

# Succeeding in Customer Experience: Are Marketing Clouds Enough?



## Table of contents

- 2 Executive summary
- 3 Understanding today's marketing landscape
- 4 Five challenges to delivering a seamless omnichannel experience
- 4 Marketing clouds are not the answer
- 5 Composable customer data platform: a better approach
- 7 Enable business activation of data within secure IT infrastructure
- 8 About Teradata
- 8 About ActionIQ

## Executive summary

A wave of recent research shows what we all knew intuitively: creating a positive customer experience results in increased revenue and lower costs to serve. Leading organizations are approaching customer experience as part of their digital transformation strategy, using data and analytics to better understand the end-to-end customer journey, sense and react to multiple pain points and opportunities, and personalize interactions in a timely manner.

Organizations looking to optimize the customer experience must develop capabilities to unify the customer profile, turn data into insights, and insights into actions. Some organizations feel they are checking all the right boxes when deploying a marketing cloud. While marketing clouds are valuable and solve specific needs, their limited scope makes them insufficient to break down the silos that impair an enterprise customer experience initiative. This white paper discusses why organizations need to look beyond marketing clouds to a composable customer data platform (CDP) for a well-coordinated, omnichannel customer experience.



## Understanding today's marketing landscape

On the surface, delivering a unified, consistent customer experience seems straightforward, but aligning the customer vision with your organizational goals can be challenging and, at times, conflicting.

Given all the new sources of customer data and advances in analytics, most organizations fall short of providing a unified omnichannel experience. Legacy systems and siloed applications impede the ability to gain a holistic view of the customer across channels, functional areas, and geographies. Instead, organizations rely on data that's channel, division, or location specific for targeted customer interactions and next best actions. This limited view of the customer ultimately hampers efforts to deliver consistent, relevant customer experiences.

Today's martech environment is becoming more complex than ever as new applications emerge to address specific use cases such as social listening, email marketing, proximity marketing, account-based marketing, and so on. On top of that, customers are interacting with businesses over more channels and devices than ever before: kiosks, product telemetry, call centers, websites, brick-and-mortar stores, chatbots, mobile devices, wearables—the list goes on. And customers are increasingly demanding. They want highly personalized options and experiences, and they want things delivered faster.

To meet customers through their preferred channels, and to gain a better understanding of their needs and wants, organizations have invested in a myriad of technology tools: big data applications, customer relationship management (CRM) systems, marketing clouds, campaign management applications, and more. In fact, an average company has more than 30 different marketing technology tools.

However, using a hodge-podge of tools leads to limited data accessibility and delayed insights, and simply collecting more data on customers doesn't necessarily provide a better understanding. Additionally, marketing teams are forced to operate their own shadow IT teams whose sole job is to move data between various siloed systems, negatively impacting the effectiveness of marketing.

## Five challenges to delivering a seamless omnichannel experience

To orchestrate a seamless omnichannel customer experience, marketers need to ensure that customers receive relevant, personalized communications at the right time, through the most effective channels—and they need to do this consistently over time. Get it wrong just one time, and the whole customer experience begins to fall apart.

Many organizations claim to be focused on the customer experience, but few have delivered on that promise. According to research conducted by the CMO Council in its Cracking Tomorrow's CX Code Report (2022), only 26% of marketers ranked their ability to deliver personalized interactions in real time as mature, and only 28% felt they could consistently coordinate messages and interactions across all channels. Some key challenges marketers face are:

### 1. Identifying the customer across multiple channels

With the proliferation of channels, both online and offline, most companies struggle to recognize their customers across all these channels (e.g., a single customer interacting via mobile, laptop, and tablet).

### 2. Recognizing customer journeys

To get the customer experience right, organizations need to be able to understand where the customer is in the buying journey and how to interact without appearing intrusive. To further complicate matters, the customer could be on multiple journeys with your organization at the same time. How do you determine which journey to prioritize?

### 3. Fragmented legacy solutions

Many enterprise organizations, especially global companies, operate in a distributed fashion with different departments and geographies deploying disparate solutions. The result is siloed information, duplicated customer data, and higher IT costs—all preventing them from delivering connected customer journeys.

