

# The ultimate guide to data-driven marketing with a Snowflake-connected CDP



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Many businesses are sitting on a gold mine of rich, valuable customer data. They know how much their customers are willing to spend, when and where they tend to engage, and even their category/item preferences.

If you want to know more about your customer, that <u>first-party data is likely there</u>. Well, it's likely somewhere.

For many brands, this gold mine is scattered across various sources, translating to messy and disorganized pools of data — which means it's nearly impossible for marketing teams to harness its full potential. In a worst-case scenario, this could render the data virtually useless.

You can have a world-class marketing team, but if they're not optimally making use of customer data, their <u>innovative marketing strategies</u> can only go so far (and its results will reflect that, too).

Enter Customer Data Platforms (CDPs). We've been talking about them since 2013, but with the continuous evolution of MarTech stacks, and <u>over 160 CDP vendors on the market</u>, there's no doubt that the space is growing rapidly.

It's becoming more difficult to navigate, and with so much talk in the industry around the concept of composability, it's helpful to return to the basics.

In this guide, we'll cover all things marketing with a CDP, but with a renewed focus on how the combination of a Cloud Data Platform like Snowflake and the right CDP can drive explosive marketing outcomes.

# Understanding Cloud Data Platforms and Customer Data Platforms

#### What is Snowflake?

Snowflake is a powerful cloud data platform that can store all your customer data and serve as your single source of truth. Snowflake's scalability and ability to handle massive datasets make it a perfect fit for a business as it grows and acquires more data.

Marketing and data teams alike rely on <u>cloud data platforms</u> <u>like Snowflake</u> to help unify and access their real-time, first-party customer data.





"There's been a significant shift in the industry over the past few years when it comes to collecting, storing, and activating data, it only continues to evolve as budgets shrink, privacy and data laws tighten, and more and more enterprise data and marketing teams realize that using a cloud data platform can break down data silos, keeping their data clean, accessible, and ready to use."



Customers using a cloud data platform have seen many benefits and increased ROI within their data-driven business and marketing strategies over those who don't.

Vimeo, for example, <u>analyzes billions of streaming CDN events per day with Snowflake</u>, enabling millions of dollars in revenue by identifying enterprise customers who require additional bandwidth.

#### What is a Customer Data Platform (CDP)?

According to <u>CDP.com</u>, a customer data platform is "a customer data management solution that consists of a centralized database that can ingest, integrate, manage, and deliver customer data to other technology solutions to personalize the customer experience (CX)."

A CDP can function as a full-service tool for your marketing and customer data needs. You can create personalized experiences, <u>streamline your marketing processes</u>, and <u>drive more customer engagement</u>, ultimately resulting in business growth.

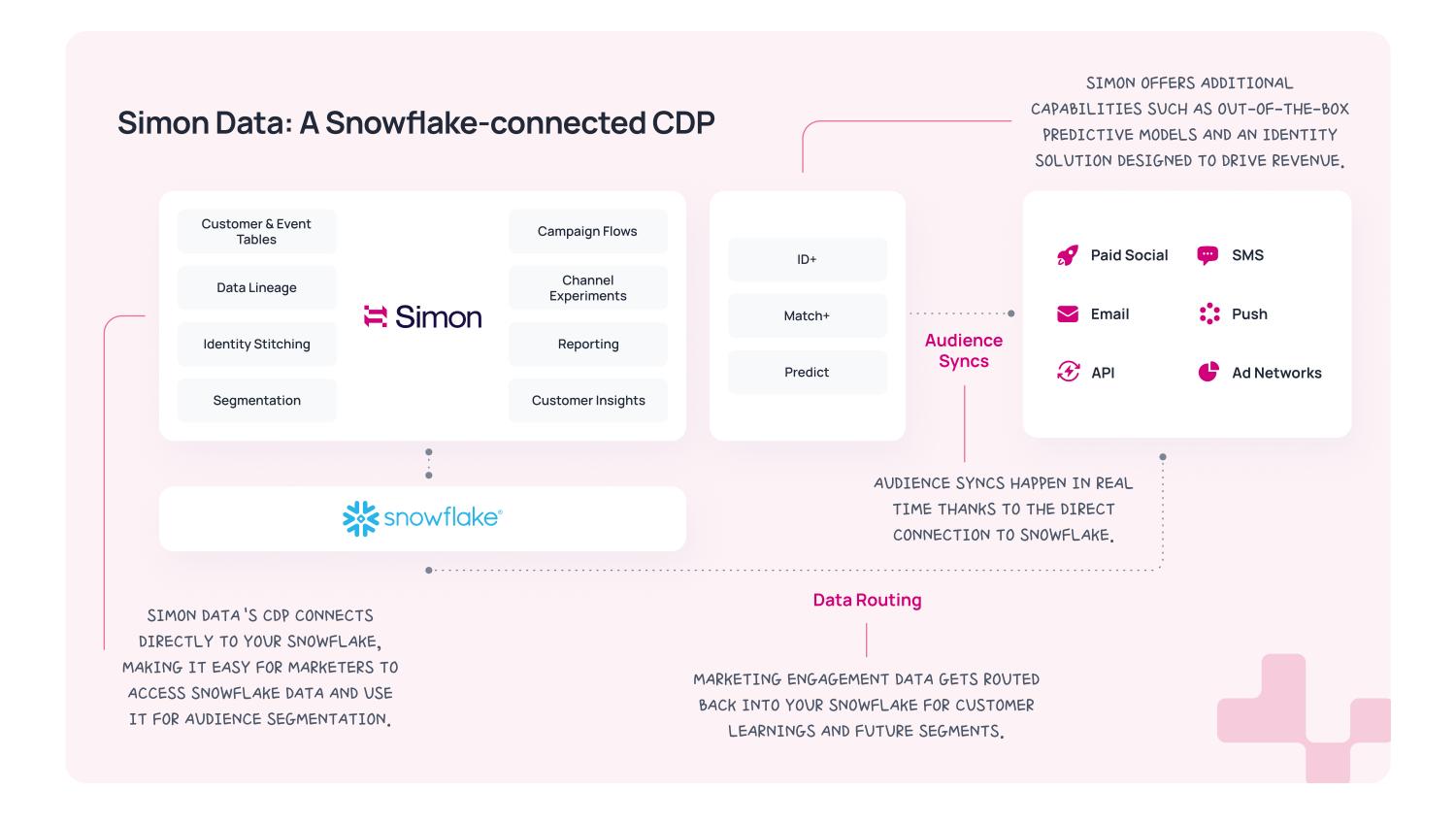
Because of that, having a CDP in your marketing tech stack is becoming increasingly important — or, arguably, necessary.

