Why do **Telco** companies need a CDP?

Learn how a CDP can drive growth for Telco

ZEOTAP CDP

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Introduction

In the ever-evolving landscape of the global Telco industry, growth has been nothing short of remarkable. With a compound annual growth rate (CAGR) of 6.0%, the global Telco market surged from $2868.37 billion in 2022 to $3041.8 billion in 2023. The trajectory, as projected by SkyQuest, suggests that this industry is poised to reach an astonishing $3.1 trillion by 2030. But within this unprecedented growth lies a paradox of opportunities and challenges for Telco Service Providers.

Telco operators are at a crossroads, facing a complex web of pressures. They must strike a delicate balance between shareholder interests, escalating price regulations, legal constraints and licence fees imposed by national regulators. To thrive in this environment, they need to diversify revenue streams, expedite digitalisation across operations, and enhance customer touch points to optimise costs and bolster margins.

To tackle these complex challenges, Telco companies are investing a lot of money in marketing tools. These initiatives try to keep customers from leaving, fight against lower prices and find opportunities to sell more products and services to customers. However, the success of these programs hinges on a critical component: a holistic view of each customer.

Join us on a journey to explore the Telco Industry through this white paper where we delve deep into the intricacies of the Telco sector, its challenges, and the pivotal role of Customer Data Platforms (CDPs). Discover how a leading CDP, Zeotap CDP, can craft exceptional customer experiences and enable the Telco industry to unlock the full potential of their marketing strategies, creating tailored and resonant customer engagements that set the stage for a future where every interaction is a unique and memorable connection.

Telco Market Overview

Presently, many customer engagement efforts in the Telco sector are far from ideal. Messages are often mistimed, poorly targeted and, in many cases, irrelevant. As a result, response rates languish below 1%, substantially undermining the return on investment (ROI) of marketing endeavours.

In a very competitive industry with many companies, it's crucial to be noticeable to customers. To do this, companies need to make big changes in how they do business. Traditional Telco companies need to update how they use data and technology to make customers happy. They have to give subscribers the right and special experiences that people expect nowadays.

To drive this transformation, a growing number of Telco providers are turning to Customer Data Platforms (CDPs). These CDPs are like the central piece of a puzzle that helps companies focus on their customers. They help companies get more data and become better with technology. This helps companies come up with new ideas and improvements. A report from 2021 showed that about 65% of Telco companies have a clear plan to use digital technology, and they know it's important. But there's a big problem they face – old tools they used in the past. About 70% of these companies said that their old tools make it hard to make money, grow their business and keep data safe. This is where CDPs step in. They offer a solution to replace or enhance dated and inefficient systems.

Consider the case of a multinational Telco provider grappling with fragmented customer data siloed in legacy systems. By unifying this scattered data within a CDP, the company can construct individualised, dynamically updated profiles for its customers. This transformation not only unlocks new ways of working but also drives cross-functional efficiency and output, potentially saving thousands of dollars in the process.

In an era where data-driven decisions and personalised experiences reign supreme, CDPs are becoming the cornerstone of success for Telco and media companies. They offer the means to navigate the intricate web of challenges, tap into the vast sea of opportunities and ultimately deliver what every customer seeks – a tailored, meaningful experience.

Telco Data Challenges:

