

Customer Data Platform Industry Update

July 2019



www.cdpinstitute.org

Executive Summary

Growth in the Customer Data Platform industry shifted sharply in first half of 2019, towards multi-function CDPs and to companies outside the United States. A handful of large, campaign-type CDPs outside the U.S. generated most of the employment increase and several operational systems with CDP capabilities were added to the mix. Operational CDPs are primary customer-facing systems that include a CDP capability. They will take an increasingly prominent role in the industry as operational vendors including Salesforce, Adobe and Oracle add CDP products.

Highlights of the period include:

- **Continued expansion:** The industry added 19 new vendors, 2,300 employees and \$680 million in cumulative funding, for six-month growth of 25%, 34% and 39% respectively. Twelve-month growth in employment was 71%. Results confirm the previous estimate of \$1 billion industry revenue in 2019.
- **Changing vendor mix:** Nearly all industry growth came from campaign CDPs, which accounted for 15 of the 19 new vendors and 2,222 of 2,338 net new employees. Three large companies (Manthan, Flytxt, and Exponea) accounted for more than half of the increase. Twelve-month figures show employment growth of 30%, 68% and 99% among access, analytics and campaign vendors.
- **International development:** Growth was also concentrated among firms outside the U.S., accounting for 15 of the 19 new vendors and 1,780 of the 2,338 net new employees. This reflects greater interest in CDPs outside the U.S. as well as more awareness of non-U.S. vendors by the CDP Institute.
- **More Funding:** New funding for the period totaled \$317 million, compared with \$58 million in the preceding report period. This is by far the largest amount per period since the report began. Unlike employment growth, new funding was concentrated among access firms in the U.S.
- **Strategic acquisitions.** The period saw two CDP acquisitions: data integration specialist Allsight by Informatica and B2B CDP Lattice Engines by Dun & Bradstreet. Neither buyer is primarily a marketing system vendor, illustrating the value that companies in related sectors now see in CDP functions. With the major marketing cloud vendors developing their own CDP products, they are unlikely to make acquisitions. So future CDP acquisitions are also likely to be made by other types of companies.
- **Operational CDPs.** The period also saw addition of three vendors with a primarily operational focus: two customer success systems (Gainsight and Totango) and one in healthcare (Healthgrades). This report classifies them as campaign CDPS but credits only ten percent of their employees in employment calculations. These firms represent the leading edge of a new class of CDP vendors that is expected to grow rapidly.
- **Clouds on the horizon.** Marketing cloud vendors Salesforce, Adobe, and Oracle announced further progress with their CDP products but have not yet released them. This is expected to happen during the second half of 2019. With CRM, marketing automation, DMP, ecommerce, and Web CMS products already in place, these vendors can also be considered operational CDPs. Their entry will have a major impact on the CDP industry, especially among enterprise buyers.

Background Information

CDP Definition

Customer Data Platform is defined by the CDP Institute as “packaged software that creates a persistent, unified customer database that is accessible to other systems”. Key elements of the definition are:

- **Packaged software.** The CDP is packaged software bought and controlled by business users, most often in marketing. This distinguishes it from a data warehouse or data lake which is usually custom-built by the corporate IT department. The packaged nature of the system makes it much easier to deploy and change as new needs arise. Corporate IT must cooperate to set up and maintain the CDP but most technical resources are usually provided by the vendor or an agency hired by marketing.
- **Persistent, unified customer database.** The CDP creates a comprehensive view of each customer by capturing data from multiple systems, linking information related to the same customer, and storing the information to track behavior over time. The CDP contains personal identifiers used to target marketing messages and track individual-level marketing results. CDPs work primarily with data gathered by a company’s own systems about identified individuals. They may also include data from external sources and about anonymous individuals. The CDP is able to retain all details of input data indefinitely, although users may restrict what is stored and how long it is kept.
- **Accessible to other systems.** Data stored in the CDP can be used by other systems for analysis and to manage customer interactions. The CDP restructures the data, adds calculated values such as trends and model scores, and shares the results in formats that other systems can accept. Access methods typically include APIs, database queries, and file extracts.

These features distinguish CDP from other systems that work primarily with their own data (such as Customer Relationship Management), store only limited details for limited periods and include large volumes of externally-owned data (Data Management Platform), do not maintain a permanent database (Integration Platforms), and interact directly with customers (Email, Mobile Apps, and Web Content Management).

Other systems may provide similar functions to a CDP. These include data warehouses and software suites or marketing clouds. Often these are limited to structured data or internal inputs. Companies providing such solutions are not considered part of the CDP industry in this report.

Industry History

The term Customer Data Platform was coined in 2013 to describe several types of marketing systems that shared the ability to build a unified customer database. This was unusual at the time. Most of these systems created the database to support an application such as predictive modeling, attribution, Web site personalization, or campaign management. Over time, many vendors recognized that their database could also be used by other applications. These vendors added features to allow access by other systems, converting their systems into true CDPs. During the same period, several Web analytics and tag

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management vendors recognized they could modify their data-gathering systems to create a persistent database, creating another form of CDP.

By 2016, both sets of vendors had converged to form the CDP industry. The industry has grown quickly as marketers recognized the need for unified data and the shortcomings of alternatives such as data warehouses, data lakes, CRM, and DMP. Growth in Europe was further boosted by CDP features that help companies comply with the General Data Protection Regulation (GDPR).

The CDP Institute was founded in 2016 to educate marketers and technologists about CDP capabilities. The Institute published its first Industry Update report in January 2017. It has released updated versions at six-month intervals since that time.

Data Sources

Vendors included in this report are companies identified as Customer Data Platforms by the CDP Institute. They are companies whose product meets the Institute's definition of a CDP: "packaged software that builds a unified, persistent customer database accessible by other systems." Companies that promote themselves as a CDP are included even if CDP is not their primary product, so long as their CDP meets the CDP definition. No payment is required to be listed.

Companies are occasionally removed from the list due to clearer understanding of their products, changes in the products, or changes in the company's business. When companies are removed, they are excluded from prior period analyses as well. Aqfer, a toolkit for building CDPs, was dropped since the last report because it does not qualify as packaged software.

Employee counts in this report are taken from LinkedIn. Comparison with other information has shown these to be reasonably accurate. However, it is likely that they are more complete for U.S. firms than European or Asian firms. The CDP Institute also checks with the vendors and offers them an opportunity to provide corrected figures. The vendor listings in Appendix B show the vendors' corrected figures when available. Figures for companies whose primary business is not CDP software have been reduced in the statistical analyses to avoid overstating those firms' position in the CDP marketplace.

Founding dates and funding data are from Crunchbase. Crunchbase relies on public announcements, which are not always a complete record of investments. Many older firms had funding not captured in Crunchbase. Crunchbase is also more likely to miss information on non-U.S. firms.

Information in this report was gathered in June 2019. Neither the CDP Institute nor the original data providers are responsible for the accuracy of any information in this report.

Vendor Categories

This report groups CDP vendors into three categories based on the functions provided by their systems. Each category includes functions provided by the previous categories. There are great variations among vendors within each category. Categories are:

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- **Access.** These systems gather customer data from source systems, link data to customer identities, and store the results in a persistent database available to external systems. This is the minimum set of functions required to meet the definition of a CDP. Systems in this category often employ specialized technologies for data management and access. Many began as tag management or Web analytics systems and retain considerable legacy business in those areas.
- **Analytics.** These systems provide data assembly plus analytical applications. The applications always include customer segmentation and sometimes extend to machine learning, predictive modeling, revenue attribution, and journey mapping. These systems often automate the distribution of segment lists to marketing automation or advanced analytics products.
- **Campaigns.** These systems provide data assembly, analytics, and customer treatments. These treatments may be personalized messages, real time interactions, product or content recommendations, outbound marketing campaigns, customer journey orchestration, or other contacts. What distinguishes them from segmentation is they also specify the message to be delivered.

The CDP Institute also recognizes that an increasing number of firms offer a CDP as part of a larger operational system. Such firms are included in the campaign CDP category in this edition of the report but will likely be categorized separately, as “operational CDPs” in future reports.