#### The combined benefit of a CDP + Snowflake

Simon Data is a Snowflake-connected CDP, so it connects directly to your Snowflake instance. The data never leaves Snowflake, but your marketing team has direct access to zero- and first-party customer data to create sophisticated audience segments.



The connection between Simon and Snowflake eliminates the duplication of data outside of your data platform, improves data cleanliness, eliminates data silos, and allows marketers the freedom and ability to quickly set up high-quality, data-driven marketing campaigns.



So what does a connected CDP mean for marketing teams? There are several benefits:

First, marketers can create those highly sophisticated segments that you need for campaigns easily. Simon Data's segment builder, for example, is self-serve and no-code, so you don't need to know SQL, and you don't need to ask your data or engineering team for that data. Your engineers get time back, and you can launch campaigns quickly.

Second, real-time data processing is extremely important for certain marketing campaigns, such as abandoned cart campaigns. You want the event data in real time, so you can see exactly when and what a customer abandoned and follow up with them in real time to get them to purchase.



#### Top Snowflake-connected CDP benefits



Easy access to real-time, zero- and first-party customer data without the need for engineering or data teams



Data is secure, compliant, and not replicated, so you retain a single source of truth



No ETL/data transformations



Increased access to the same real-time data and utility across the entire org



Ability to quickly create sophisticated customer segments and orchestrate cross-channel marketing campaigns in a no-code UI



Simon's Snowflake-connected CDP is built for composability, so you can integrate the tools you already use



All of your campaign data from your end channels get funneled back into your Snowflake Data Cloud for further analysis and segmentation



With Simon + Snowflake, there will be no data replication, so the data remains in your single source of truth (in this case, in Snowflake), until it's ready for activation. Other CDPs require data replication, which means now you have a second source of truth. Another added benefit of this is that you also inherit Snowflake's security and governance.

The last significant benefit of Simon's Snowflake-connected CDP is that it's built for composability. You can use and integrate all of the existing tools you know and love like Braze, Iterable, Attentive, or Salesforce.

With Simon's seamless connection to Snowflake, you can easily access that customer data to build audience segments, and then sync those audiences and orchestrate your campaigns to all your marketing channels (such as SMS, email, paid, push, and more).

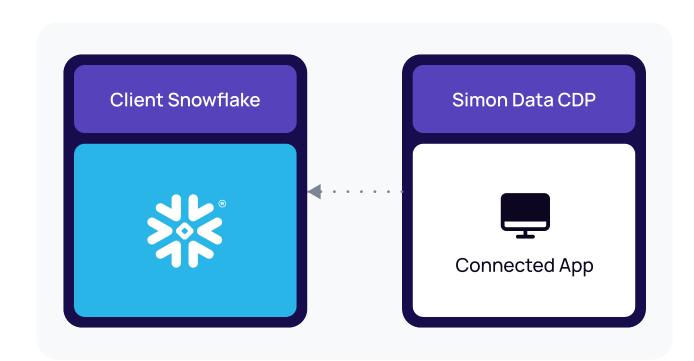
Simon's Snowflake-connected CDP also allows customers to leverage the core capabilities of a CDP, such as identity stitching, reporting, and other additional Simon SKUs — as well as ID+, Match+, and Predict.

What's more, all of your campaign data from those channels get funneled back into your Snowflake Data Cloud for further analysis.

Vimeo is again the perfect example of a company harnessing the power of both Snowflake and a CDP. Since implementing Snowflake and Simon Data, Vimeo has been able to leverage enriched marketing data to minimize customer acquisition costs, and they <u>saw a 300% increase in conversions</u>.

## Supercharging ROI with a CDP and Snowflake

A CDP that integrates with Snowflake and is focused on delivering end-to-end ROI can be a brand's biggest lever to driving customer personalization and value. Let's dive into some of the most impactful ways this killer combo can bring value.



#### Boosting the bottom line

No matter the immediate and extensive marketing and data benefits of using a CDP and a cloud data platform, the ultimate goal of your MarTech stack is to drive end-to-end revenue to your business, whether that's through:

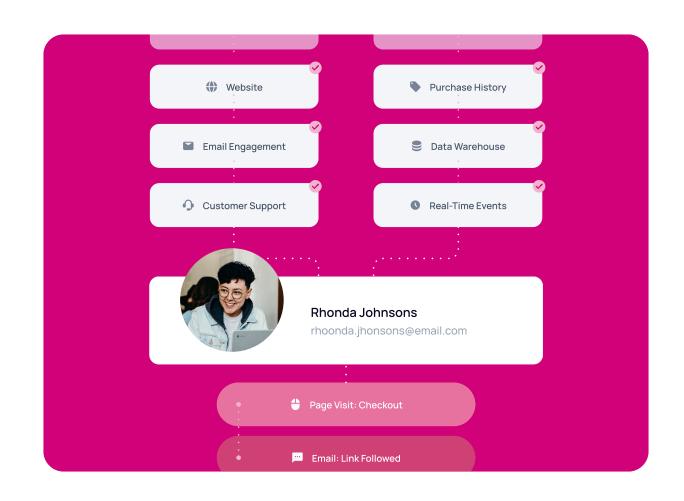
- 1. Streamlined marketing data operations
- 2. Resolved customer identities and smarter ad spend
- 3. Improved customer loyalty and reduced churn
- 4. Lowered CAC and higher CLTV



Each use case we cover in this guide, such as improved segmentation and enhanced personalization, all roll up to one overarching goal: Return On Investment (ROI).

The overarching goal of implementing a CDP is to drive tangible business outcomes and maximize the return on marketing investments.

By harnessing the power of unified customer data, you can optimize marketing and data efforts, improve customer experiences, and drive revenue growth.



#### Ensuring data quality for accuracy, precision, and privacy

By now, you should be aware of what the General Data Protection Regulation (GDPR) is. The California Consumer Privacy Act (CCPA) followed shortly in the United States, with more regulations to come globally.

These new laws have set a precedent for how businesses should handle customer data – correctly, respectfully, and with care. Unifying data allows your team to manage data more easily from a legal perspective.

Legal consent regulations vary, but you can ensure the right rules are applied to the right segment with a CDP (e.g., European customers are tagged for GDPR). It also means that your customers can trust you with their data, thus, making them more likely to purchase from you.