From Data Ingestion and Segmentation to Activation

Telco Data Challenges: From Data Ingestion and Segmentation to Activation

Telco companies are facing many challenges that are obstacles for organisations' growth and business outcome achievements. Before analysing how a CDP can help driving business outcomes, let's have a look at the most common challenges:
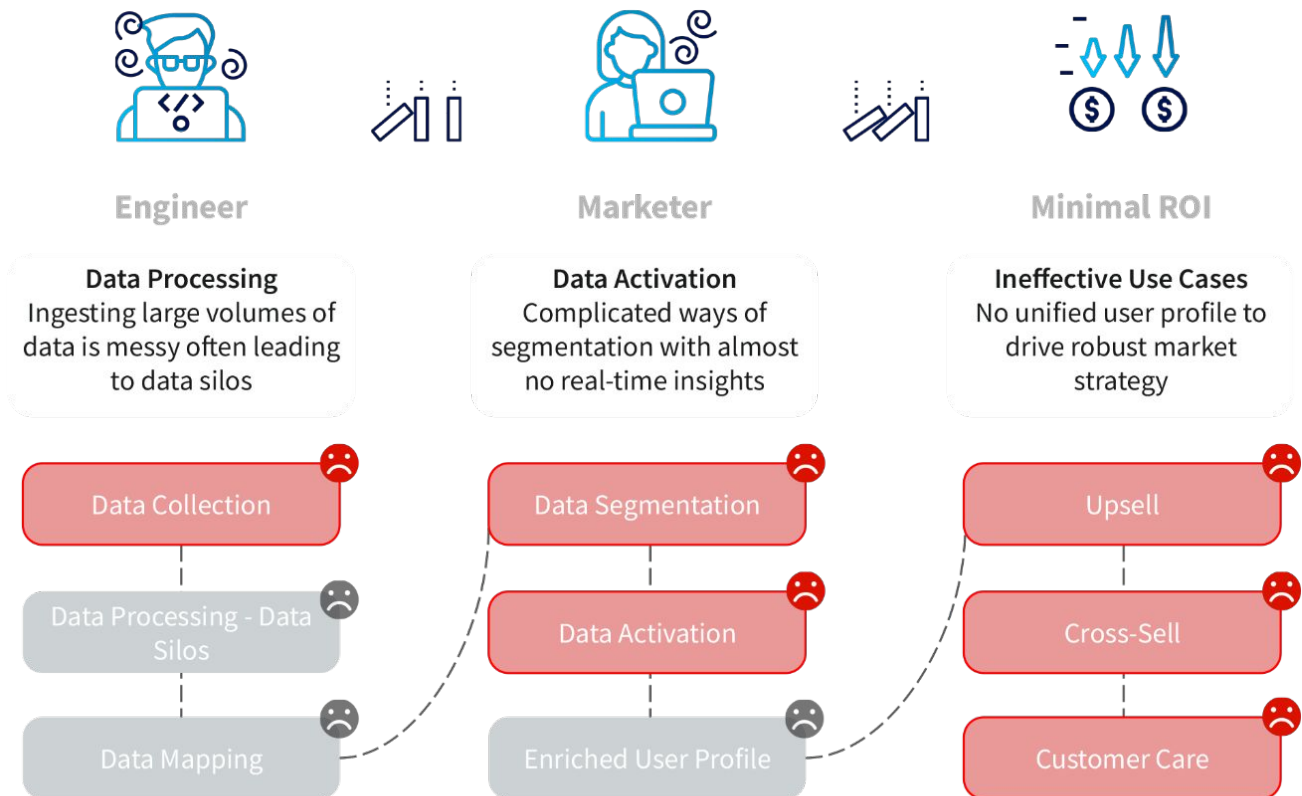
1. **Lack of a 360 view of the customer:**

   - **Fragmented Martech Stack:** Lots of customer data stored in fragmented silos and multiple systems with different data formats that cannot communicate with each other.
   - **Identity Resolution:** Resolving complex customer data profiles into a unified profile poses challenges, particularly when data is scattered across various silos.

2. **Inefficient Channel Orchestration:**

   - **Reporting Delays**: Real-time data are collected inefficiently and therefore are not actionable properly.

   - **Personalisation:** 71% of customers expect personalised experiences which Telcos often struggle to deliver. Online and offline personalisation at scale is challenging without a complete picture of the customer.

