eBook

The CDP Build vs Buy Guide:

How to Compose Your CDP with the Databricks Lakehouse and ActionIQ

databricks × ActionIQ

The Need for a Customer Data Platform

Organizations need to deliver personalized experiences to their customers to stay ahead of the curve — that means they need a customer data platform (CDP). Through a CDP, data from every touch point, along with third-party information, is brought together to provide a unified view of the customer. This enables your marketing team to analyze, identify and activate customers with targeted content.

The key question for all IT teams at these organizations is whether to build or to buy.

A CDP that sounds like music to the ears of business leaders may be perceived as noise by enterprise IT leaders. The business side of the house needs immediate enablement, and an out-of-the-box system dedicated to the specialized needs of marketers seems like the fastest path to a solution.

But for IT, the CDP is yet another system, bringing stack baggage and redundancies to existing marketing and analytics systems.. The cost of adding another system to the landscape and the redundancy of sensitive customer data creates a governance challenge that has immediate consequences.

Critical IT Needs	Critical Business Needs
Keep control of data access and governance; ability to architecture a customer data stack with decisions on where data is stored and where queries are executed	Get customer data access via a no-code interface to generate insights; build customer experiences and activate data within business applications

The question of whether to build or buy seems to leave legitimate needs and concerns by one side or the other unaddressed — which is why so many organizations who have built a CDP have expressed dissatisfaction regardless of which side of the fence they came down upon.

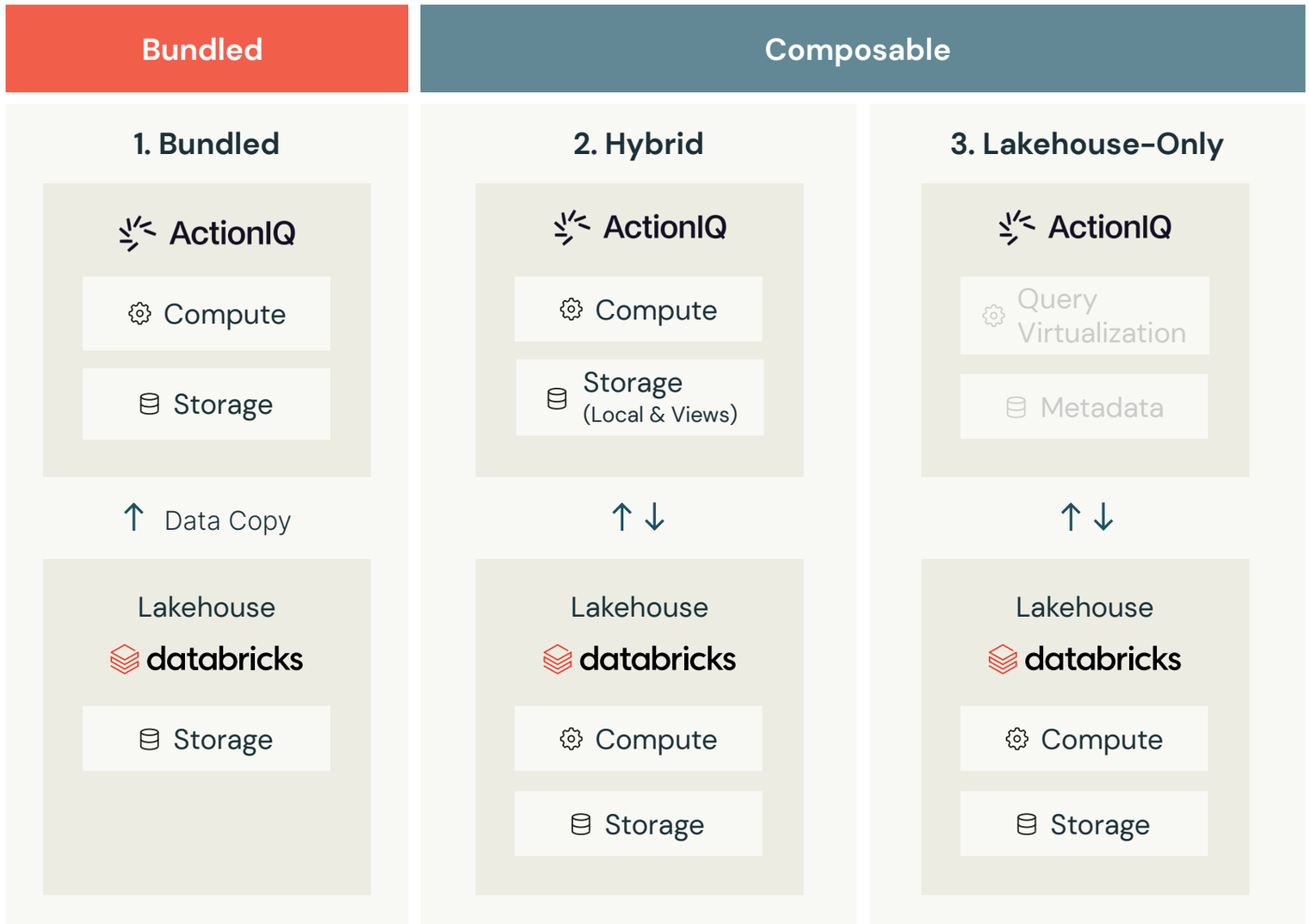
At both ActionIQ and Databricks, we believe the best path forward is to acknowledge both sides of the debate and provide organizations a third choice of both building and buying. The ActionIQ customer data platform built on the Databricks Lakehouse provides the business with no-code and ease of use interface along with the flexibility and centralized governance IT desires. By shifting the conversation from building or buying to building *and* buying, we've opened the door to finding the right balance of approaches for our customer organizations, helping organizations find greater success in their personalization journey.