Here's where using a cloud data platform and a CDP shines. Snowflake's Data Cloud <u>"was built to deliver end-to-end data security for all users and follows standards-based practices for the controls and processes that secure it."</u> It's also based on a multilayered security architecture to protect customer data and access to that data.

Snowflake's security architecture is complemented by the monitoring, alerts, controls, and processes within its comprehensive security framework.

When using a connected deployment with your cloud data platform and CDP (as you can with Snowflake and Simon Data), the data never leaves the cloud data warehouse — meaning you don't risk customer data leaking, being non-compliant, or being accessed by the wrong teams within your org. However, it can still be activated for customer 360s and to power personalized marketing campaigns.

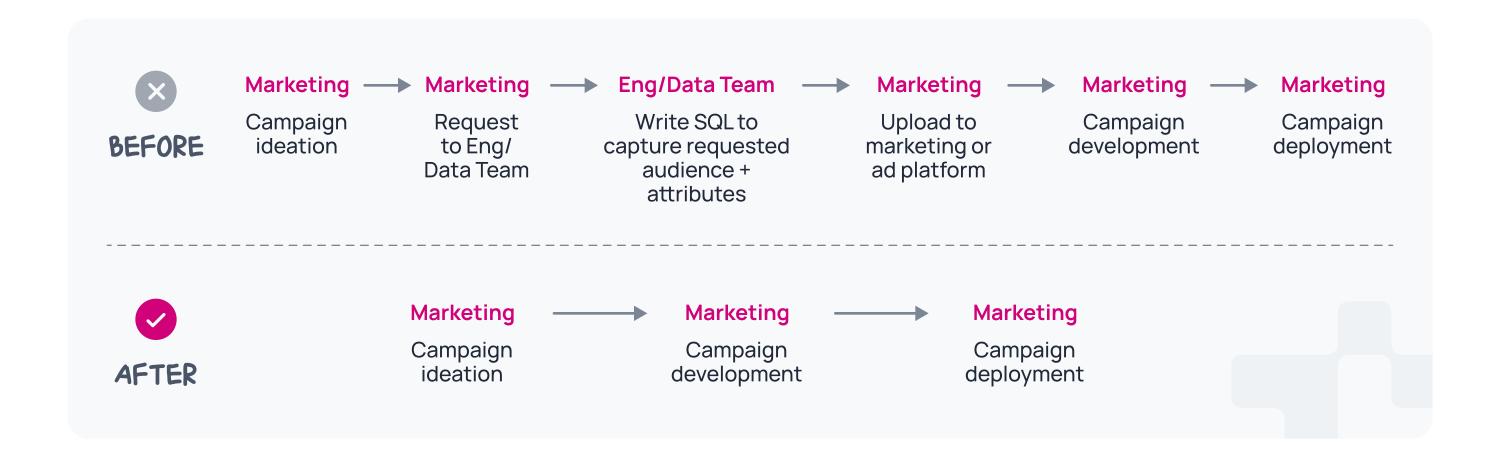
When it comes down to it, clean and trustworthy data is crucial to crafting personalized experiences that resonate with individual preferences, so make sure you review the security and compliance documentation of any cloud data platform and/or CDP you are considering for purchase.



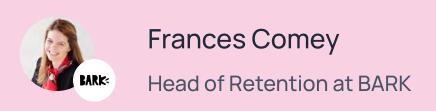
#### Optimize operational efficiencies

We've seen customers with marketing teams that previously relied on their data team to pull customer information and segments before using Simon Data.

We've also seen the customer experience team pull customer data from various sources through manual, time-consuming work. With centralized data in a CDP, you can automate data processes for cross-functional teams.



"Before Simon, our reactivations required custom data requests and then careful spreadsheet munging to incorporate all necessary criteria and exclusions lists. Given this operational burden, it was impossible to think about optimizing the process."



The tool becomes a one-stop shop for marketing, data, and CX teams alike, which can streamline their workflows and improve the customer experience. In turn, your team's time is freed up, enabling them to do more things that can drive revenue for your business.



#### Building Customer 360s in a CDP using data from Snowflake

Without having access to real-time, centralized data, it's nearly impossible for marketers to effectively manage their marketing workflows and tailor their campaigns to their customers.

This is where Snowflake comes into play. Snowflake excels in storing and aggregating customer data collected from various sources and customer touchpoints, such as customer website behavior, order history, and customer service interactions.

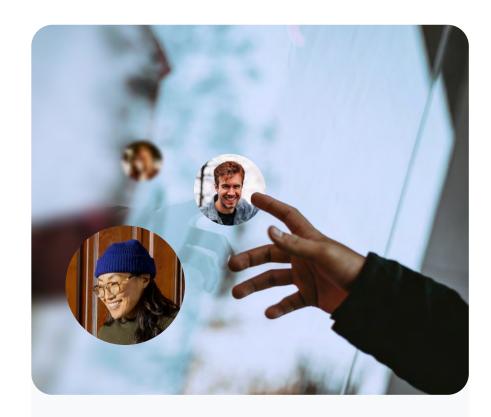
Rather than setting up data routing from disparate sources and sending them to your CDP, focus your energy on getting that data into your data platform so that it remains your source of truth.

Why does this matter? Well, without a single source of truth, your customer data runs the risk of being inaccurate, non-compliant, and nearly impossible to use.

Snowflake captures all the data there is to know about a customer: website activity, purchases, channel engagements, and even customer support data. Having multiple sources of data is not efficient, and it's not scalable.

When you have real-time, accurate data stored in one place (and it doesn't have to leave the cloud data platform), there's less chance the data will be compromised or duplicated.