   - **Connecting Online to Offline:** A gap between online and offline data often hinders extracting insights and enhancing targeting capabilities

Challenges & Pain-points

Engineer

Marketer

Minimal ROI

Data Processing
Ingesting large volumes of data is messy often leading to data silos

Data Activation
Complicated ways of segmentation with almost no real-time insights

Ineffective Use Cases
No unified user profile to drive robust market strategy

Data Collection

Data Processing - Data Silos

Data Mapping

Data Segmentation

Data Activation

Enriched User Profile

Upsell

Cross-Sell

Customer Care

3.   Business growth:

- **Identify Risk And Opportunity:** Understanding where there is an opportunity to upsell a customer onto a larger bundle, identify cross-sell opportunities between different product offerings, or where a customer is at risk of becoming inactive, is critical in managing base value.

- **Grow Customer Lifetime Value:** Adopting the right marketing tool to deploy specific use cases will help drive incremental customer value, achieving greater conversion rates, less churn and grow customer lifetime value by as much as 35%.

- **Accurate predictions:** By leveraging customer data efficiently Telcos can have easy access to predictive analytics to anticipate customer churn, needs and preferences, in order to improve customer satisfaction and foster loyalty.

4. Internal Process optimisation:

- **Bottleneck in Data Engineering:** Data engineers frequently encounter bottlenecks in data processing, standardisation, and unification. These obstacles impede the seamless integration and analysis of disparate datasets, thereby complicating the creation of unified, enriched customer profiles usable for segmenting marketing campaigns.

- **Segmentation Challenges for Marketers:** Marketers, being non-technical individuals, face challenges using the same tool as a Data Engineer to create user segments. This involves querying unified data, obtaining real-time estimates, and gaining insights into segment development, leading to inefficient resource use, campaign delays, and suboptimal spend.

- **Infra-team Collaboration:** The Infra Team eyes at facilitating seamless collaboration between the Data Engineer and Marketer teams, ensuring efficiency while maintaining compliance with up-to-date security regulations, information security policy, and privacy policy.

What is a Customer Data Platform?

What is a Customer Data Platform?

Let's start from the basis, clarifying what a Customer Data Platform is and what it does. CDPs are the type of software that aggregates customer data collected from a variety of sources, structures it into central customer profiles and then shares data with other marketing technology systems.

CDPs build these customer profiles by combining data from a variety of stores across different data types, including first, second and third-party sources. That means that they can collect and organise data from the Company's CRM, DMP, data lakes or warehouses, websites or mobile apps and/or POS systems.

With these profiles created, marketers can then create audience segments and activate them across other channels such as paid media, SMS marketing, customer service tools and even website personalisation.

The end result is the ability to not only manage data in a compliant and structured way, but also to be able to efficiently deliver targeted, personalised experiences.

CDP or DMP?

CDP or DMP?

Telco companies sit on a plethora of useful customer data that they struggle to manage. Many companies already have a Data Management Platforms (DMPs) in place among their martech stack, but with the impending decline of third-party cookies, transitioning from a DMP to a CDP solution has become imperative. This shift allows us to scale up, utilise multiple identifiers, and improve targeting quality, ensuring precise messaging to our audiences at the right moment.

To better understand why it is important and urgent to change tools, let's delve a bit into what a CDP and a DMP are and what the differences are. They are both integral tools for effectively managing customer data for marketing and advertising strategies.

Despite their similar acronyms and shared functionalities, it's crucial to grasp the distinctions between them. **A CDP unifies data across channels, focusing on gathering information that can be linked to individual users to build comprehensive customer profiles. On the other hand, DMPs primarily collect third-party data such as cookies and segmented customer IDs, which do not directly identify specific individuals.**

While both platforms leverage existing customer data, create a single view of the customer and facilitate audience activation, they diverge in their approaches to identity resolution, data ingestion, enrichment and activation. **CDPs resolve identity down to a specific person, whereas DMPs operate on an anonymous level, heavily reliant on probabilistic identifiers.**

Additionally, **CDPs are capable of ingesting both online and offline data without prior matching, while DMPs require data to be pre-matched to third-party identifiers before ingestion.** Moreover, data enrichment in CDPs is based on first-party datasets captured within the platform, with the option to augment with third-party data, while DMPs rely on third-party data blending and look-alike modelling.