### 4. Inadequate marketing tools

As new channels emerge and data increases in volume, variety, and velocity, many marketing software applications and tools are either inadequate to meet today's needs or too complex for day-to-day business users.

### 5. Operationalizing analytics

Despite huge investments in analytics, most organizations struggle to connect insights from predictive models with their transactional and marketing systems. They are also unable to inform real-time marketing decisions, such as next best offers.

## Marketing clouds are not the answer

When looking for technologies and processes to manage the complexities associated with customer experience, marketing leaders often relate customer experience to the digital channels and invest in marketing cloud solutions. Providers of these solutions are pushing organizations to purchase their entire suite of products to execute CX use cases. However, marketing clouds have three distinct limitations.

### Drawbacks of marketing clouds

#### Limited channel support

At first glance, marketing clouds may seem all-encompassing, but in reality, they only cover select digital channels. The result is an incomplete picture of the customer and their journey.

Take the example of a customer who browses online but usually purchases in-store. When that customer abandons their shopping cart on the website, the marketing cloud-based solution may trigger a discount offer based on an incomplete view of the customer, leading to an unnecessary margin cut.

When you dig deeper, you begin to realize that marketing cloud solutions are simply augmented email marketing platforms that support a handful of digital channels—like email, mobile, and the web—and therefore can support only a limited number of use cases, causing marketers to quickly outgrow their usage in today's omnichannel environment.

#### Limited access to data

Data accessibility is another limitation with marketing clouds. All data within marketing cloud solutions must either be captured through tagging or moved outside the organization's firewall to the marketing cloud provider's database in the cloud.

Moving the data creates several obstacles. Once moved, marketers usually lose control over their own data. If that data is needed for purposes outside of those supported by the marketing cloud offering, they need to request the data from the vendor (causing decision latency) or duplicate the data (resulting in additional cost), negating the key value proposition of marketing clouds. Additionally, there could be restrictions in moving personally identifiable information (PII) data to a cloud environment.

### Suboptimal customer communication

Marketing clouds also impede personalization. Because the customer view is based only on their activity in digital channels, offers are based on a subset of data—not all customer attributes. Further, as marketing clouds need to refresh the data uploads, there is latency in the decisioning. This often means that the most recent interaction details are not included in the offer decision, negatively impacting the customer experience.

In today's marketing environment, data is regarded as a competitive advantage. Marketing clouds, by way of operation, keep your data trapped. There is either no ability to access your own data or a costly process to move that data back into your other on-premises applications. Partial channel support and incomplete customer views further limit your ability to optimize customer communications.

## Composable customer data platform: a better approach

Today's customers have more choices than ever, and they prefer quality messaging over quantity. Research from the 2023 MessageGears Consumer Engagement Report indicates that 70% of consumers feel they receive too many marketing messages. Moreover, 66% of consumers say that brands that provide a personalized customer experience are more likely to earn their business. Clearly, flooding customers with mass offers across multiple channels is the fastest route to failure.

*“Even a small improvement in customer experience has proven to be worth millions of dollars for most companies.”*

– Blake Morgan, Customer Experience Futurist

To address these challenges, many companies have turned to customer data platforms (CDPs), which collect and unify data from a variety of sources to provide a single customer view. Traditional CDPs bundle data collection, storage, modeling, and activation into a single platform that functions outside your current data infrastructure. This makes them time consuming to implement, complicated to manage, and they lack the sophistication to handle complex uses cases.

A composable CDP, on the other hand, provides a “modular” approach, allowing you to choose which technologies and processes you use for data collection, storage, modeling, and activation. According to a June 2023 Gartner report, “composability” is a trending attribute in business design because it provides enterprises with the control and agility they need to adapt to continuous change. Composable CDPs provide flexibility, enabling enterprises to build a technology stack on top of existing infrastructure. You can easily add new data sources, emerging channels like the Internet of Things (IoT), and evolving analytical techniques such as deep learning. Ultimately this increases time to value, improves data security, and reduces operational complexity.

A composable CDP enables a zero-copy architecture with capabilities to eliminate data replication. It's also agnostic, meaning it can activate data no matter where it lives, whether a warehouse, lake, database, or spreadsheet. Another advantage is its advanced no-code interface, which reduces friction between business stakeholders and the data team. All together, these attributes are key to better governance, improved performance, privacy, and more.