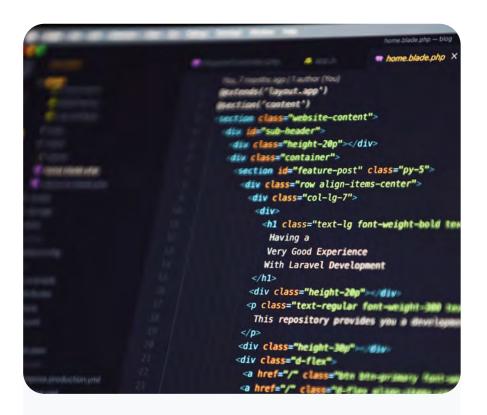
This means the customer data is:



Accurate and changing in realtime, so you can get the whole picture of your customers and optimize and experiment with your marketing campaigns in real-time to make your campaigns more effective



Accessible to multiple teams working together on the same business goals



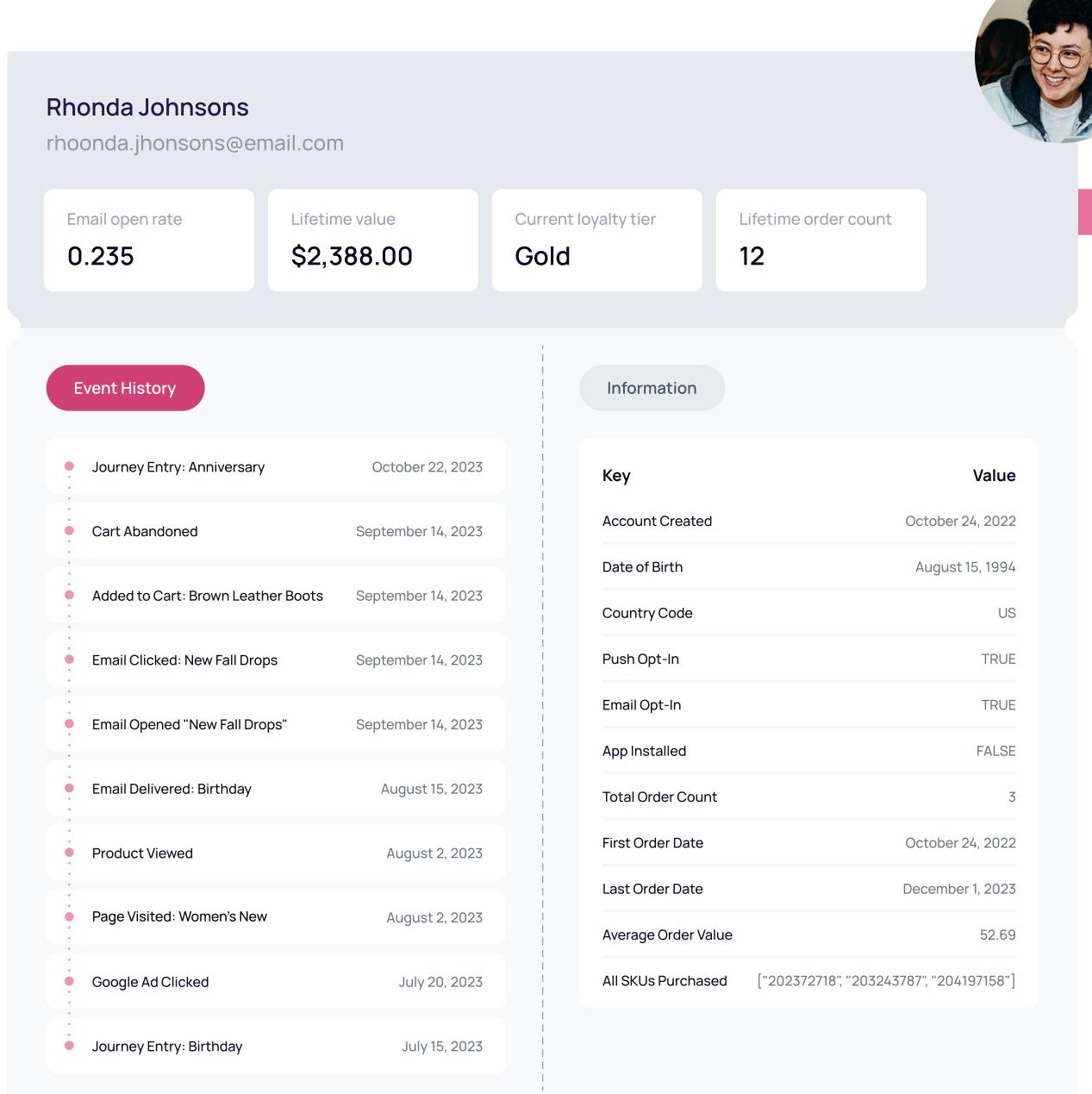
Never has to leave the data platform (i.e. be duplicated into another platform), making it more secure and less susceptible to further inaccuracies



This centralization also creates the foundation for a unified customer view, which is instrumental in understanding the complete customer journey.

CDPs, then, provide marketers with a <u>comprehensive</u>, <u>360-degree view of their customers</u> sourced from different touchpoints and channels from Snowflake. With a unified customer view, marketers will have holistic visibility into their customers' preferences, behaviors, and interactions across channels.

#### **Unified Customer Profile**





This single-customer view enables marketers to make informed decisions and targeted marketing strategies to deliver the right message to the right channel at the right time.

Let's look at some use cases.

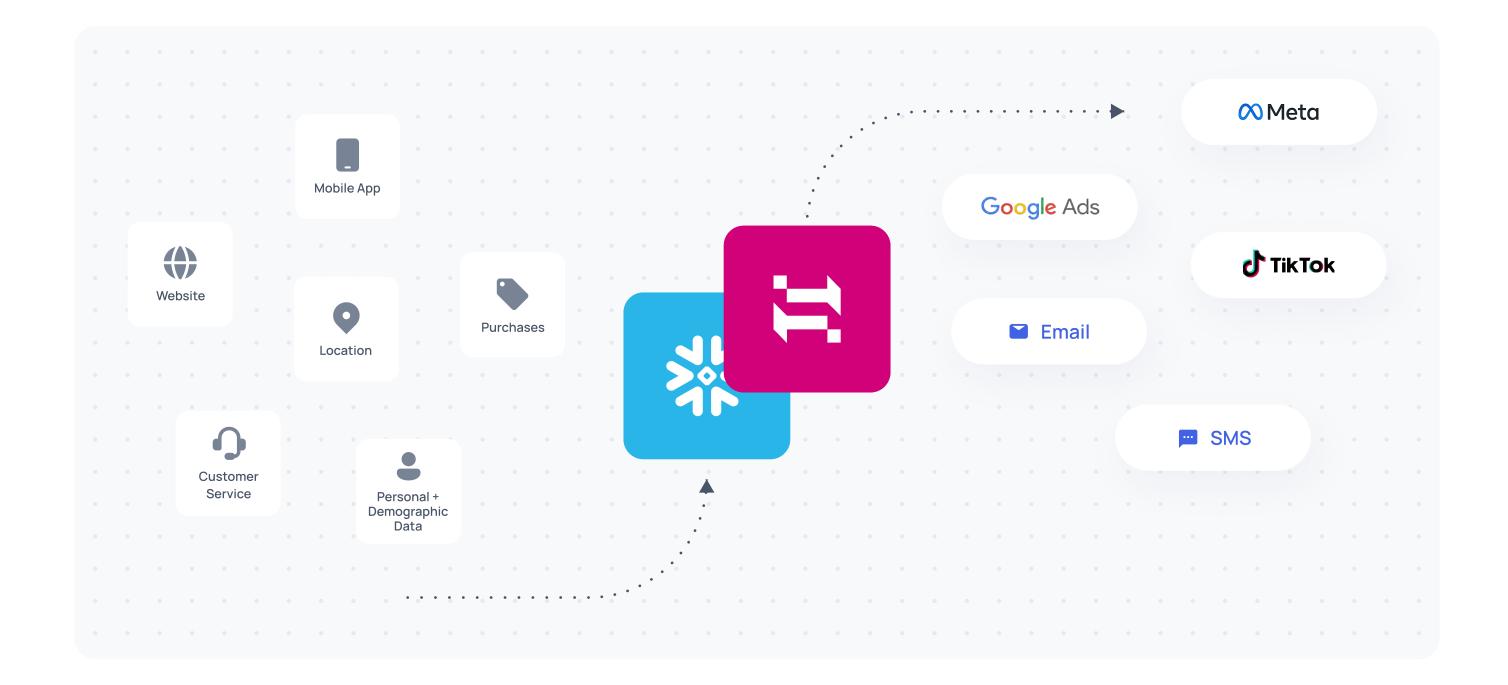
You'll probably want to use a customer's email clicks and opens to create personalized customer experiences across many different channels like social media, onsite personalization, SMS, and further email campaigns.