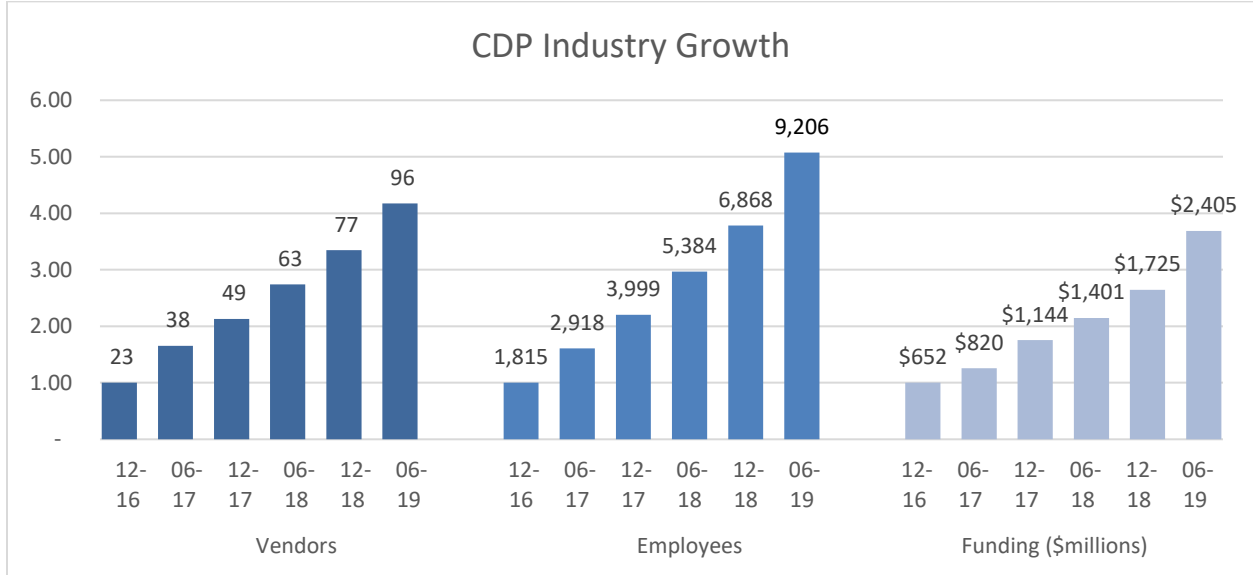
Revenue Estimate

Revenue estimates are based on the number of employees. The revenue per employee is derived from data provided by several CDP vendors and from industry averages. The figure is adjusted for individual firms based on employee count, company type, region, and funding. Revenue calculations for the operational CDPs use 10% of the actual headcount. The adjusted average is \$111,000 per employee per year.

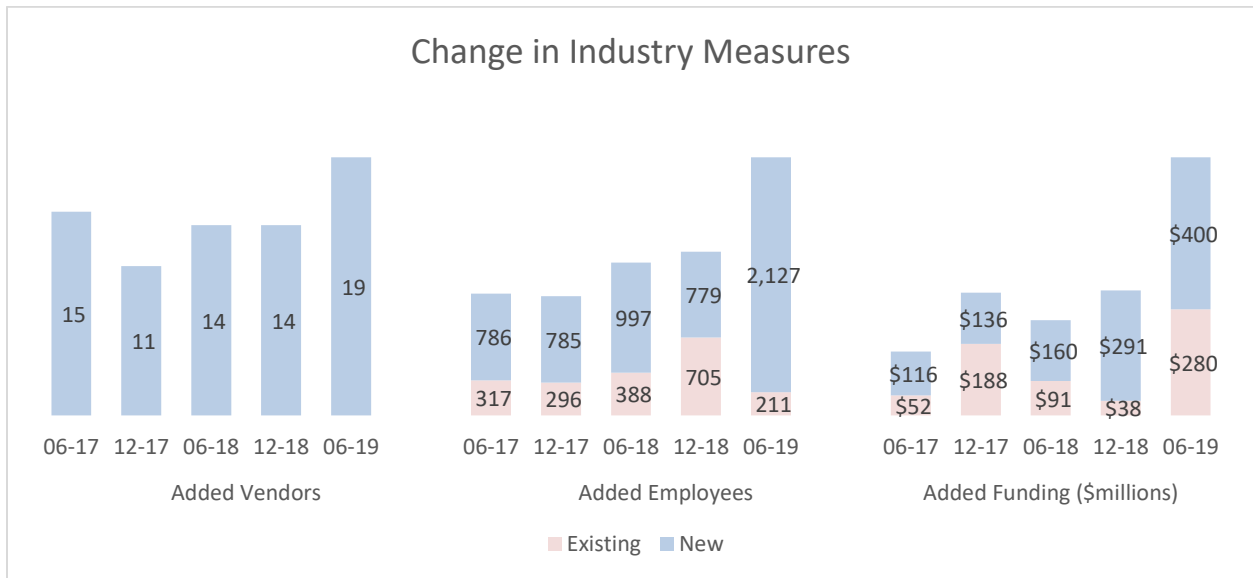
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Period Overview

The CDP industry continued to expand in the first half of 2019, reaching 96 vendors, 9,206 employees, and \$2.4 billion in funding.

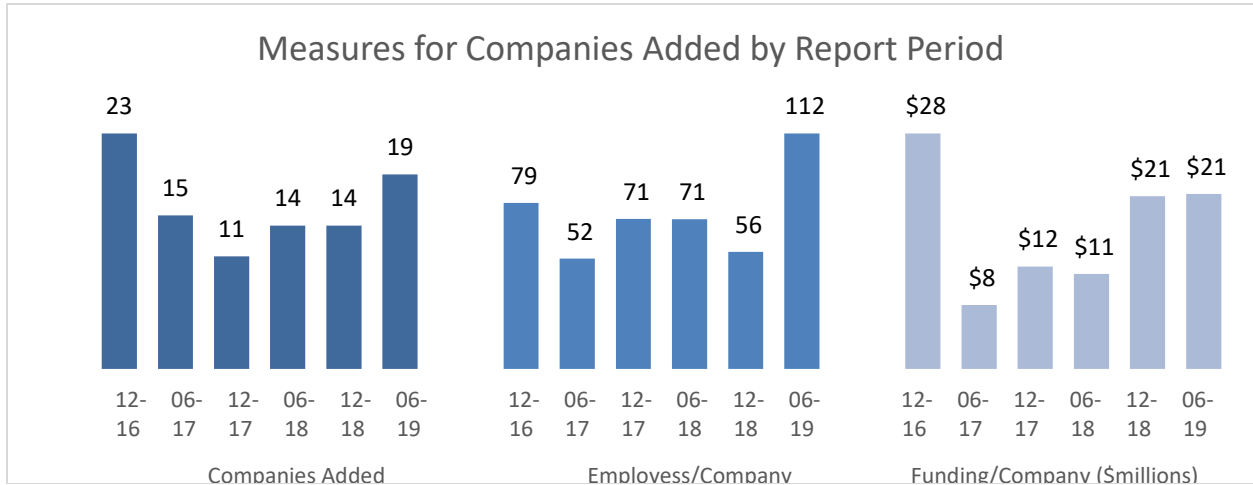


Industry entrants included several large software companies that offer a CDP as one of their features, extending the previous trend towards campaign CDPs. Even more than in previous periods, newly-added systems accounted for the bulk of the industry growth. The nineteen vendors added during this period accounted for 2,127 of the 2,339 added employees and \$400 million of the \$680 million added funding. The funding figure for existing vendors was far above previous periods, due largely to a \$175 million raise by Segment and a \$55 million raise by Tealium.



