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# Making Sense of MarTech

What is an MMH and CDP?

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It may come as a surprise that the average large enterprise has more than [120 marketing technology \(MarTech\)](#) tools in use throughout the organization. But ask any marketer and they might tell you that they regularly interact with only one or two of their organization's MarTech systems. In fact, Gartner research shows that marketers are only using [61 percent](#) of their MarTech portfolio's functionality.

With all of the different tools making up their MarTech stack, this figure shouldn't come as a shock to most organizations. Companies are investing in digital experience platforms (DXPs), content management systems (CMSs), customer relationship management platforms (CRMs), multichannel marketing hubs (MMHs), data management platforms (DMPs), customer data platforms (CDPs), and more. There's a veritable alphabet soup of MarTech solutions out there, and becoming an expert in all of them can seem daunting.



Fortunately, MarTech professionals and marketers don't need to be an expert in every tool — just a few key systems that are central to delivering the experiences that modern audiences demand. In this eBook, we'll define and explore two such key technologies that should be at the core of any organization's MarTech stack:

## 1 MMHs, or Multichannel Marketing Hubs

## 2 CDPs, or Customer Data Platforms

We'll cover why there's a need for solutions such as these and define the capabilities that make them an essential part of the modern marketer's toolkit and the capabilities. By the end of this eBook, you'll have an understanding of the role an MMH and CDP plays in your MarTech stack, as well as how to begin evaluating and implementing such solutions.



# Why MarTech is Exploding

Before we dive into the nature of MMHs and CDPs, let's take a step back. Why do these MarTech solutions exist in the first place?

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Broadly, there are three trends that have spurred the explosion of MarTech solutions

