Leadspace

Key Questions and Answers

Why B2B Needs a CDP

Question 1

What are the biggest challenges facing marketers today? Why is it important to address these challenges?

That's a long list! And it certainly feels like it's getting longer every day. But from our perspective, **most if not all of the challenges marketers face today are grounded in data and insights.** Whether you're trying to deliver the personalized experiences B2B buyers now expect, need to optimize your ABM programs by defining a more accurate ideal customer profile to find the best lookalike accounts and learn what they're doing so you can prioritize your spend, or to even take advantage of all the AI-powered functionality showing up in your stack — data and insights are the fuel for modern marketing.

Unfortunately, research has consistently shown that this is an area where most B2B organizations struggle. In our most recent survey*, only 12% of B2B marketers said they have high confidence in the accuracy of their data, and 84% said that data management is one of their top five weaknesses.

The companies that solve this problem will win more deals. They'll be more effective at customer marketing. They'll do a better job at ABM. And they'll not only be in a better position to weather the current economic conditions, but to also grow more quickly when things turn around.

* Based on Forrester's Q1 2017 International B2B Marketing Panel Online Survey

Question 2

What are these Customer Data Platforms we keep hearing about? What do CDPs **actually** do?

B2B organizations have had the option to build an in-house solution to solve their data challenges — by standing up a data lake (warehouse, database, etc.), manually integrating and unifying their various data sources, and developing custom analytics — for years if not decades. B2B customer data platforms are essentially a "packaged application" approach designed to this market need: data management solutions that unify customer **data from multiple first- and third-party sources and make it available to systems of insight and engagement.**

B2B CDPs typically consist of advanced data integration and management capabilities to build unified customer profiles, a database that functions as a prepackaged data lake to store those profiles, and deep analytics for segmentation, reporting, and ultimately decisioning.

Some tend to visualize CDPs functioning in a hub and spoke fashion — with bi-directional data flows to and from the CDP hub, over the spokes. In that way, the B2B CDP creates a "single source of truth" for the customer data most often generated and used by marketing and sales in the applications at the end of the spokes. To be honest, we're somewhat reluctant to use terms like single source of truth — and others such as "golden record" or "customer 360 view", because so many B2B organizations have been chasing these unicorns forever, and these terms have acquired a fair amount of baggage and skepticism over the years. But that's where we're finally headed — or more B2B organizations are headed, now that they have access to purpose-built, packaged applications designed to solve these problems.

Question 3

What features should I look for in a B2B CDP?

In the evaluation of B2B CDPs, analysts developed a list of **seven functional criteria** — which are a good starting place for any B2B organization:

Data Sources and Types

Key questions here include: What are the solution's primary sources of data: the customer's first-party systems (MarTech, product usage, ERP, finance, customer service, etc.), the vendor's proprietary second-party data assets (business or account "graphs"), and/or third-party data providers (firmographic, demographic, technographic, intent, etc.)?

Data Integration and Management

Does the solution perform deduping, cleansing, normalization, lead-to-account matching, or any other data management services? Does the solution integrate data directly from third-party providers?

Unified Profiles

Does the solution create unified profiles? Does the solution create unified profiles at the account, contact, and buying center/team/committee level? Does the solution provide identity resolution services? Can the solution connect anonymous and/or pseudonymous data to known contacts?

Activation

Can the solution create audiences and/or perform segmentation for activation? Can the solution rank or score accounts or contacts for activation? If yes, how does the solution score or rank? Are segments dynamic (updated based on new insights as they are generated)? Can the solution automatically trigger or launch activation/engagement in other systems?

Recommendations

Can the solution recommend next-best actions? If yes, how (AI, rules, etc.)? and what types (content topic, activation channel, engagement timing, target account or contact, etc.)?

Analytics

Does the solution provide analytics functionality? If yes, how broad are the analytics use cases the solution supports? Does the solution provide attribution functionality?