"We made an attempt to internally build a CDP platform and while we could do basic SQL, audience segmentation and activation across multiple channels, by no means were we able to orchestrate an omnichannel journey or offer a campaign interface to our product marketers that could empower them to create and manage those journeys. It was going to take at least two years for us to build all of that functionality in house."

– Sravan Gupta, Senior Manager of GTM Systems, Atlassian

Combining the Build and Buy Approaches

Bringing together the best of build and buy involves the deployment of the CDP alongside or within the lakehouse platform. There are three approaches to this:



Deployment Type	Description
Bundled	The CDP and the lakehouse are managed as two separate systems. Connectors in either system (as well as third-party tools) allow data to be exchanged, typically as part of an ad hoc or batch process. This approach allows the organization to leverage the functionality of both systems but data is duplicated making governance an on-going concern.
Composable – Hybrid	The CDP and the lakehouse are managed as two separate systems, but deeper integrations between the two allow the organization to decide within which system a specific dataset should reside. Real-time integrations between the systems allow CDP users to select information assets in the lakehouse and generate queries spanning data on either side of the platform divide. This approach minimizes the need for data duplication which simplifies data governance, even though it must be implemented within two separate systems.
Composable – Lakehouse-Only	All CDP information assets reside within the lakehouse. User interfaces built on other technologies, directly interact with the lakehouse for access to data. This approach minimizes redundancy and allows organizations to implement a centralized data governance strategy for all consumers of customer-relevant data.

Deployment Architectures

The choice of which of these deployment architectures is best depends on the functional requirements of a specific organization. Each has its benefits, and in the case of parallel and federated deployments, organizations can easily transition between deployment architectures over time. The following table captures many of the typical benefits associated with the different deployment architectures.

Typical User	Component	Description	Bundled CDP Deployment	Composable CDP-Hybrid	Composable CDP-Lakehouse-Only
IT	Digital Touchpoints	Collect and integrate data from digital channels (website, app, etc.)	Included with CDP via a tag	Works with any digital touchpoint collection system	Works with any digital touchpoint collection system
	Data Modeling	Unify and model data to make it usable by other applications	Sometimes included with CDP	Either within the CDP or in Lakehouse via real-time integration	Unified environment with minimal data replication in and centralized governance in Lakehouse
	Identity Resolution	Deduplicate records to build a private ID graph with a single view of the customer	Primarily with CDP or other tools (MDM, Lakehouse)	CDP, MDM, or Lakehouse	Built with Lakehouse and additional tools
	Data Governance	Control data access and permitted actions on the data	Included with CDP	Both CDP and Lakehouse	Managed centrally from Lakehouse

Typical User	Component	Description	Bundled CDP Deployment	Composable CDP-Hybrid	Composable CDP-Lakehouse-Only
	Predictive Scoring	Create and execute models predicting user behaviors such as purchase or churn	Included with CDP with supplement scoring from Lakehouse	CDP, or automatically present with Lakehouse	Automatically present with Lakehouse
Business	Marketing Audience Segments	Use a self-service UI to build rule-based or model-based audiences	Included with CDP	Included with CDP	Included with CDP
	Customer Journey Orchestration	Define and optimize the customer journey and interactions with the brand across every channel and every phase of the customer lifecycle	Sometimes included with CDP	CDP, marketing automation, or additional tools	CDP, marketing automation, or additional tools
	Data Activations	Integrate seamlessly with delivery systems for both inbound and outbound customer experiences	Included with CDP	Included with CDP	CDP, or additional tools
	Analytics	Understand audience and customer journey performance	Sometimes included with CDP	Sometimes included with CDP or built with Lakehouse and additional tools	Built with Lakehouse and additional tools

About Databricks

Databricks is the data and AI company. More than 9,000 organizations worldwide — including Comcast, Condé Nast, H&M, and over 50% of the Fortune 500 — rely on the Databricks Lakehouse Platform to unify their data, analytics and AI. Databricks is headquartered in San Francisco, with offices around the globe. Founded by the original creators of Apache SparkTM, Delta Lake and MLflow, Databricks is on a mission to help data teams solve the world's toughest problems.

About ActionIQ

AIQ brings order to CX chaos. Our Customer Experience Hub empowers everyone to be a CX champion by giving business teams the freedom to explore and action on customer data while helping technical teams regain control of where data lives and how it's used.

Get in touch with our experts to learn more.

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