A composable CDP can be viewed as the “brain” that continuously optimizes all customer communications. It’s a central interface for:

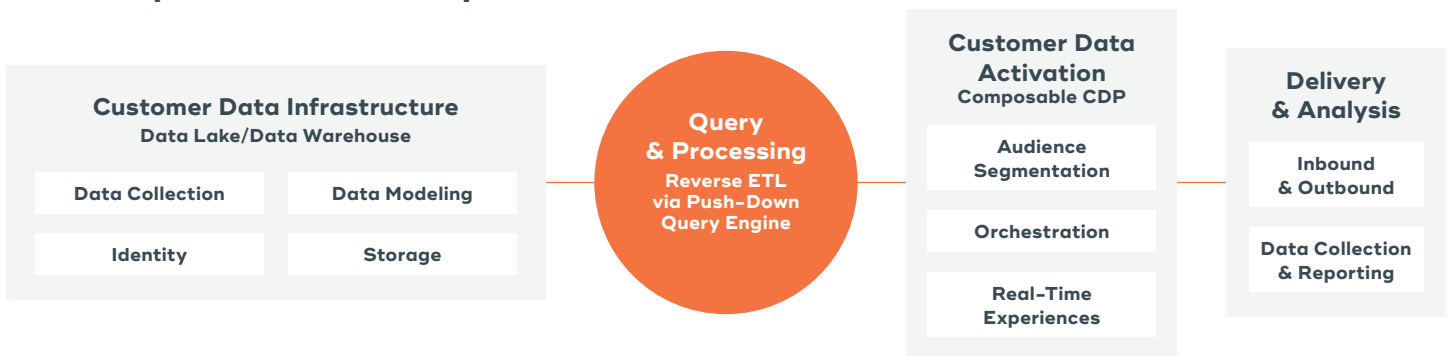
- A 360° customer view**  
 A single view of the customer regardless of data location, powered by customer identity matching, to help you build an intelligent profile of your customer.
- Advanced analytics and AI**  
 Centralized decisioning powered by advanced analytics, AI, and machine learning performed on all data to gain better, faster insights into customer behavior and preferences.
- Omnichannel activation**  
 Activate audiences to any channel in the martech stack, inbound or outbound, using a variety of methods including APIs for real-time delivery of customer attributes, insights, and recommended offers.
- Channel orchestration**  
 Seamless coordination of customer communications across all channels based on intelligent customer profiles, sophisticated analytical insights, and real-time decisioning and events.

Of course, customers don’t think about organizational silos, different lines of business, and multichannel environments. When they interact with a business, they view it as a single entity and expect it to act like one by providing a personalized, relevant customer experience every time.

While marketing cloud solutions do a reasonable job of helping organizations understand a customer’s interactions in select digital channels and orchestrating customer journeys in those select channels, a composable CDP goes far beyond. By accessing all relevant customer data from all channels, systems, and departments, and then applying advanced analytics on that data, a composable CDP helps provide real-time intelligence and insights based on a complete view of the customer.

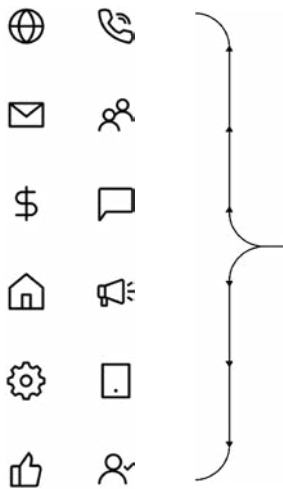
It maps the customer journey across all channels, not just digital channels, and identifies key moments or milestones along that journey where a communication will be most impactful. Furthermore, it enables you to trigger actions for those moments of truth and even prioritize them against other potential triggers.