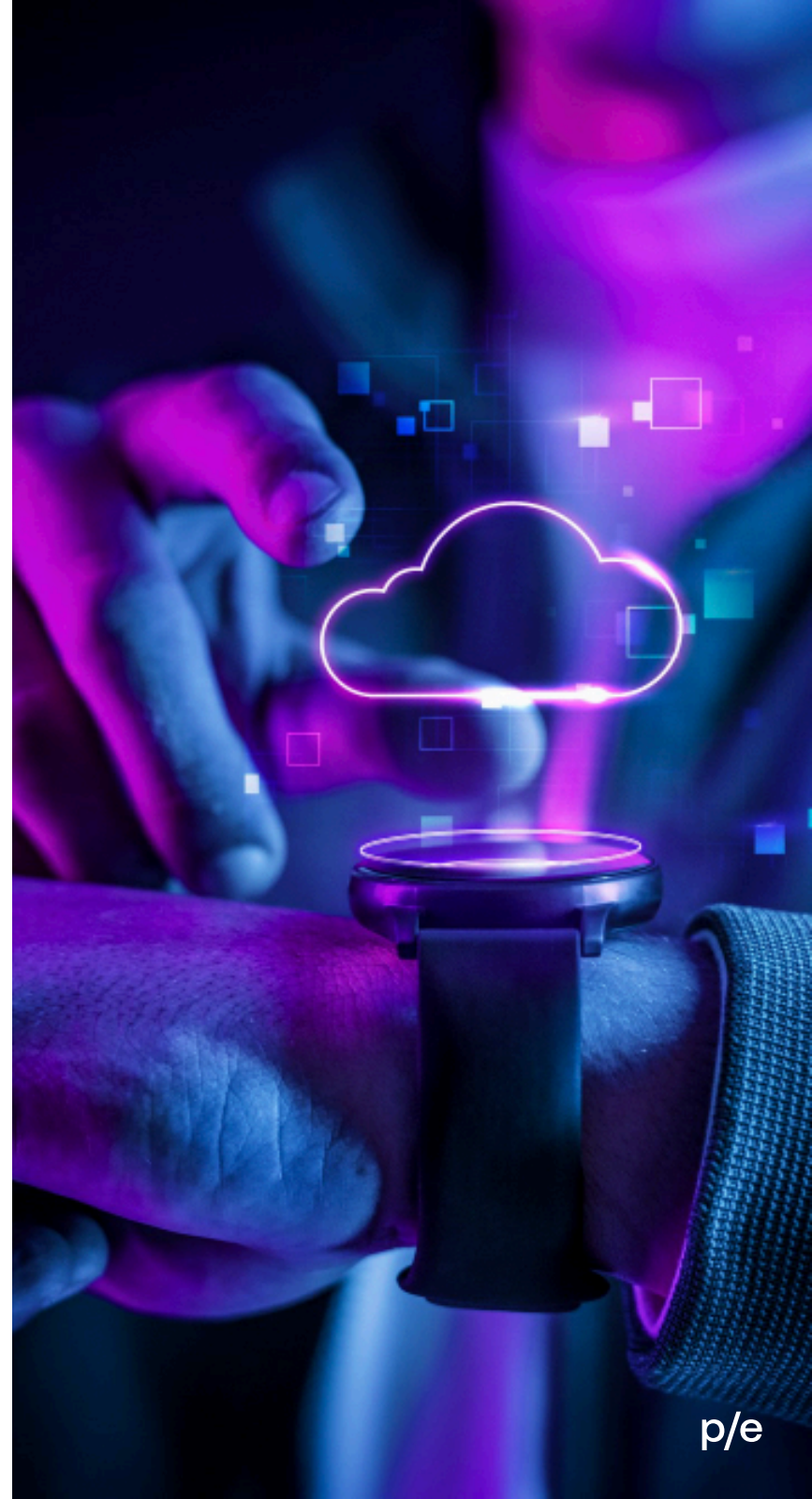




## The Need to Make Big Data More Actionable

It's been over [15 years](#) since the term "big data" was first coined, and few business units have more enthusiastically embraced big data than marketing. Big data promised to provide a wealth of insights into audiences, enabling marketers to better position their products and services and nurture prospects into qualified leads.

But even though more than 15 years have passed since the term was first conceived, marketers still struggle with its core challenge: Big data is highly difficult, if not impossible, to manage using traditional business intelligence processes. In fact, [62 percent](#) of digital marketing leaders report that actually using customer data to drive digital marketing strategy is a moderate or significant challenge. **Marketers need a way to make big data actionable.**





## The Proliferation of Digital Channels

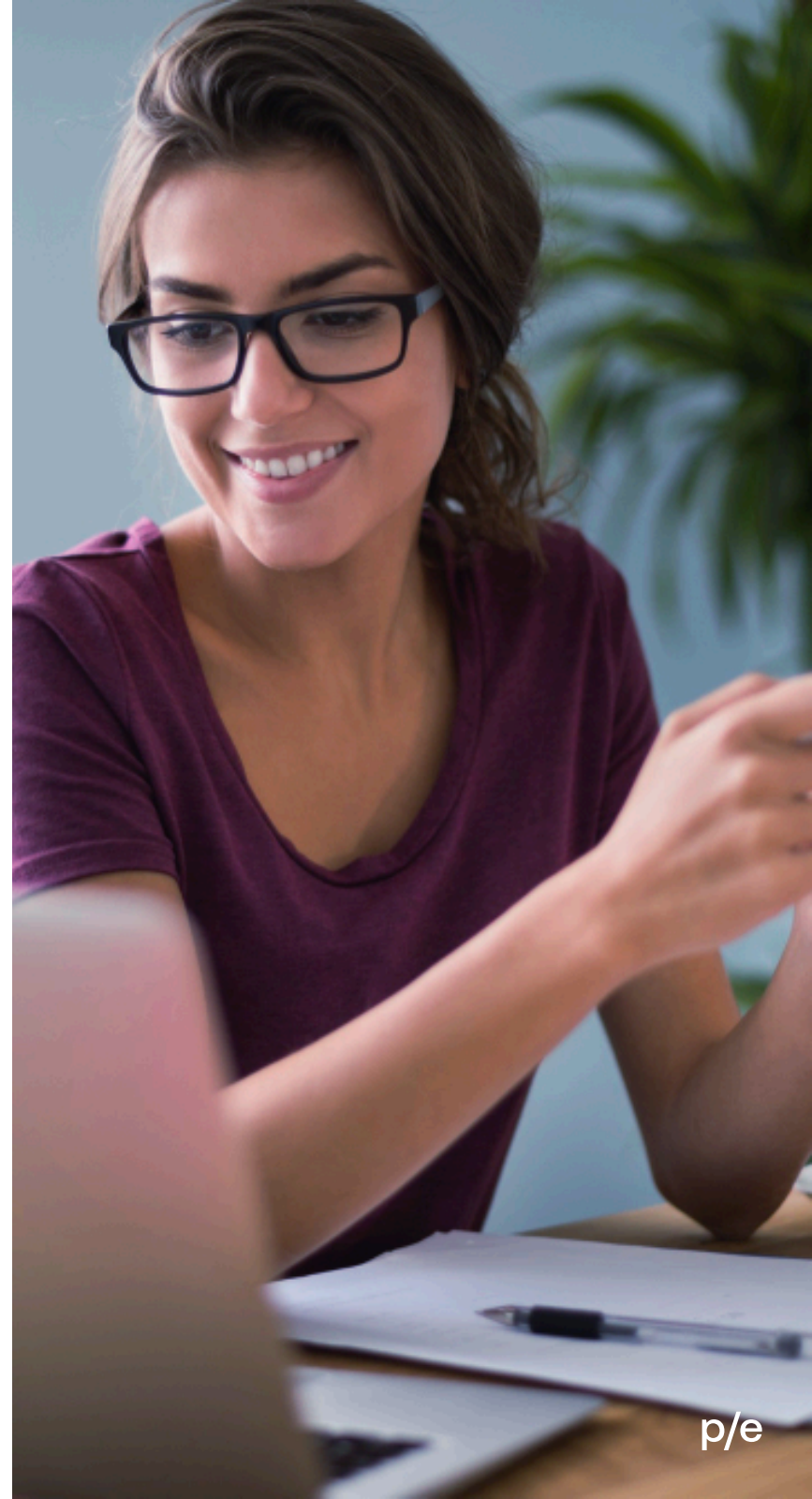
Digital transformation was already an on-going trend, but the COVID-19 pandemic drove even more customers and businesses to digital channels. As digital channels have become increasingly varied and critical for customer engagement, organizations have struggled to keep up. **Delivering optimal experiences across these different channels for different customer segments has been a challenge.**