Instead of sending email behavior data from your ESP to different locations, route that data to one place: your Snowflake Data Cloud. Then, within your CDP, which is layered on top of your Snowflake, you can segment customers and orchestrate a unified, omnichannel customer experience.

So, if your customer opens an email and clicks on an image of a red pair of sneakers, you can store that information in Snowflake and use a CDP like Simon Data to create advanced segments and sync them to downstream channels like <u>Meta</u>, <u>Attentive</u>, <u>Dynamic Yield</u>, and more.

You can ensure that the next time your customer goes on your website or Meta, those red sneakers are the first ad they see. And, when your next SMS campaign goes out, an image of those sneakers is sent along with it.

When your data is centralized in your data platform, all your channels can use the same reliable data so that your customers have one unified, great experience.





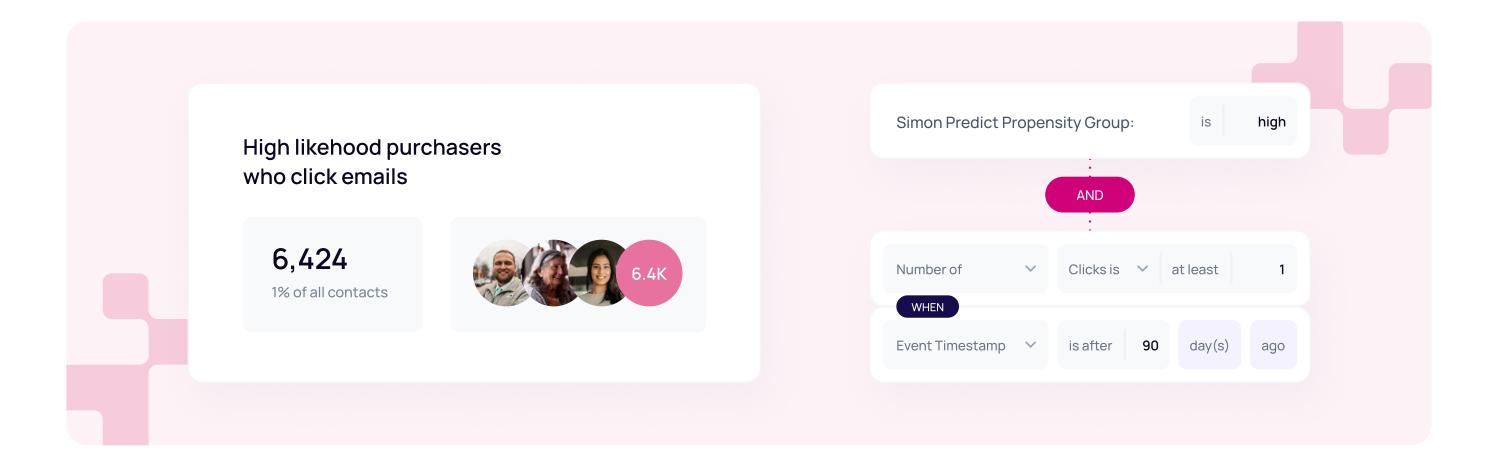
#### **Enhanced customer segmentation**

With unified customer profiles in place, <u>marketers can take audience and customer segmentation</u> to the <u>next level</u>. A CDP will allow you to create audiences (as granular as you want them to be) that stay up-to-date <u>while the platform continues to ingest from the scattered data sources</u>.

From there, you can identify high-value, at-risk, engaged, or unengaged customers — the possibilities are endless if the data is available. The cherry on top: marketers can do it directly in the platform without involving a data engineer.

What's more is that marketers can sync segments to downstream marketing channels automatically instead of relying on manual workflows and labor, such as uploading CSVs.

Finally, a powerful CDP can also send data back to your cloud data platform. With Simon Data, you can set up a Snowflake share so that all metadata related to campaigns orchestrated through Simon can be shared directly back to your Snowflake instance — making Simon CDP the connective tissue that helps keep Snowflake as your source of truth.



#### Scalability: Empowering growth with Snowflake and a CDP

Snowflake's scalability is a game-changer, especially in the era of big data. As businesses accumulate massive datasets, the ability to scale is critical.

Snowflake's architecture allows for seamless scalability, accommodating customer data growth without compromising performance. It achieves this by separating storage and computing, allowing an almost unlimited amount of queries to be run simultaneously.



Snowflake can scale both vertically and horizontally and has powerful auto scalability capabilities. This scalability is key to supporting the growth and continued optimization of your marketing campaigns.

Your CDP can scale with your data platform and your business — as long as your data is centralized, clean, and connected, a CDP can handle a vast amount of information and empower marketers to execute and personalize their campaigns.

#### Seamless integration with Al and ML tools

With a high-quality cloud data platform in place, the stage is set for the integration of artificial intelligence (AI) and machine learning (ML) tools.