Finally, **data activation in CDPs spans across all tools and channels based on visitor identifiers, whereas DMPs primarily interface with other third-party AdTech platforms.**

Based on the explanation provided above, it is evident that CDPs and DMPs are not interchangeable tools. While both are utilised for managing customer data for marketing purposes, they serve distinct objectives and possess different core features. DMPs face limitations in operating a first-party data business due to their reliance on cookies. These systems have struggled to provide non-cookie-based identifiers and real-time orchestration of segments. Enter the CDP, offering the capability to ingest first-party data, unify it by stitching various identifiers, and dynamically segment across multiple platforms. This is why if a Telco aims to ensure it has the appropriate tool to address all impending challenges, it should transition from a DMP to a CDP.
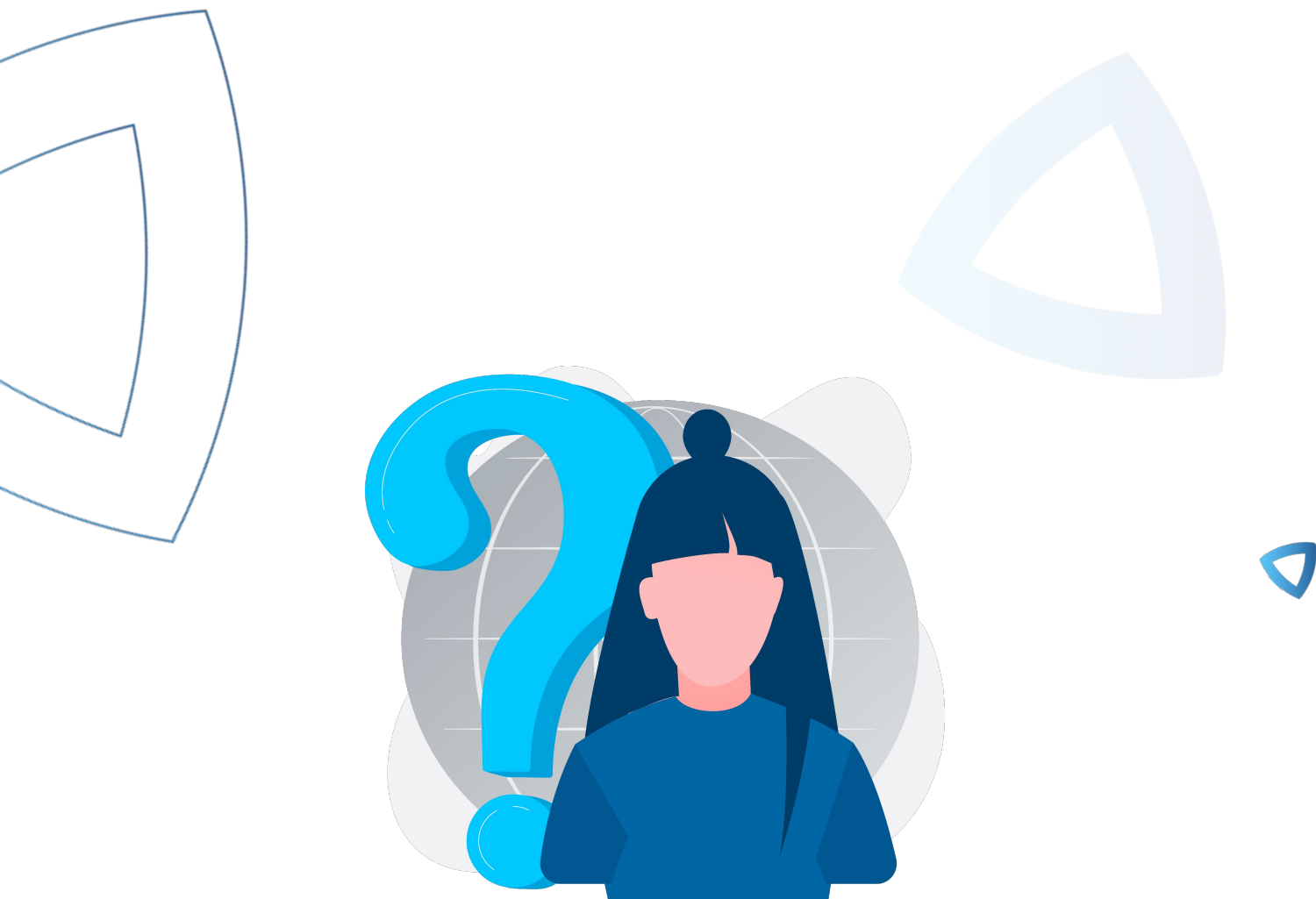
Who Benefits from a CDP in a Telco Organisation?