## The Rise of Personalization and 1:1 Engagement

Once MarTech advanced to the point where it was possible to do so, marketers made the shift from broadband, shotgun-style communication to highly tailored, personalized communication.

The reason why is simple: personalization enables marketers to optimize the customer experience. With a personalized experience, each prospect is faced with the right content, at the right time, on the right channel in order to maximize their chance of becoming a customer. But of course, **just because the technology exists doesn't necessarily mean that it's easy to build a personalized customer experience.**



A woman with glasses is smiling while working on a laptop. The image is overlaid with a solid blue color. The text 'Make Modern Marketing Simpler with MMHs' is centered in white.

# **Make Modern Marketing Simpler with MMHs**



MMHs enable businesses to directly meet the challenges we've just outlined. Using these hubs, businesses can orchestrate their communications to different segments across disparate channels. They draw upon insights derived from big data, orchestrate the experience across multiple channels, and do so in a highly personalized and consistent way.

**Think of all the different channels that a company can use when engaging with their audience:**



Websites



Mobile apps



Social media



Direct mail



Phone calls



Paid media



Email

On their journey towards becoming a customer, a prospect is going to engage with your business across multiple channels at different stages in their journey. By orchestrating the messaging across these channels in a way that's tailored to the individual prospect, an MMH enables your business to optimize the chance that they'll become a customer.

They might, for instance, navigate to your website and provide demographic data to access a content resource. This provides a whole host of insights that an MMH can use to inform your next-best action. You'll have gained not just the demographic data they provided, but also the nature of the content they've consumed, their device identity, web cookie data, and more.



On top of that, all of this information can be used to infer other characteristics about your customer that can help make educated guesses about what your next steps should be. And when acting on these insights, an MMH helps ensure that you're providing a consistent and personalized experience no matter whether you reach out via email, over the phone, through social media, or any other channel.

**In order to deliver these insights, an MMH should have 5 key capabilities:**

### **1 Integration with channels and other MarTech solutions**

As a hub-based solution, MMHs need to be flexible enough to integrate with both the variety of tools in your MarTech stack and the variety of channels you use to engage with your customers.

### **2 Marketing analytics**

MMHs need to provide analysis and experimentation capabilities that enable marketers to quantitatively determine the ideal mix of message, channel, and customer segment. Beyond simple A/B testing, many MMHs offer advanced predictive modeling and customer journey analytics as well.

### **3 Support for fundamental marketing tasks**

MMHs must offer the capability for marketers to execute the day-to-day work that they perform, such as customer segmentation, campaign creation, messaging development, and more.