Snowflake's compatibility with these technologies, as well as Simon's GenAl tool, empowers marketers to capitalize on these meaningful insights from customer data and build highly targeted campaigns that can strategically pivot based on customer needs.

Snowflake can integrate with a variety of Al and ML tools, and its compatibility spans popular tools and frameworks, empowering data scientists and analysts to leverage their preferred Al and ML tools without constraints.

Performance is crucial when running intensive ML algorithms. Due to Snowflake's ability to scale, it is perfect to support robust ML queries needed to effectively derive insights from customer data.

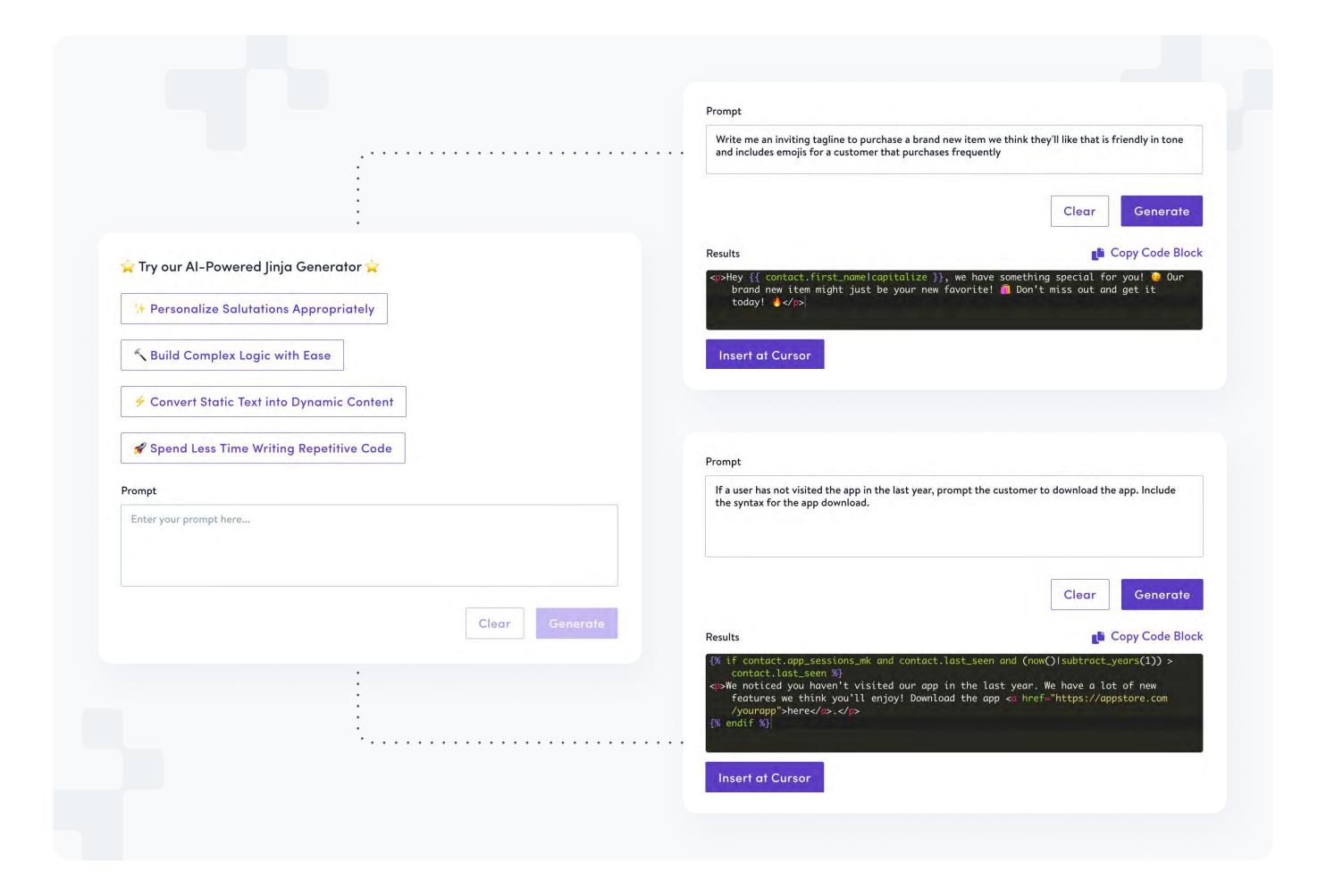
## Using AI and ML insights for customer marketing in the Simon CDP

Data teams can spend a lot of time — perhaps too much time — analyzing data for segmentation purposes and building and training machine learning models. Simon Data uses Al and ML to help enterprise marketing teams generate content for campaigns and act on predictions generated from your unique customer data.

With Simon's, Al-powered Jinja generator, you can prompt the Jinja generator in plain language to create Jinja syntax for you, then insert that into your content. You can also use some prefilled suggestions. There are so many possibilities for how Jinja generator can improve your day to day.