## The composable CDP blueprint

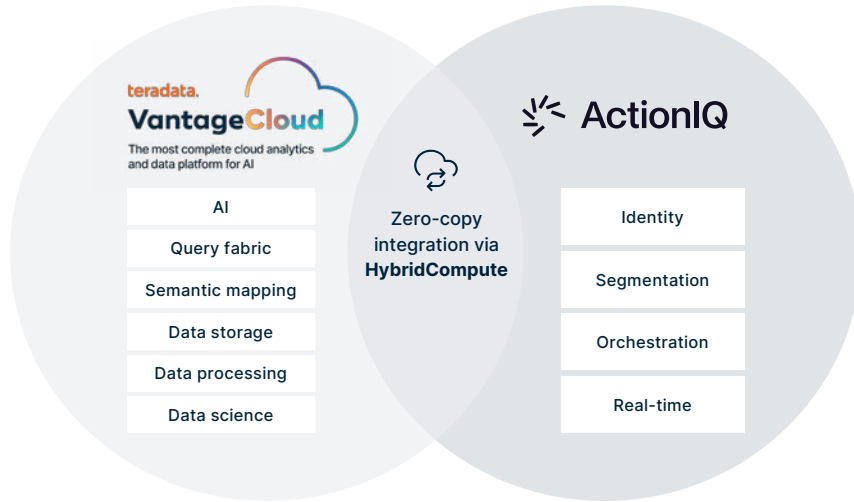


## Enable business activation of data within secure IT infrastructure

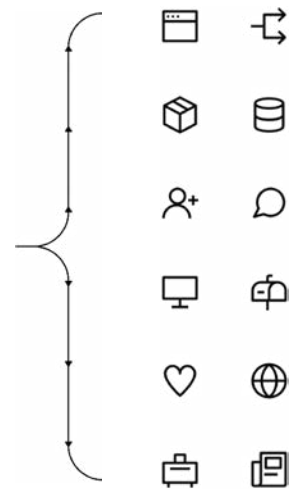
### IT & Data Engineering



Data Sources



### Business Teams



Marketing Channels

A composable CDP stack is built upon two primary components. First, it includes a data warehouse or data lake that provides secure data storage and analytics capabilities, addressing IT’s need for enterprise scale and security. It also provides self-service capabilities for business users to activate their customer data, driving actionable insights. Teradata can provide both components through a strategic relationship with ActionIQ, the leader in customer experience (CX) solutions.

Teradata VantageCloud is a flexible, connected data and analytics platform that harmonizes all customer data, from real-time and batch sources, to create a single, centralized source of truth. ActionIQ’s HybridCompute technology integrates with VantageCloud, including ClearScape Analytics™, Teradata’s powerful AI/ML capabilities, to resolve

identities and orchestrate personalized, contextually relevant omnichannel interactions. The integrated solution helps enterprise IT teams maximize the value of existing technology investments while supporting seamless experiences for business users. With ActionIQ’s HybridCompute enabled on VantageCloud, IT teams will have more choice and control, while business users will have access to secure customer data without costly duplication that can induce errors.

With ActionIQ and VantageCloud, organizations can connect data and analytics to enable business teams to explore and action on customer data. Together, these solutions deliver the superior, consistent experience that customers desire, resulting in higher revenue, lower cost to serve, increased loyalty, and competitive advantage.

Contact a Teradata expert to learn more and begin your journey to great customer experiences. [Teradata Customer Experience Solutions](#)

## About Teradata

Teradata is the cloud data analytics platform company, built for a hybrid multi-cloud reality, solving the most complex data challenges at scale. Only Teradata's enterprise-grade scalability lets you handle the massive data workloads of the future, today. Our technology centralizes 100% of your data on a connected ecosystem and enables more machine learning and AI models to drive deeper insights. Teradata's experts and partners around the world can show you how to unlock unlimited value by turning data into your greatest asset. Learn more at [Teradata.com](https://www.teradata.com).

## About ActionIQ

ActionIQ is a new kind of composable customer data platform for enterprise brands who want to grow faster and deliver meaningful experiences for their customers. Built for data in constant motion, ActionIQ's unique composable architecture gives marketers easy and secure ways to activate data anywhere in the customer experience while keeping data securely where it lives. Unify data from any source, build smart audiences, resolve customer identities, and design personalized interactions that unlock revenue across the entire customer lifecycle—all while helping technical teams extend existing technology investments to manage data governance, costs, and performance. Enterprise brands use ActionIQ to drive growth through extraordinary customer experiences. Learn more at [actioniq.com](https://www.actioniq.com).