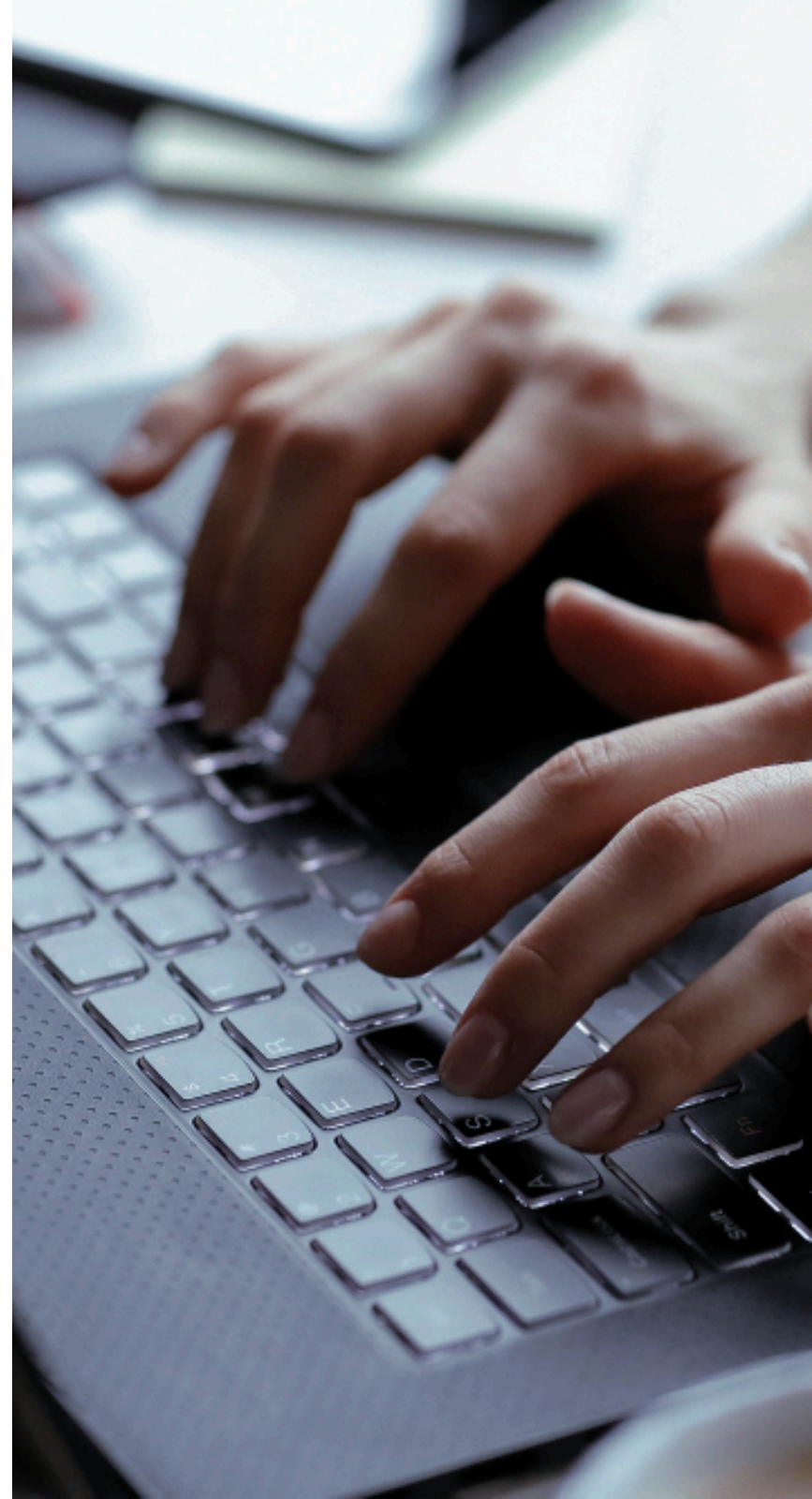
#### 4 Automated and personalized customer journey

By ingesting customer data, MMHs serve up insights that marketers can use to configure an automated customer journey. Using personalized content tailored to the unique stage of a given prospect's journey towards becoming a customer, MMHs can respond to predefined events (e.g., replying to an email, filling out a form, subscribing/unsubscribing from a newsletter, etc.) to deliver the next-best resource.

#### 5 Centralized store of customer data

In order to provide quality insights into customers, MMHs need to draw upon a single source of customer data. It's not enough for your sales, customer data, and marketing departments to all be working from different sets of customer data. In order to deliver a truly personalized experience for the end-to-end customer journey, MMHs and the entire enterprise needs to consult and manage a singular database of customer information.