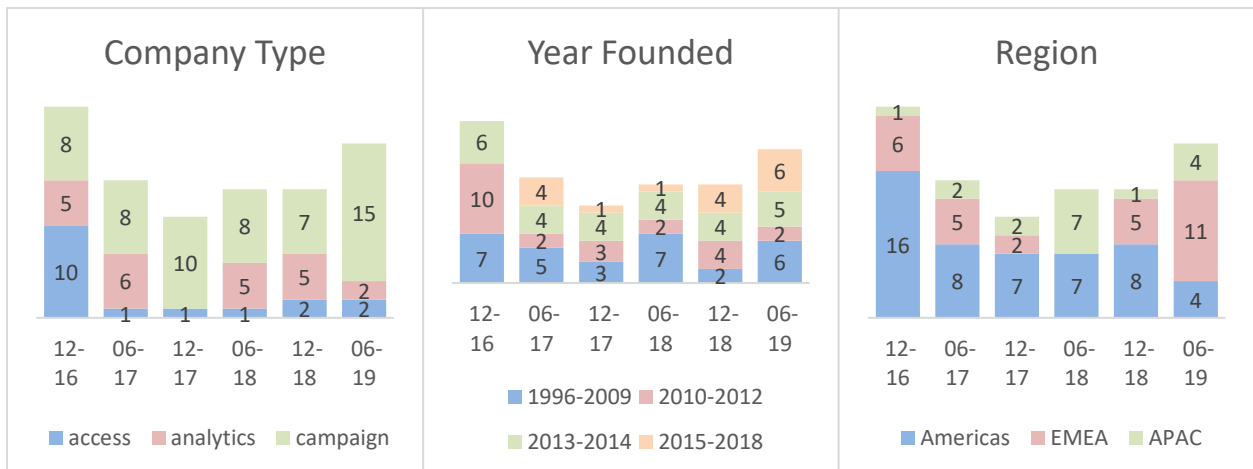
Companies Added

Companies are added to this report as the CDP Institute becomes aware of them. They include new businesses that were founded as CDPs and older firms that have repositioned as CDPs.



Three-quarters of the companies added to the report were campaign CDPs. More than half were in the European-Middle East-Africa (EMEA) region and were founded in 2013 or later. Growth in these segments continues recent trends in industry development. They reflect expansion of the CDP industry outside the United States as well as greater awareness of non-U.S. firms by the CDP Institute.

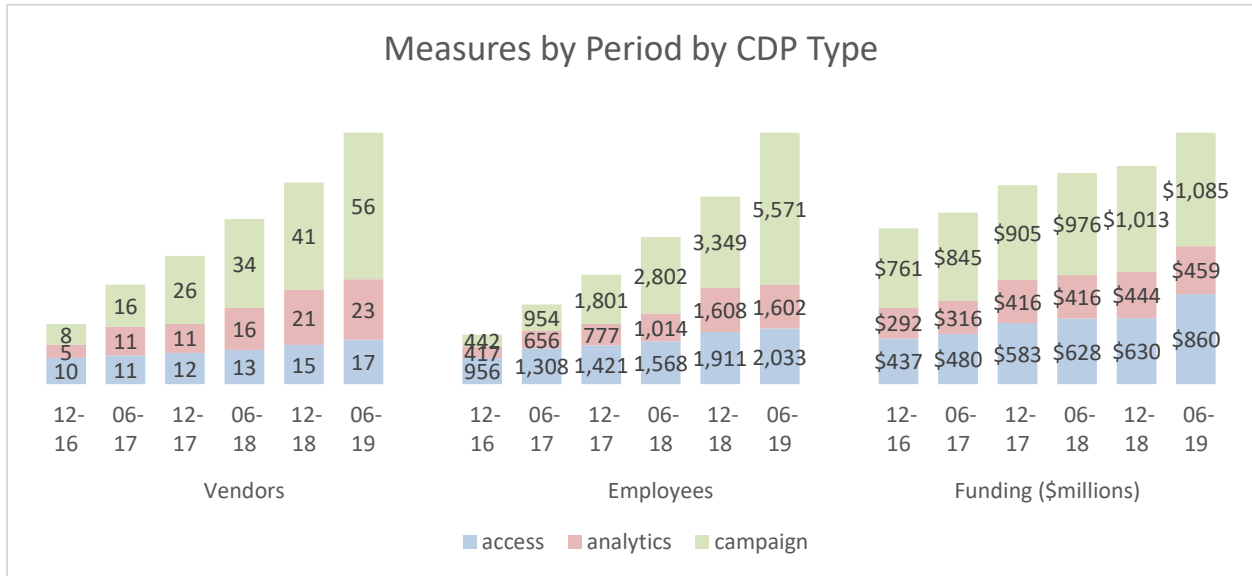
Companies Added



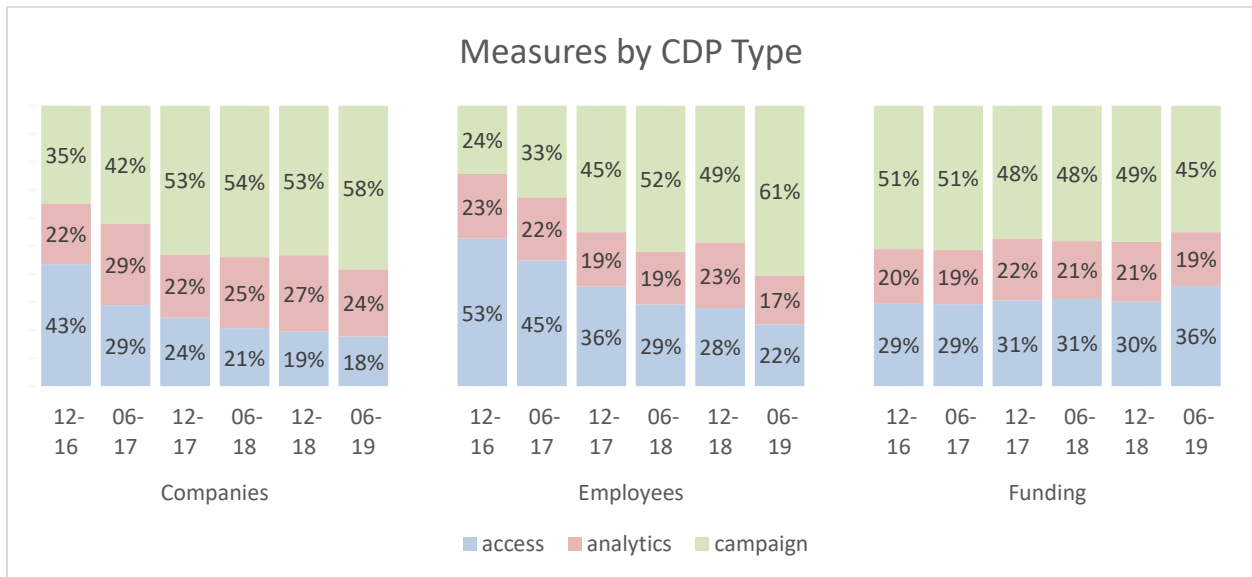
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CDP Types

The industry has seen a long-term shift away from data access CDPs towards campaign CDPs.

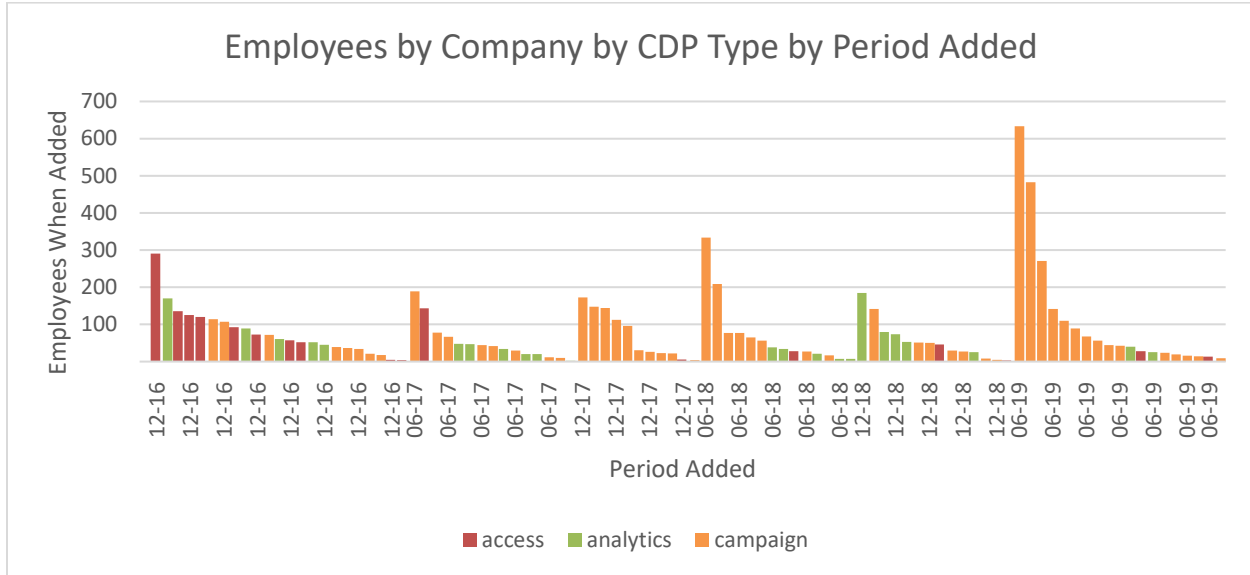


This trend continued during the most recent period, with the access vendors falling to 18% of companies and 22% of employment, well below half the 2016 levels. The greatest gain during the most recent period came from campaign vendors, which grew from 49% of employment to 61%.