Who Benefits from a CDP in a Telco Organisation?

In a Telco company, the benefits of a Customer Data Platform (CDP) extend far beyond just enhancing customer experiences, generating revenue, and reducing churn. It's a tale of three personas finding fulfilment in their roles thanks to the transformative power of the CDP.

- **Data Engineers:** Satisfied with streamlined data processing, unification, and management, enabling efficient operations.

- **Marketers:** Empowered by a CDP interface, capable of creating both simple and complex customer segments without requiring technical expertise and further activating the segments.

- **Infra Team:** Content knowing the entire process occurs within a privacy-compliant and secure platform, ensuring data integrity and regulatory adherence.

These collective benefits pave the way for marketing teams to personalise customer experiences across digital channels, customer care teams to enhance interactions through comprehensive customer 360-views, and data analysts to seamlessly collect and analyse customer data for predictive modelling and business insights.

# How can CDPs Drive Growth for Telcos?

How can CDPs drive growth for Telcos?

The Telco industry worldwide is known to be highly competitive and providing top-notch customer experiences is vital for success. As the number of internet users continues to increase, delivering exceptional digital interactions has become a top priority for telco marketers.

CDPs play a pivotal role in helping Telco companies gain a competitive edge. They achieve this by enhancing digital engagement through personalised customer experiences across various channels and devices. CDPs offer a 360-degree customer view, enabling marketers to tailor their efforts to meet individual needs.

CDPs offer numerous advantages for Telco providers, positioning them for accelerated growth and improved customer relations:

1. **Unified Customer Views:** CDPs amalgamate user data, device information and both online and offline interactions to construct comprehensive customer profiles. This holistic view reduces churn rates and fosters loyalty by enabling Telcos to understand and cater to individual preferences effectively.