The need for a persistent, unified customer database that can connect to the MMH and other integrated systems cannot be understated. Accurate, consistent, and available data serves as the fuel for the personalized, 1:1 customer engagement that an MMH enables. **That's why every MMH includes a CDP, or customer data platform.**





# What is a CDP?

CDPs are persistent customer databases that other systems can access, such as your MMH or connected MarTech tools.

Because CDPs serve as a common source of truth for customer data, they are essential for creating the kind of consistent, personalized experience that modern prospects and customers expect. By consulting and updating the CDP, your organization can avoid common points of frustration in the customer journey, such as:



Sending repeat content



Frustrating the customer by ignoring their contact preferences



Sending content that's irrelevant to the customer's pain points or desires



Creating an impersonal or spammy association with your brand



Failing to set up a sales call, up-sell, or cross-sell at the right moment



Generally making suboptimal next actions when engaging with a customer or prospect

In many ways, a CDP is similar to a data warehouse; they intake data from multiple sources (i.e., your marketing channels) and clean and store that data. But there are some significant differences between the two. For one, CDPs are packaged software — they don't typically require data scientists and software engineers to maintain and report on.

Most significantly, data warehouses are not designed to solve for the explicit challenges that sparked the rise of MarTech:

- They store big data, but do not make it easy to act upon
- They ingest data from many different sources, but not explicitly digital marketing channels
- The data they ingest is not specific to the customer and does not enable a higher-resolution view of the customer
- Traditional data warehouse don't automatically and continuously analyze data.. a human has to do it.. CDPs are built to continuously analyze customer data to offer insights, create customer segments and update them

With a CDP, marketing professionals have a central source of truth with a Goldilocks-level of scope. CDPs ingest, store, and process all data related to the customer — that could include data from customer profiles, transactions, the web, IoT devices, and more. But unlike a data warehouse, CDPs aren't concerned with taking in every scrap of corporate data whether it pertains to the customer or not. Thus, by focusing solely on customer data, CDPs make businesses' big data actionable.

**There are four key characteristics that make CDPs essential to an MMH and a marketer's toolkit:**

- 1** Managing the CDP should require little to no assistance from IT
- 2** CDPs should be able to ingest data from multiple sources and channels, including web servers, customer relationship management (CRM) platforms, and more
- 3** CDPs must be able to correlate this data into customer profiles, and then enable marketers to create custom segments from these profiles
- 4** MMHs and other systems should be able to connect to the CDP so that its data can be acted upon and shared through various business channels





# Putting it All Together

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Powered by the data and analytics of a CDP, an MMH enables you to reach out to your customer with targeted, personalized offers and campaigns. Companies that use these MarTech tools can:



### **Meet customer preferences**

Such as texting invoices, emailing some content but not others, reaching out by phone or by email, and so on. By connecting with customers in the way they prefer, businesses increase the likelihood of a successful interaction.



### **Identify next-best actions**

Based on historical data and inferences unique to the customer in question, businesses can more easily identify whether a given content resource, phone call, message, email, or other form of outreach is ideal for a customer at a particular stage in the journey.



### **Advanced segmentation, experimentation, and reporting**

MMHs and CDPs are designed to enable marketers to segment their customer lists by a variety of different characteristics and to experiment on those segments with different messages, channels, and marketing strategies. By drilling down into their outreach's performance, marketers can gain hard data and learn what works and what doesn't for certain customer segments across certain channels at certain stages in their journey.