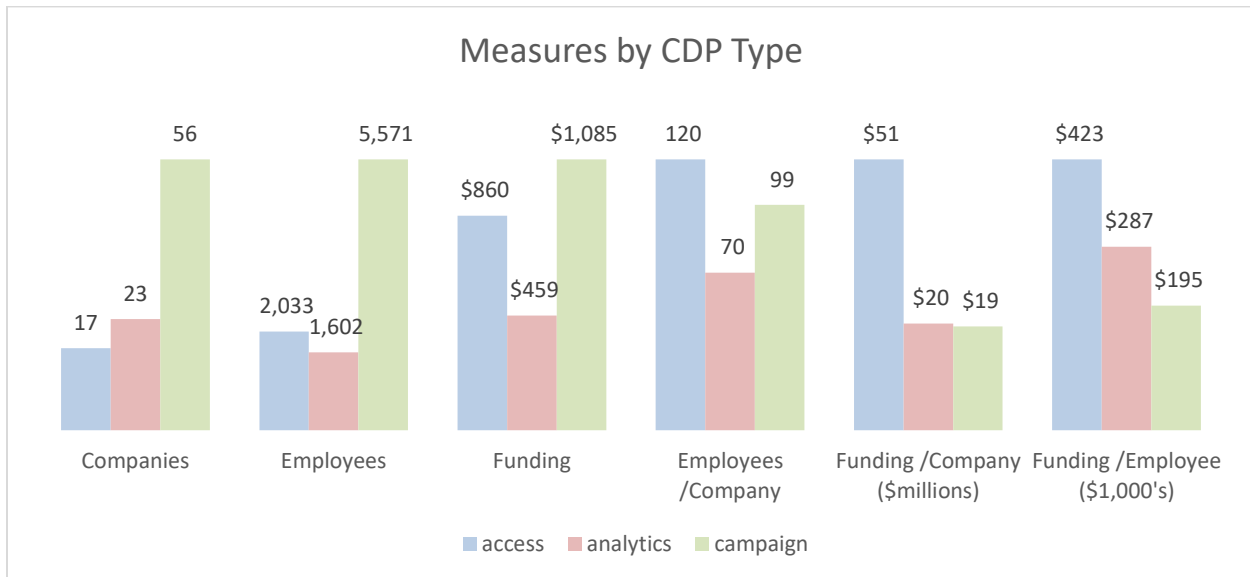


The sharp growth in employment share reflects the addition of several large campaign vendors to the mix. These are by far the largest companies to be added to the report during any period. By contrast, the few new access and analytics vendors added during recent periods have been quite small.

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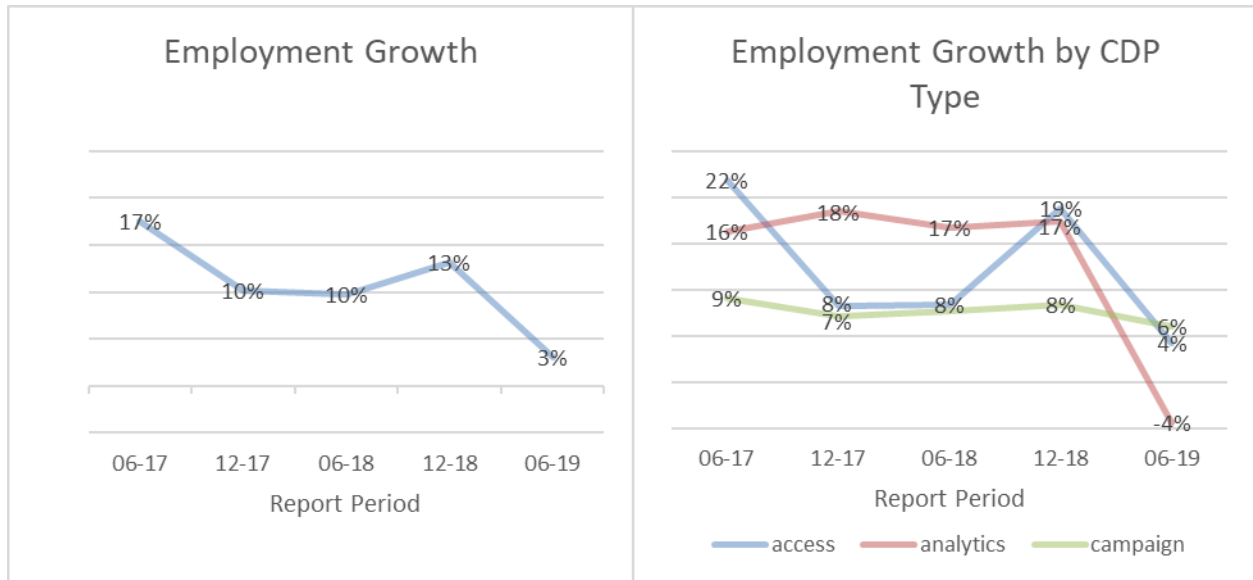
Despite these changes, access vendors on average are still largest and best funded companies within the industry. Funding per employee is especially high compared with other company types, reflecting heavy reliance on external funding by access vendors.



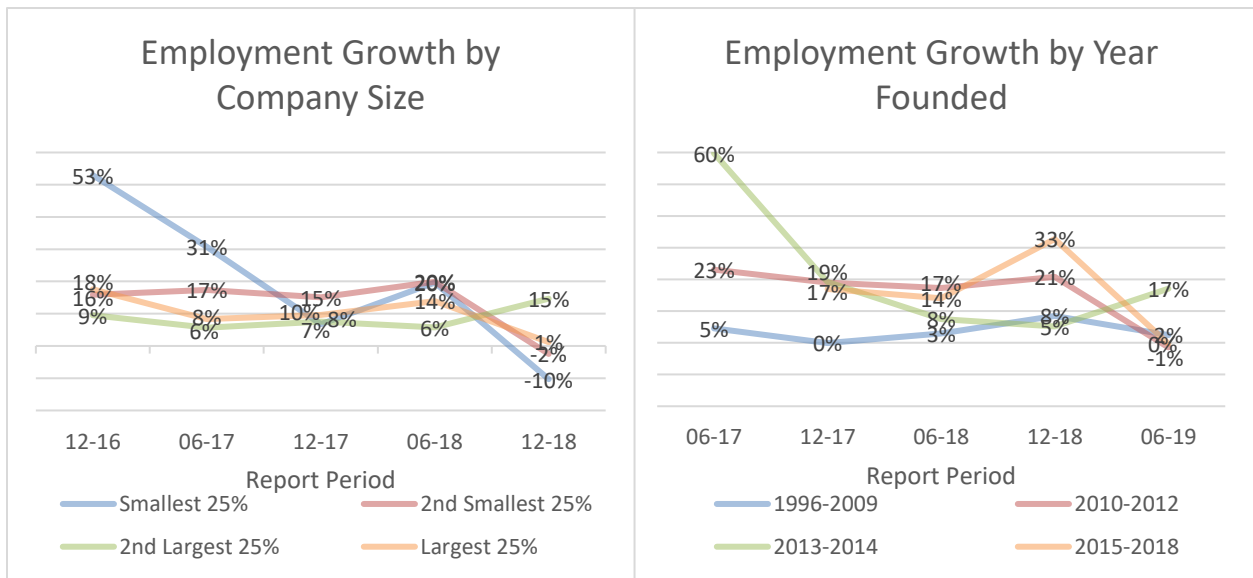
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Employment

Vendors listed in at least one previous report have been growing around 20% per year (10% per six-month period). The rate was lower during the most recent period, largely due to staff cuts at NGDATA (an access CDP) and Radius (a campaign CDP).



