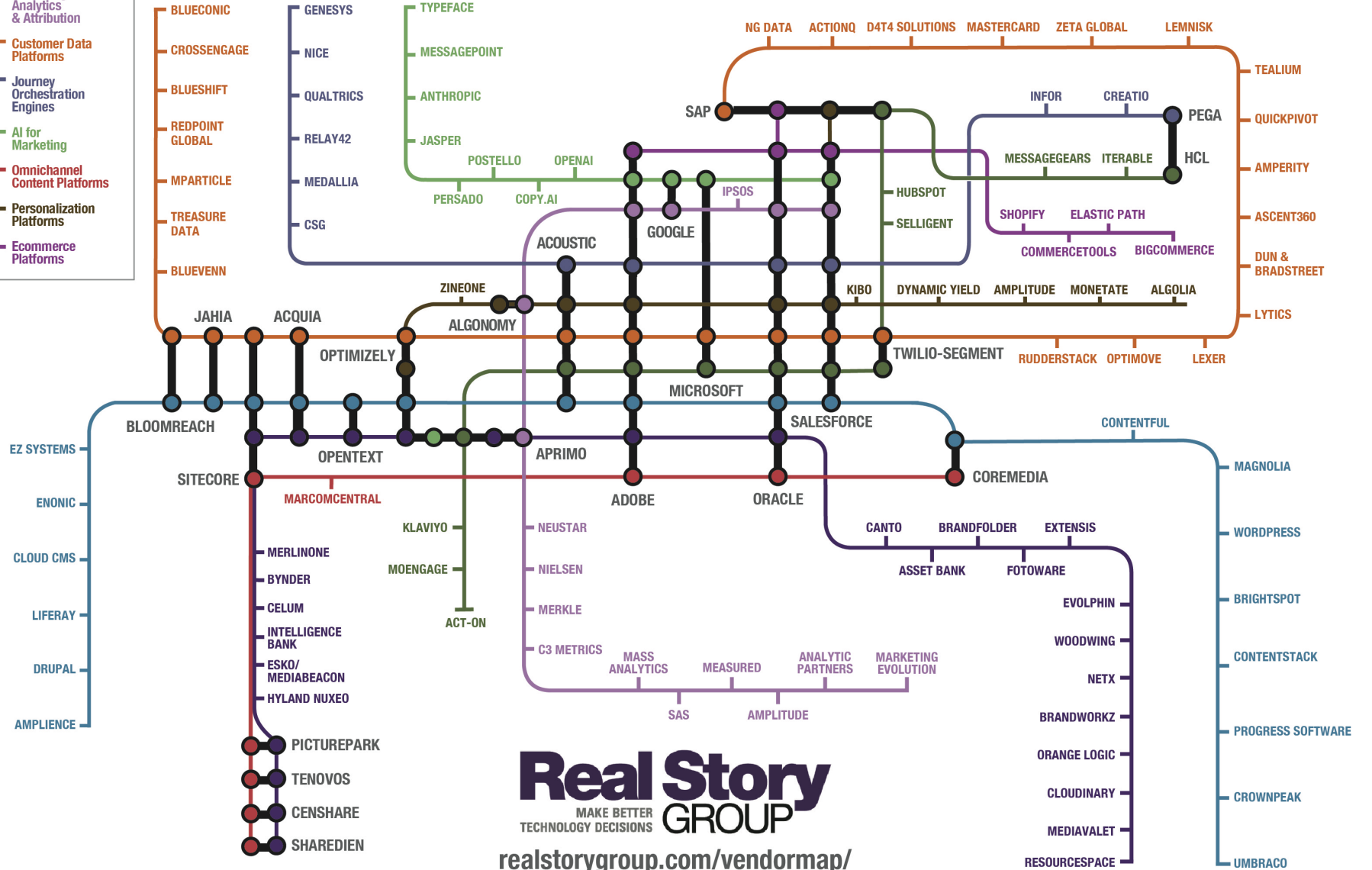
C

Optimize Your Stack

D

Learn from Peers

KEY

- Web Content & Experience Management
- Digital Asset Management
- Outbound Marketing Platforms
- Marketing Analytics & Attribution
- Customer Data Platforms
- Journey Orchestration Engines
- AI for Marketing
- Omnichannel Content Platforms
- Personalization Platforms
- Ecommerce Platforms

Vendors

BLUECONIC, CROSSENGAGE, BLUESHIFT, REDPOINT GLOBAL, MPARTICLE, TREASURE DATA, BLUEVENN

GENESYS, NICE, QUALTRICS, RELAY42, MEDALLIA, CSG

TYPEFACE, MESSAGEPOINT, ANTHROPIC, JASPER, POSTELLO, OPENAI, PERSADO, COPY.AI

NG DATA, ACTIONQ, D4T4 SOLUTIONS, MASTERCARD, ZETA GLOBAL, LEMNISK

SAP, INFOR, CREATIO, PEGA, HCL

TEALIUM, QUICKPIVOT, AMPERITY, ASCENT360, DUN & BRADSTREET, LYTICS

MESSAGEGEARS, ITERABLE

HUBSPOT, SELLIGENT

SHOPIFY, ELASTIC PATH, COMMERCETOOLS, BIGCOMMERCE

IPSOS, GOOGLE, ACOUSTIC

KIBO, DYNAMIC YIELD, AMPLITUDE, MONETATE, ALGOLIA

JAHIA, ACQUIA, ZINEONE, ALGONOMY, OPTIMIZELY

TWILIO-SEGMENT, RUDDERSTACK, OPTIMOVE, LEXER

MICROSOFT, SALESFORCE

BLOOMREACH, OPENTEXT, APRIMO

EZ SYSTEMS, ENONIC, CLOUD CMS, LIFERAY, DRUPAL, AMPLIENCE

SITECORE, MARCOMCENTRAL, MERLINONE, BYNDER, CELUM, INTELLIGENCE BANK, ESKO/MEDIABEACON, HYLAND NUXEO

KLAVIYO, MOENGAGE, ACT-ON

NEUSTAR, NIELSEN, MERKLE, C3 METRICS

MASS ANALYTICS, MEASURED, ANALYTIC PARTNERS, MARKETING EVOLUTION, SAS, AMPLITUDE

ADOBE, ORACLE, COREMEDIA

CONTENTFUL, MAGNOLIA, WORDPRESS, BRIGHTSPOT, CONTENTSTACK, PROGRESS SOFTWARE, CROWNPEAK, UMBRACO

CANTO, BRANDFOLDER, EXTENSIS, ASSET BANK, FOTOWARE

EVOLPHIN, WOODWING, NETX, BRANDWORKZ, ORANGE LOGIC, CLOUDINARY, MEDIAVALET, RESOURCESPACE

PICTUREPARK, TENOVOS, CENSHARE, SHAREDIEN

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CDP Symposium – June 12th

https://events.ringcentral.com/events/cdp-symposium-2024

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Experience Management

Digital & Marketing
Asset Management

Email
&
Marketing Automation

Personalization
Platforms

Omnichannel Content
Platforms

Ecommerce Platforms
Comprehensive Product Evaluations

AI for Marketing
Comprehensive Product Evaluations