#### Simon Data's Al-powered Jinja generator



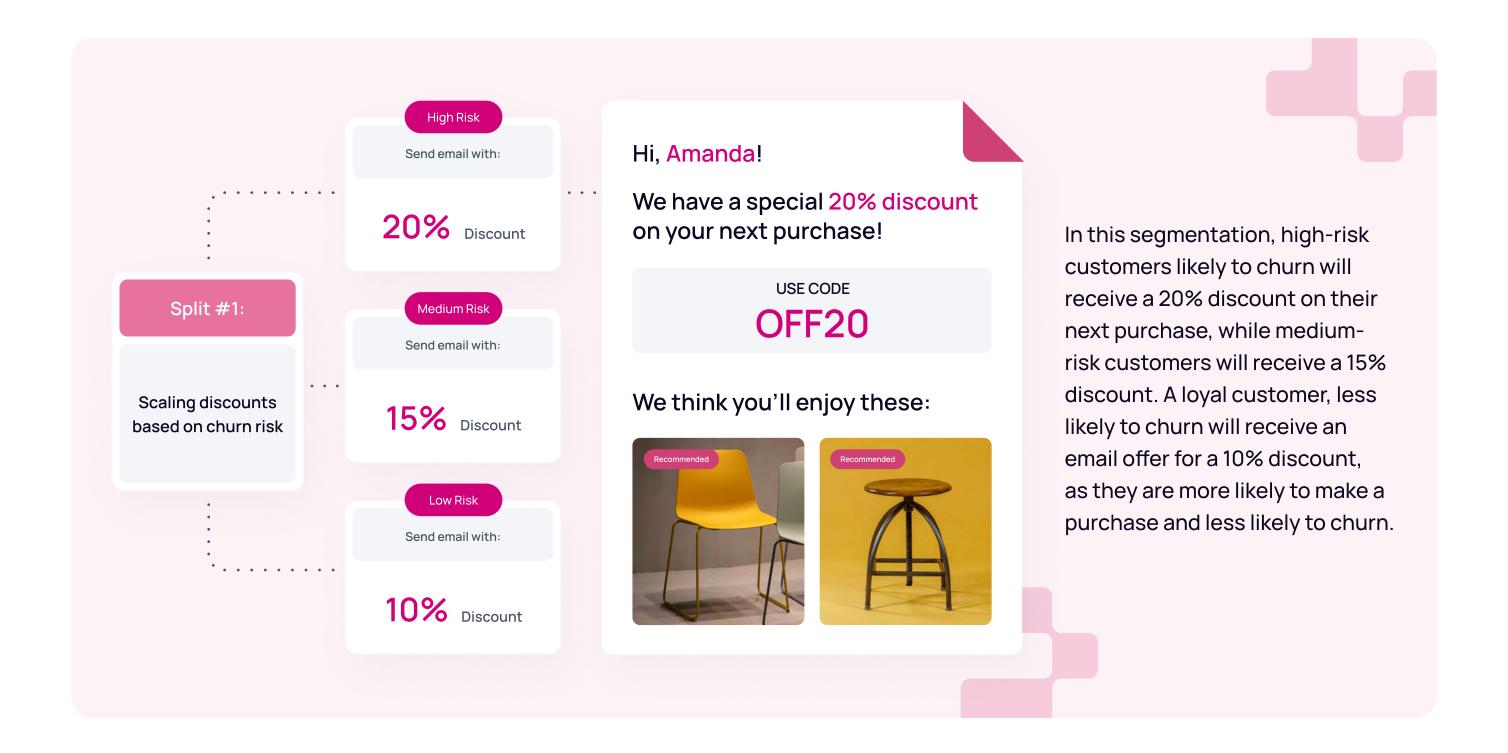
"Normally, my process for content creation was to go to Simon's documentation, look for the section on how to format, and then go through trial and error to get the results I needed. With Simon's GenAl tool, it created what I needed in maybe 30 seconds"





Some of the most useful ML models for marketers are churn propensity, purchase (and second purchase) propensity, LTV, and product recommendations. If you're looking for robust predictive insights, check out Simon Predict. The best part? These tools come out of the box.

Here's how a churn propensity model can be used in a marketing campaign. The image below depicts that a marketer wants to send three tiers of offer discounts via email based on the churn risk of their customers.



Targeting your customers at the right time can make or break your campaign's success. Models like the <u>churn</u> <u>propensity</u> can help catch customers at crucial moments in the customer lifecycle.

When your CDP has access to powerful churn models and customer data, you can instantly detect when their churn risk changes and take action before it's too late. You can even set up a journey so that customers receive proactive communication when their churn risk increases.

This journey could provide them with a special offer or send them a personalized message from your customer service team showing them that they are a valued customer, and helping build brand affinity, loyalty, and revenue.

In addition, <u>Snowflake now offers built-in genAl in its Cloud Data Platform</u>, like <u>Snowflake Cortex</u>, which brings serverless functions and powerful search capabilities — and can use and leverage Snowflake's unified governance framework to seamlessly secure and manage access to your data. Snowflake also launched Arctic, an enterprise-focused LLM that "<u>pushes the frontiers of cost-effective training and openness</u>."



# Driving personalization across the entire customer journey with a CDP

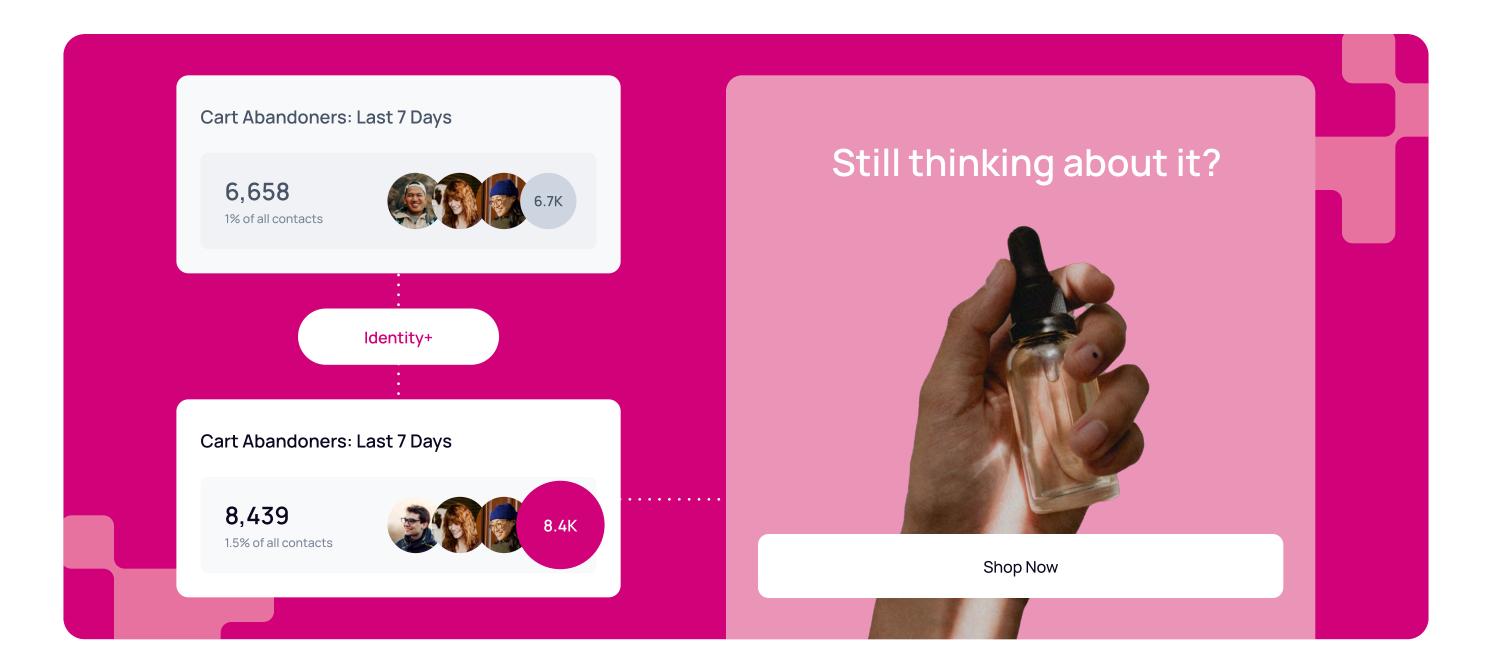
Armed with a unified customer view and Al-driven insights, CDPs leverage data in cloud data platforms to personalize interactions across diverse touchpoints. You can see when a user browsed your website, downloaded the app, favorited items, opened the chat, and more.