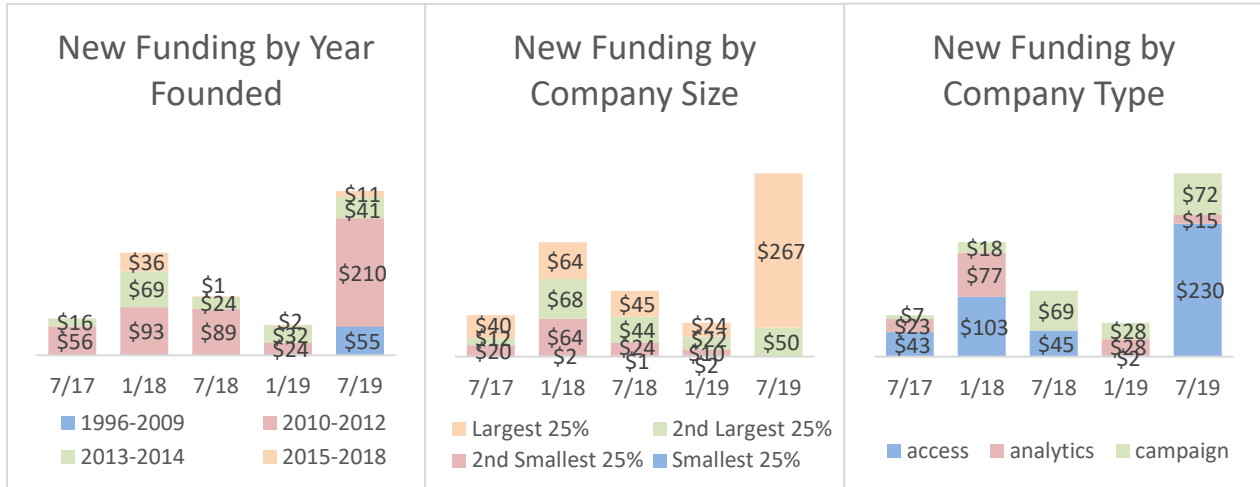
Apart from these anomalies, growth has been fairly stable, especially among larger and older companies.



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Funding

Industry funding rose by \$680 million during the period. This includes \$400 million funding for vendors added to the report, much of which was raised in previous periods. Funds raised during the period totaled \$317 million, a very sharp increase over the previous period and the highest period total on record. Segment's \$175 million round accounted for half the total by itself.



New funding was concentrated among large, established firms: of the six companies with new funding, four were in the top size quartile and four were founded between 2011 and 2015. Cumulative industry funding shows a similar concentration.

Funding Events						
company	event date	amount (\$ millions)	Type	founded	total funding (\$ millions)	employment
Segment, Inc.	4/2/2019	\$ 175.0	access	2011	\$ 283.7	447
Tealium	5/15/2019	\$ 55.0	access	2008	\$ 167.9	446
Lytics	2/21/2019	\$ 35.0	campaign	2012	\$ 58.3	109
CleverTap	4/10/2019	\$ 26.0	campaign	2013	\$ 41.6	142
BlueShift	4/23/2019	\$ 15.0	analytics	2014	\$ 25.6	74
Exponea	1/31/2019	\$ 11.3	campaign	2015	\$ 22.6	271

Top 5 Companies by Total Funding						
company	report added	region	type	founded	total funding (\$ millions)	employment
Segment, Inc.	12-16	USA	access	2011	\$ 283.7	447
Tealium	12-16	USA	access	2008	\$ 167.9	446
Gainsight	06-19	USA	campaign	2011	\$ 156.3	684
Reltio	12-16	USA	access	2011	\$ 117.0	250
Ensignen	12-18	USA	access	2009	\$ 108.5	69

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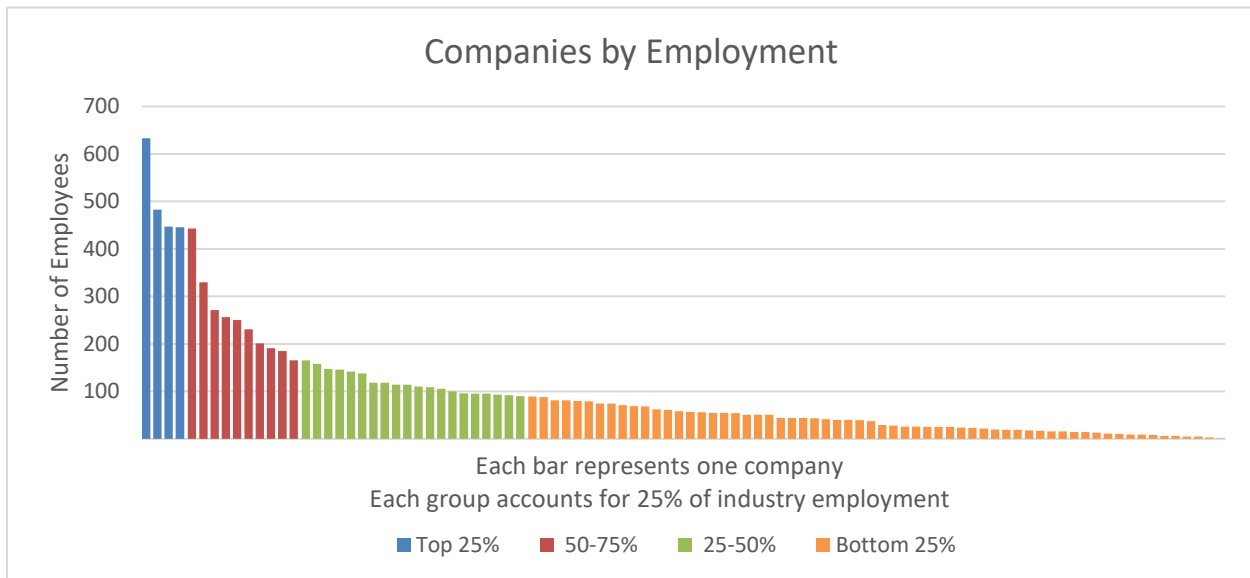
Acquisitions

The period saw two CDP acquisitions. Allsight, a specialist in identity resolution, was purchased by Informatica to enhance its customer data management capabilities. Lattice Engines, a B2B specialist, was purchased by B2B data compiler Dun & Bradstreet to improve its predictive analytics and campaign execution products. Both buyers were notable for being outside of the marketing technology vendor universe.

Acquisitions							
company	buyer	date	price (\$ millions)	category	founded	total funding (\$ millions)	employment
Allsight	Informatica	2/19/19	unknown	analytics	2017	0	25
Lattice Engines	Dun & Bradstreet	6/13/19	unknown	campaign	2006	\$64.7	147

Combined with acquisitions from previous periods, more than 10% of industry employment is now at acquired firms. As these firms become more integrated with their corporate parents it will become more difficult to estimate total industry employment.