2. **Improved Customer Journeys:** By leveraging CDPs, Telcos can seamlessly guide customers through their journey across various channels. Consistent personalised messaging ensures a smooth transition between touchpoints, enhancing overall customer experience and satisfaction.
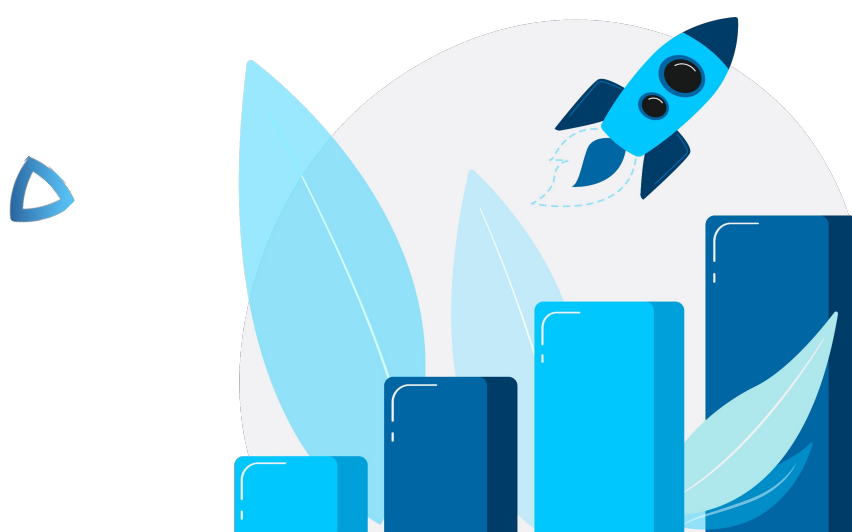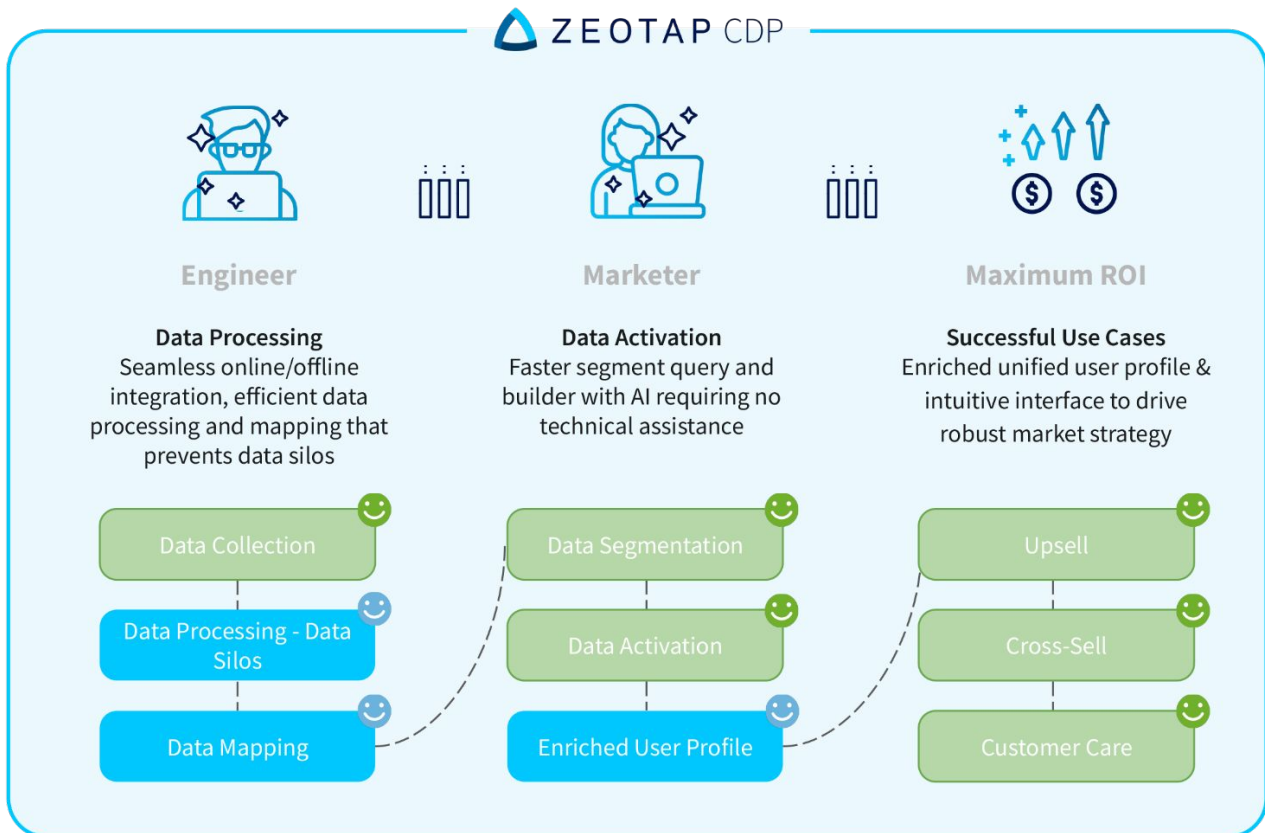
3. **Personalised Marketing and Service:** CDPs empower Telcos to precisely segment their audience based on diverse customer signals. This segmentation facilitates tailored marketing campaigns and service offerings, driving engagement and brand loyalty.