By identifying each customer touchpoint, <u>you'll understand how, when, and where your customers interact</u> <u>with your business every step of the way</u>. Leverage these insights to message your customer at the right time and place, resulting in increased conversion rates and lower acquisition costs.

Here are some of the benefits many of our customers see when using a CDP and Snowflake in their marketing operations.

#### **Customer identity resolution**

Customers interact with businesses across multiple channels and devices, leading to fragmented data points. CDPs can offer <u>identity resolution</u>, allowing businesses to reconcile disparate customer profiles to create that customer 360.





When it comes to customer identity resolution, the benefit of a CDP is simple: By accurately linking customer identities across touchpoints, you're improving personalized campaigns which will drive better results and increase campaign conversions.

Many marketers find this extremely useful in the case of nudging customers who have abandoned their carts, or when identifying those who could easily become repeat customers with the right personalized email.

#### Tailored website and app experiences

Websites and apps serve as primary interfaces for customer interaction. Fueled by your data platform, CDPs can help personalize these onsite experiences so that they resonate with your customers.

With a CDP, you can sync all customer information to your onsite personalization tool so that it is fresh every single day. This information can include past purchases, recent email clicks, demographic data, communication preferences, and more.

And, because your CDP is powered by your cloud data platform, you can be assured that it is the freshest, most accurate data.

Dynamically syncing this data to your onsite personalization tool allows your <u>customers to see tailored</u> <u>product recommendations that they are most likely to purchase and enjoy.</u> The result? An immersive, 1:1 customer experience.

#### Elevating email marketing campaigns

Emails remain a crucial and effective part of marketing strategies, and personalization here is non-negotiable. CDPs built upon cloud data platforms give marketers the data they need to craft email campaigns with targeted messaging and offers, aligning with individual tastes and behaviors.

For example, while marketing automation tools may be able to execute simple abandon carts and browse emails, orchestrating abandonment through a CDP allows you to take advantage of all the customer data you already have and further personalize abandonment.

Your Al tool may have predicted that sending an abandonment email for a pillow is best 30 minutes after it's abandoned, versus an email that is best sent three hours after for a mattress. With a CDP, you can use those insights to choose the right content and timing that best resonates with your customers.



With CDP-powered emails, customers' inboxes become a personalized feed worth their time rather than a generic broadcast channel.

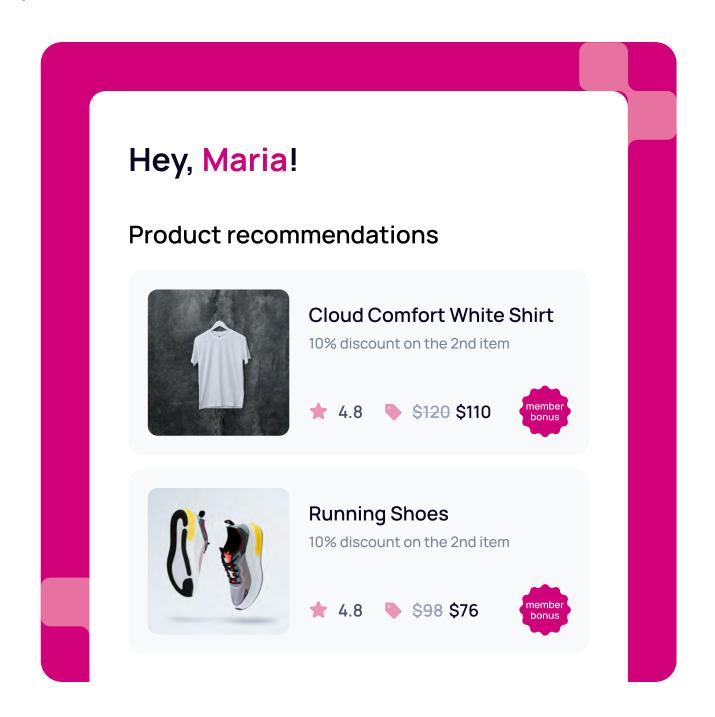
#### Smart post-purchase campaigns

Access to customer data and predictive modeling allows marketers to deliver highly personalized product recommendations in the post-purchase customer journey.

Suppose a customer has recently bought a camera. ML models, like <u>Simon's Product Recommendations</u> <u>Model</u>, can analyze their preferences as well as items frequently bought together and suggest complementary accessories like specific lenses, tripods, or camera bags that fit with their purchase.

This tailored approach not only enhances the customer's experience by introducing relevant items but also increases the likelihood of additional purchases.

You can harness upsell and cross-sell opportunities that make sense for your customers. This level of personalization could not be achieved without a CDP that is powered by your cloud data platform.



#### Rethinking real-time customer support

In the realm of customer support, real-time personalization matters more than ever. Customer information can be sent over from a CDP to any customer support tool.

When that data is powered by your cloud data platform, you are sending over the complete, accurate customer profile. With more relevant information, support members can be better empowered with context to provide recommendations and solutions that align with the customer's history, fostering a sense of individualized care.

This leads to better and quicker support interactions, and ultimately more satisfied customers.



#### Conclusion

A CDP built on Snowflake will help your business drive revenue by using your most treasured asset: customer data. The heart of a successful marketing strategy stems from a deep understanding of your customers based on the data you've (safely and ethically) collected.

Without a central repository for this data, truly comprehending your customers' behavior and effectively leveraging their data can be challenging for marketing and data teams.

Whether or not you currently have a CDP, we encourage you to explore the potential of using a Snowflake-connected CDP. There are different types of CDPs, but each one has the same goal: unifying customer data. This has a positive downstream impact for many teams involved and can only be a beneficial addition to your tech stack.

If you're in the market for a CDP, use our <u>2024 CDP Buyer's Guide</u> to assist you with the evaluation and our <u>CDP RFP Template</u> to ensure you're optimizing the search process.