Integrations

With how many applications in the B2B MarTech stack is the solution integrated? Does the solution include integrations to applications outside the B2B MarTech stack (enterprise data management, analytics, ERP, finance, customer service, etc.)?

Question 4

Are there differences between CDPs designed to serve B2B companies and those designed for B2C companies?

Many B2B-focused CDPs offer rich third-party data as part of their solutions, no doubt to meet the critical augmentation and enrichment needs of most B2B organizations. Vendors that serve both B2B and B2C, on the other hand, are certainly open to integrating a wide variety of data types, and may offer access to a marketplace of suppliers, but did not include that data as part of their solutions.

The B2C-oriented CDPs also tend to provide only basic reporting capabilities, if at all, because they knew their largely enterprise customers would export data from the CDP into purpose-built business intelligence tools for in-depth analysis by a team of data scientists. That's just not an option for lots of B2B organizations. So most of the B2B focused CDP vendors evaluated provided robust reporting capabilities out-of-the-box.

But the biggest difference was in account orientation. Some of the B2C CDP solutions evaluated didn't even have an account table in their database structure. Most did say they could inherit an account object from the customer's CRM, however. All of the B2B-focused solutions were capable of aggregating data, tracking behavior, and generating insights at the account and contact level – which has been table stakes in the B2B martech stack for years. And most were working on creating profiles for buying teams – which is where all CDP solutions serving B2B organizations will need to get to eventually. We expect some of these distinctions to decrease if not disappear over time, however, as the vendors we evaluated that were serving both B2B and B2C add more B2B-specific functionality, and as vendors that had previously focused on B2C begin to get serious about the B2B CDP market with new features and/or offerings.

Question 5

What results and benefits should I expect from a B2B CDP?

Research shows that it's really a three-step process — from initial data quality and process improvements to eventual business results. Early adopters typically start by:

Integrating Data Silos

B2B CDPs collect data from the multiplying systems of insight and engagement in the marketing technology (MarTech) and sales technology (SalesTech) ecosystem to create unified customer profiles. And they are moving marketers closer to creating that single source of truth that organizations have been chasing for decades.

Improving Data Quality

Unifying customer data in a central persistent repository improves the effectiveness of B2B CDPs' fundamental data hygiene practices (e.g., deduping, cleansing, and normalization). This is also more efficient than trying to optimize each silo.

Connecting Anonymous and Known Behavior

Most B2B CDPs can gather behavioral data on an anonymous prospect and consolidate it into one known profile when a buyer finally reveals her identity.

Gaining a more comprehensive and accurate view of buyer journeys

Occupying a position at the center of the MarTech stack — ingesting data from and feeding data to the user's systems of insights and engagement — allows B2B CDPs to create a holistic picture of buyer journeys and enables more comprehensive and accurate analysis, reporting, and attribution. Reports cite evidence of improvements in marketing and sales effectiveness showing up most often in areas such as better conversion rates for demand generation, and improved account engagement and deal sizes for ABM.

Leadspace

Leadspace is a leading B2B Customer Data Platform (CDP) provider — as recognized in the Forrester New Wave: B2B Standalone CDPs, Q4 2021.

We help leading B2B companies improve their sales and marketing efforts with a data-first approach to revenue operations, accountbased marketing (ABM), and segmentation and targeting.

The Leadspace platform is data-agnostic, with the flexibility to ingest data from any first-party (internal) or third-party (external) source, while also providing a robust, embedded B2B data set blended from 30+ sources. With that variety of data sources, the CDP employs AI unification and modeling capabilities to create a single source of truth and uncover insights that fuel strategy, prioritization, and personalization.

Leadspace customers also get an intuitive app for building segments, exploring analytics, and activating data in connected channels, along with plug-and-play integrations into ad channels, website platforms, Marketing Automation, and CRM.

Leadspace is trusted by more than 200 B2B brands including Microsoft, Zoom Video Communications, American Express, and Salesforce.

Want to see what the leading B2B CDP looks like?

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