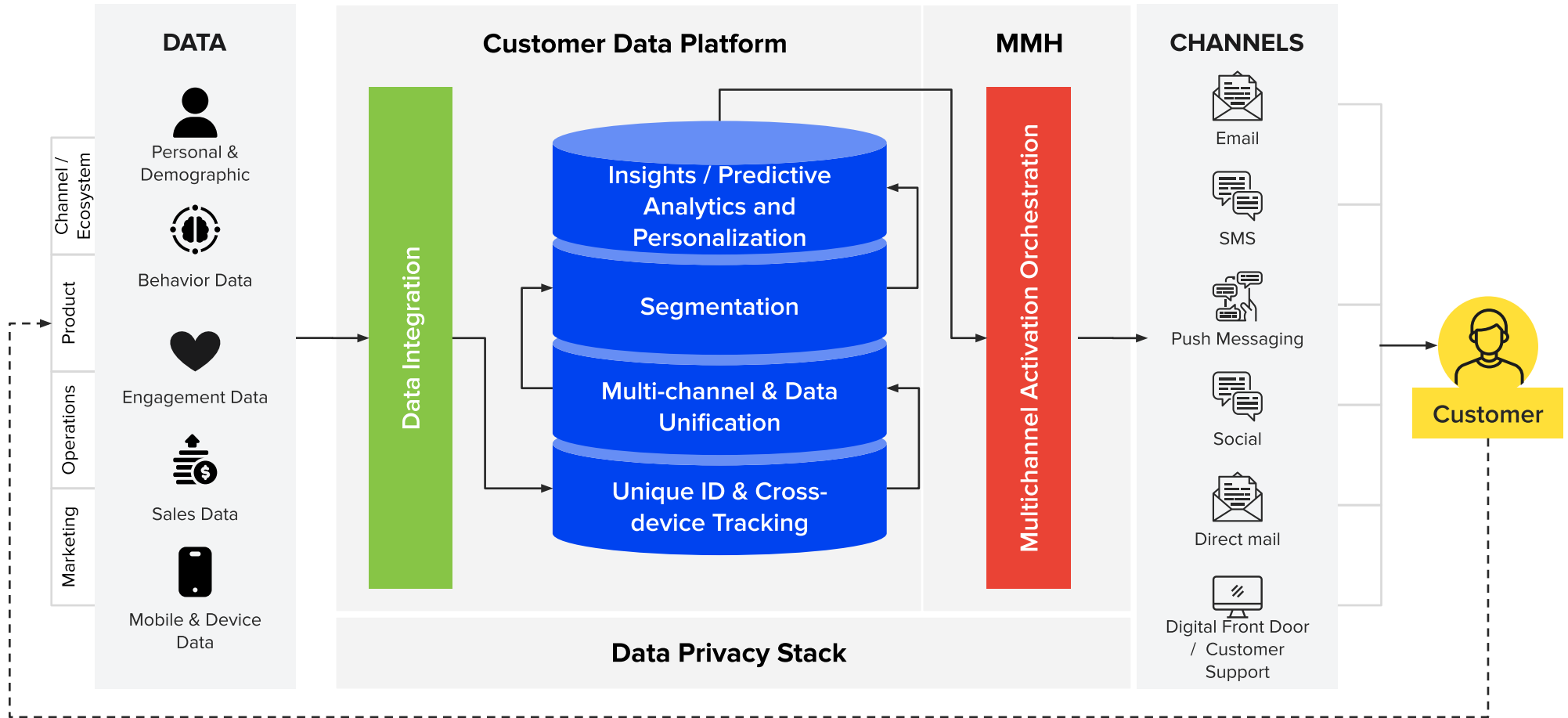


**By partnering with CDP and MMH providers like Acquia, Sitecore, Acoustic, and others, hundreds of businesses are improving customer outcomes, like:**

- [Jestar](#), which increased revenue by millions of euros just eight months after implementing a CDP
- [lululemon](#), which increased their site visits by 50 percent, increased local event attendance by 25 percent, and increased baseline revenue from digital marketing campaigns by 15 percent
- [Towergate Insurance](#), which increased click-through rate by 100 percent, grew campaign income by 15 percent, and accelerated campaign development by 66 percent
- [Advantage Rent a Car](#), which increased direct bookings by 25 percent

That being said, if it were as simple as purchasing the right software, then everybody would have a robust MarTech stack with an MMH and CDP driving business outcomes. That's why Productive Edge supports businesses in defining their digital strategy, customer experience and roadmap.

# Multichannel Personalization Architecture



We work with enterprise teams to understand their future ambitions, assess their current tech stack, and define their desired maturity across people, processes, and technology. Not only do we help pinpoint the technical roadmap that gives organizations the tools to drive 1:1 customer engagement, we also help our clients build the internal processes, roles, and workflows necessary to make the most of their MarTech tools.

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To get started, [contact us today](#)



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Productive Edge is a digital business consulting and technology solutions company that helps organizations and their leaders reinvent and transform their businesses with digital technologies.

Productive Edge accelerates digital outcomes by combining digital strategy, customer experience, and technology execution to deliver groundbreaking digital products and services.

Learn more at [productiveedge.com](https://productiveedge.com)

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