Concentration



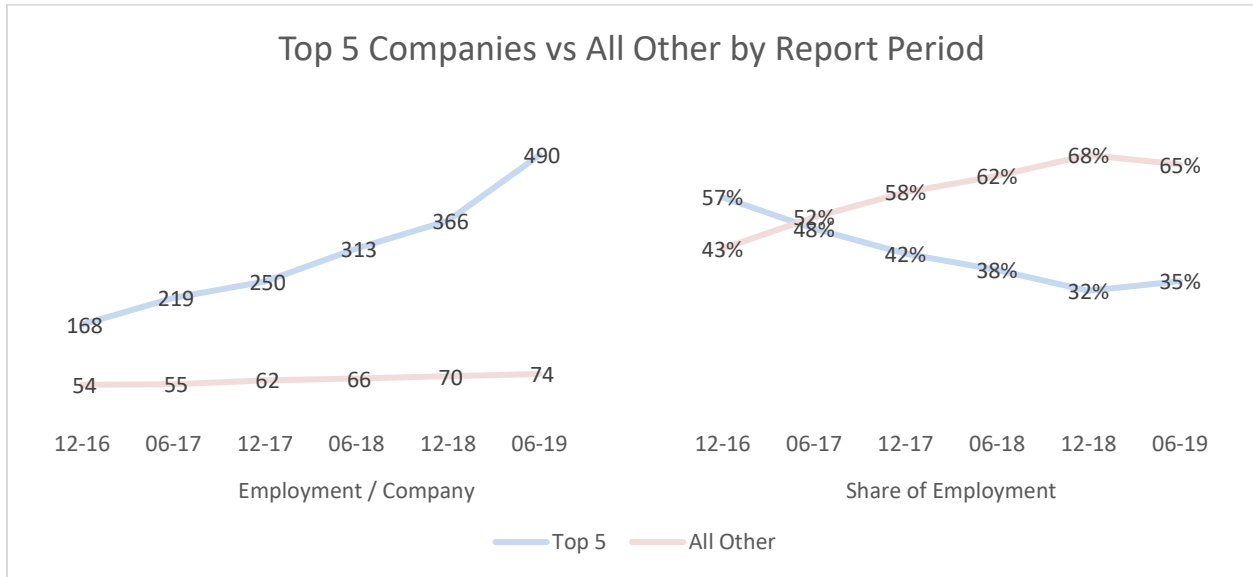
The CDP industry shows a typical “long tail” distribution, with a handful of large vendors and a large number of smaller ones. The top four vendors, each with more than 445 employees, account for just over 25% of total employment. The next ten vendors, with 165 to 443 employees, account for another 25%. The third quarter of employment is made of 20 vendors with 90 to 165 employees. The final 25% takes 62 vendors with 89 employees or fewer.

The industry’s largest two vendors, Manthan and Flytxt, are new to this report. Both are established businesses that have classified themselves as CDPs. Their entry reinforces the previous trend of the top five vendors’ average size growing faster than the average size of other vendors.

Top 5 Companies by Employment						
company	report added	region	type	founded	total funding (\$ millions)	employment
Manthan	06-19	APAC	campaign	2003	\$ 98.4	633
Flytxt	06-19	EUR	campaign	2008	\$ 22.0	483
Segment, Inc.	12-16	USA	access	2011	\$ 283.7	447
Tealium	12-16	USA	access	2008	\$ 167.9	446
Datorama	12-16	USA	analytics	2012	\$ 50.0	443

Specifically, the average size of the five largest companies has nearly tripled since 2016, from 168 to 490 employees, while the average size of all others has grown by less than half, from 54 to 75. Despite the faster size increase, the top five vendors’ share of total employment fell during this period from 57% to 35%. This reflects the continued entry to the industry of large, established businesses. If the number or size of new entrants declines, or if even larger firms enter the market, the top five share is likely to increase.

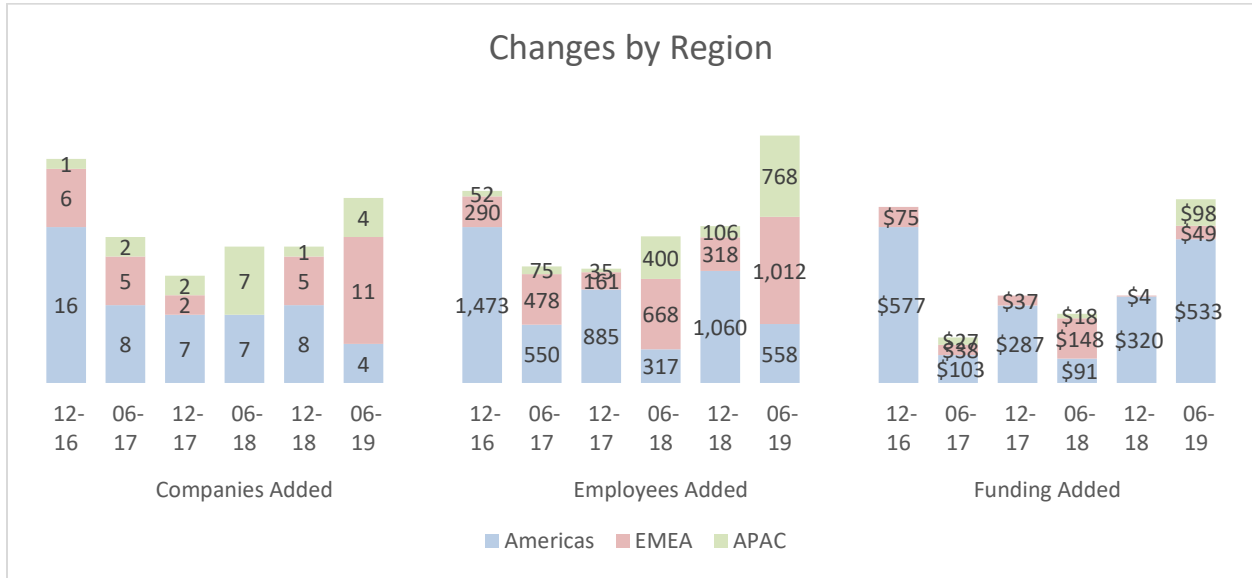
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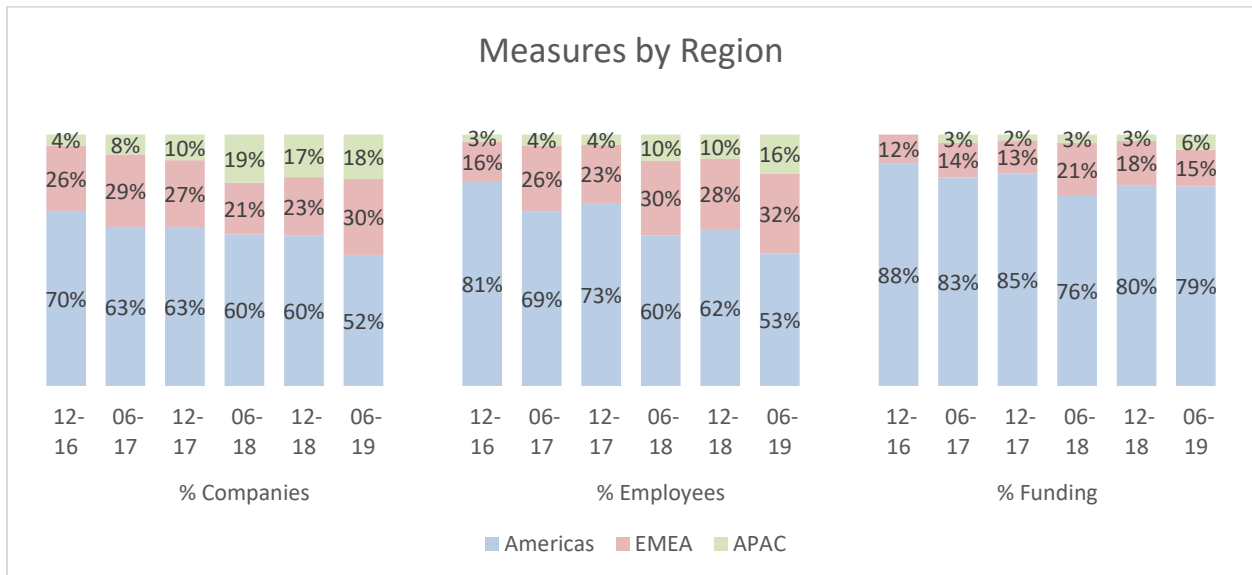
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Regions

Industry growth shifted decisively away from the U.S. during this period. For the first time, EMEA and APAC each added more employees than the Americas. EMEA added eleven new companies compared with four in the Americas while APAC also added four.

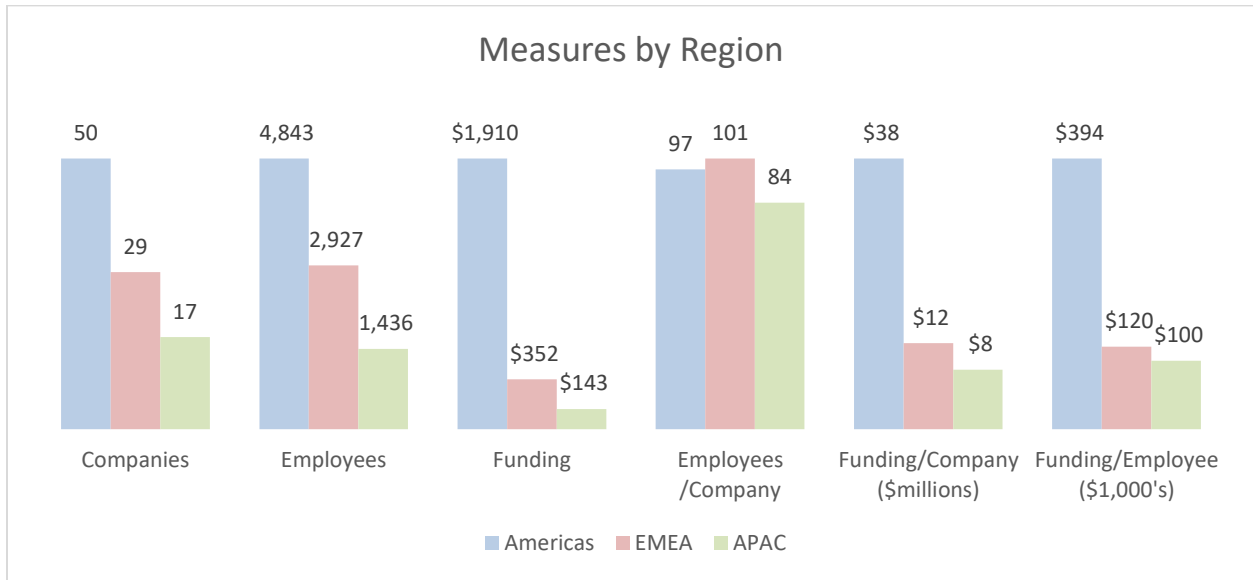


The period results are consistent with long-term trends, which show faster growth outside the U.S. and an equalization of average company size across regions. The figures as shown actually understate the non-American market since they do not adjust for non-American sales of U.S.-based companies.

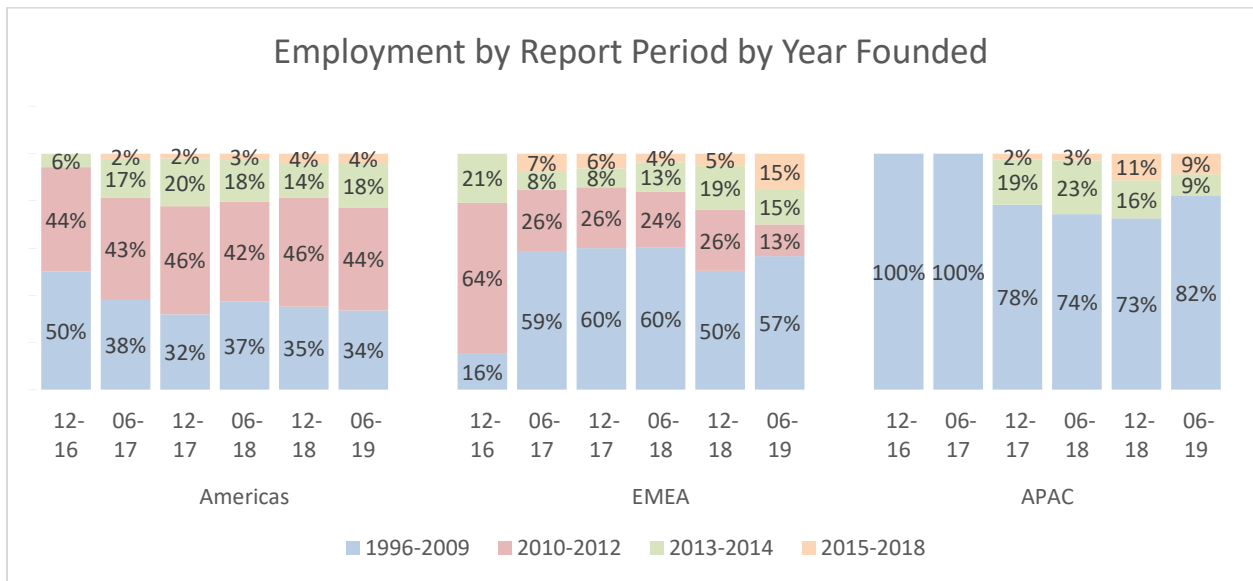


Although company sizes are now similar in all regions, funding remains heavily concentrated in the U.S. This applies to total funding, funding per company, and funding per employee.

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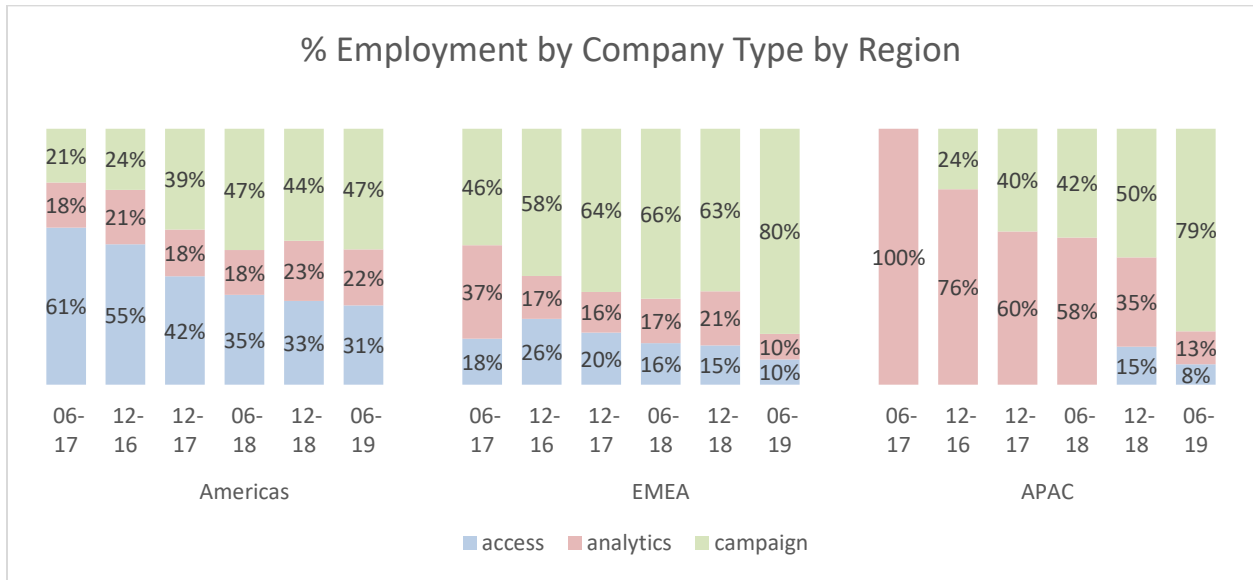


The difference in funding by region is due in part to the greater dependence of U.S. firms on equity investors. However, non-American firms are also substantially older than U.S. firms. More than half were founded before 2010, compared with just one-third of U.S. firms. Funding information on older firms is incomplete and these firms are more likely to have financed CDP development with their existing revenues rather than external capital.

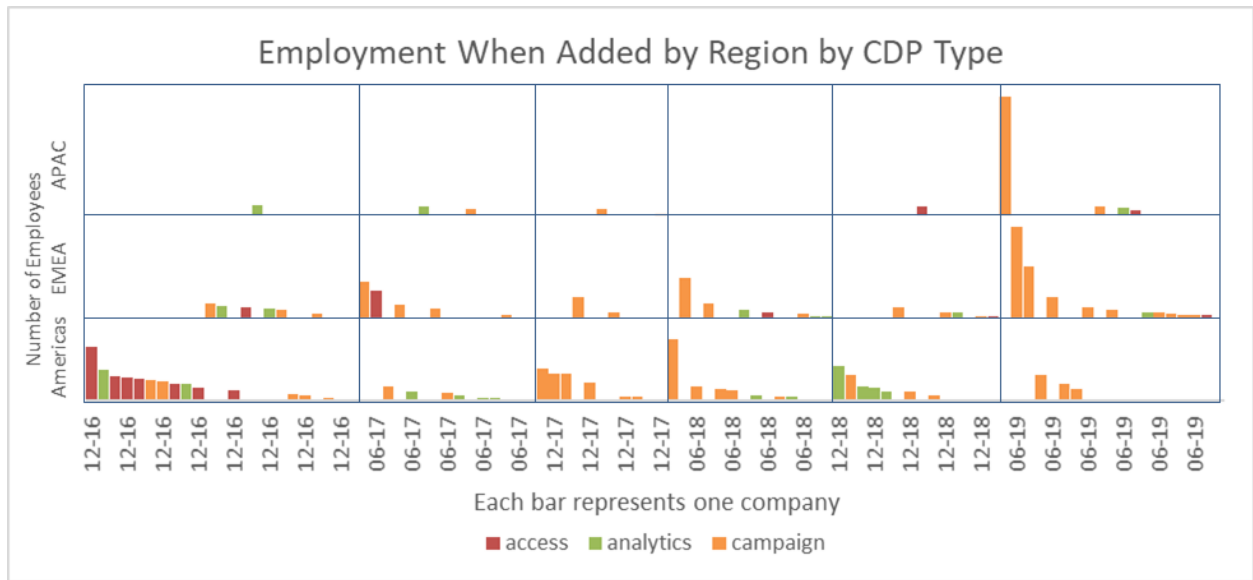


Firms outside the U.S. are also much more likely to be campaign CDPs than access or analytics CDPs. This is largely because many of these firms started as agencies or delivery systems. But even new firms now primarily enter the market as campaign CDPs.

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Individual company data shows even more clearly how figures for the recent period are dominated by entry of a few large, non-American campaign CDPs.



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Appendix – Vendor Summary

company	report added	region	type	founded	total funding (\$ millions)	employment
ActionIQ	06-17	USA	analytics	2014	\$45	93
Advalo	12-18	EUR	campaign	2014	\$6	44
Advanced InSight	06-17	USA	analytics	2012	\$0	1
Agilone	12-16	USA	campaign	2006	\$41	118
Aginity	12-16	USA	analytics	2005	\$14	74
Allsight	12-18	USA	analytics	2017	\$0	25
Alterian	06-18	USA	campaign	1997	\$0	58
Amperity	06-17	USA	analytics	2016	\$37	118
ARM Treasure Data	12-16	USA	access	2011	\$54	201
Ascent360	12-17	USA	campaign	2014	\$6	37
Audiens	12-18	EUR	analytics	2015	\$2	8
BlueConic	12-16	USA	campaign	2010	\$14	81
BlueShift	06-17	USA	analytics	2014	\$26	74
BlueVenn	12-16	EUR	campaign	2013	\$0	138
Boxever	12-16	EUR	campaign	2011	\$19	81
Bridg	12-18	USA	campaign	2012	\$11	51
CaliberMind	06-17	USA	campaign	2015	\$4	25
Camp de Bases	12-17	EUR	campaign	2011	\$0	18
Celebrus	06-18	EUR	access	1999	\$0	26
CleverTap	06-19	USA	campaign	2013	\$42	142
CommandersAct	12-16	EUR	access	2010	\$8	61
Conjura	06-19	EUR	analytics	2016	\$0	25
ContactLab	06-18	EUR	campaign	1998	\$4	191
CrossEngage	06-17	EUR	campaign	2015	\$6	51
Custobar	06-19	EUR	campaign	2014	\$0	19
Datalicious/Equifax	12-16	APAC	analytics	2007	\$0	41
Datatrics	12-18	EUR	campaign	2012	\$0	39
Datorama	12-16	USA	analytics	2012	\$50	443
Enlighten	12-16	USA	access	2009	\$109	69
Eulerian	12-16	EUR	analytics	2002	\$5	62
Evergage	12-17	USA	campaign	2010	\$26	92
Exponea	06-19	EUR	campaign	2015	\$23	271
FanThreeSixty	06-18	USA	campaign	2011	\$0	71
FirstHive	12-17	APAC	campaign	2016	\$0	19
Flytxt	06-19	EUR	campaign	2008	\$22	483
Fospha	12-16	EUR	campaign	2014	\$25	44
Gainsight	06-19	USA	campaign	2011	\$156	684*
Gamooga	12-17	APAC	campaign	2014	\$0	54
Healthgrades	06-19	USA	campaign	1996	\$18	894*
Hull.io	12-16	USA	access	2013	\$5	95

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IgnitionOne	06-18	USA	campaign	2004	\$80	330
Integral-Core	12-18	APAC	access	2006	\$0	55
IntentHQ	06-18	EUR	analytics	2010	\$11	51
Invicta	06-18	EUR	campaign	2006	\$0	16
Jahia / Unomi	06-17	EUR	campaign	2002	\$23	96
Knowesis	06-19	APAC	analytics	2013	\$0	40
Lattice Engines	12-18	USA	campaign	2006	\$65	147
LeadBoxer	06-18	EUR	analytics	2014	\$1	6
Leadspace	12-18	USA	analytics	2011	\$56	105
Lemnisk/Vizury	06-17	APAC	campaign	2008	\$27	80
Lexer	06-17	APAC	analytics	2008	\$0	55
Lytics	12-16	USA	campaign	2012	\$58	109
Manthan	06-19	APAC	campaign	2003	\$98	633
Marketing G2	06-18	USA	campaign	2002	\$0	22
Mediarithmics	06-19	EUR	campaign	2013	\$5	43
Meiro	06-19	APAC	access	2018	\$0	28
Mindbox	06-19	EUR	campaign	2006	\$0	102
mParticle	12-16	USA	access	2013	\$76	146
Myntelligence	06-19	EUR	campaign	2015	\$0	78
NectarOM	12-17	USA	campaign	2014	\$2	10
NextUser	12-16	USA	campaign	2013	\$2	20
NGDATA	12-16	EUR	analytics	2012	\$47	114
Nominow	06-17	EUR	campaign	2015	\$0	14
Np6	06-19	EUR	campaign	1999	\$0	110
Omnisient	12-18	EUR	access	2014	\$0	3
ONEcount	12-17	USA	access	1996	\$0	6
Optimove	12-17	USA	campaign	2009	\$20	256
PearlThinks	12-18	USA	campaign	2018	\$0	11
Piwik Pro	06-18	EUR	campaign	2013	\$2	88
PRDCT	06-18	EUR	analytics	2014	\$0	9
Quaero	06-17	USA	campaign	2014	\$4	95
QuickPivot	12-17	USA	campaign	2013	\$0	100
Radius	12-18	USA	analytics	2012	\$108	79
RedEye	06-17	EUR	campaign	1997	\$0	165
RedPoint Global	12-16	USA	campaign	2006	\$24	185
Rekener	06-18	USA	analytics	2015	\$7	26
Reltio	12-16	USA	access	2011	\$117	250
Scal-e	06-19	EUR	campaign	2007	\$0	16
Segment, Inc.	12-16	USA	access	2011	\$284	447
SessionM	12-17	USA	campaign	2011	\$97	231
Simon Data	12-18	USA	analytics	2014	\$34	90
Splio	12-17	EUR	campaign	2001	\$12	158
Stride	12-18	USA	campaign	2016	\$11	29
Tealium	12-16	USA	access	2008	\$168	446

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Teavaro	06-19	EUR	access	2014	\$0	13
Totango	06-19	USA	campaign	2010	\$37	96*
Tuple	06-19	APAC	campaign	2016	\$0	44
Umbel	12-16	USA	access	2010	\$33	17
UniFida	12-18	EUR	campaign	2014	\$0	5
UserMind	06-18	USA	campaign	2013	\$46	57
Velocidi	06-18	USA	analytics	2009	\$12	23
WhiteRabbitSuite	06-19	EUR	campaign	2015	\$0	14
Yeti Data	12-16	USA	access	2013	\$1	5
Ysance	06-17	EUR	access	2005	\$6	165
Zaius	06-17	USA	campaign	2012	\$51	114
Zylotech	06-17	USA	analytics	2014	\$6	40

* = 10% of this figure used in employment calculations

About the CDP Institute

The Customer Data Platform Institute provides vendor-neutral information about issues, methods, and technologies for creating unified, persistent customer databases. Activities include publishing of educational materials, news about industry developments, creation of best practice guides and benchmarks, a directory of industry vendors, and consulting on related issues. For more information, visit www.cdpinstitute.org.