4. **Data Privacy Compliance:** Ethical handling of customer data is paramount in today's regulatory landscape. CDPs ensure compliance with data protection regulations, fostering trust and confidence among customers, which is integral for sustained success in the Telco industry.

5. **Enhanced Data-Driven Marketing with Machine Learning:** Integrated machine learning capabilities within CDPs empower marketers to identify trends and patterns in customer behaviour effortlessly. This insight facilitates the creation of targeted marketing strategies, optimising marketing efficiency and effectiveness.

6. **Precision Targeting:** Enriched customer profiles derived from CDPs enable Telcos to execute highly targeted advertising campaigns. By understanding customer segments and behaviours, Telcos can optimise marketing spend and maximise return on investment (ROI).

7. **Dynamic Content Delivery:** CDPs enable Telcos to dynamically adjust content in real-time based on customer interactions. This ensures that Telco offerings remain relevant and engaging, enhancing customer satisfaction and loyalty.

8. **Consistent Cross-Channel Messaging:** Seamlessly integrating data across online and offline channels is made possible with CDPs. This integration ensures consistent and cohesive messaging, providing customers with a unified brand experience regardless of the channel they engage with.

9. **Personalised Retention Strategies:** By leveraging CDPs, Telcos can identify high-value customers and those at risk of churn. This insight enables the design and implementation of targeted retention strategies such as loyalty programs and personalised offers, ultimately reducing churn and increasing customer lifetime value.

CDP: The Solution

ZEOTAP CDP

Engineer

Data Processing
Seamless online/offline integration, efficient data processing and mapping that prevents data silos

- Data Collection
- Data Processing - Data Silos
- Data Mapping

Marketer

Data Activation
Faster segment query and builder with AI requiring no technical assistance

- Data Segmentation
- Data Activation
- Enriched User Profile

Maximum ROI

Successful Use Cases
Enriched unified user profile & intuitive interface to drive robust market strategy

- Upsell
- Cross-Sell
- Customer Care

"We simplify the complex world of CDPs, ensuring adoption across your teams. We empower marketing teams with strong, compelling audiences, enhance your first-party data with Zeotap data, and prioritise privacy compliance. But beyond that, we aim to be more than a vendor; we strive to be your trusted partner, supporting you through every step of your retail media journey."

Projjol Banerjea, Chief Product Officer and Co-founder at Zeotap

How CDPs Supercharge Telecom Marketing:
Top Use Cases

How CDPs Supercharge Telecom Marketing: Top Use Cases

To provide a personalised touch, understanding each customer's desires is paramount for any business. Telco marketers can uncover customer preferences and digital journeys by analysing the wealth of data they gather. CDPs serve as powerful tools in achieving this goal. They gather data from various online and offline sources, weaving them together into a cohesive and comprehensive customer profile. This invaluable data becomes available for use across multiple systems. With it, marketers can craft personalised marketing campaigns, targeting customers on their preferred channels and devices, ultimately boosting digital engagement and conversions.

Here are six practical use cases where Telco marketers can harness the potential of CDPs:

1. **Customer Data Management and Personalisation**:

   - **Convert Anonymous Visitors into Known Contacts:** Capture and consolidate data from anonymous website visitors to create persistent profiles, enabling personalised marketing efforts.

   - **Partner Combo Offers:** Track user activity across partner websites to deliver personalised combo offers, enhancing the customer experience.

   - **Ad Targeting (Personalisation and Suppression):** Utilise customer data to deliver customised ads, ensuring relevance and efficiency in advertising spend.

   - **Real-time Website Personalisation:** Dynamically customise website content based on customer interactions, improving engagement and conversions.

   - **Aggregate First-Party Data Across Brands and Regions:** Consolidate fragmented customer data from mergers and acquisitions, simplifying data management and ensuring compliance.
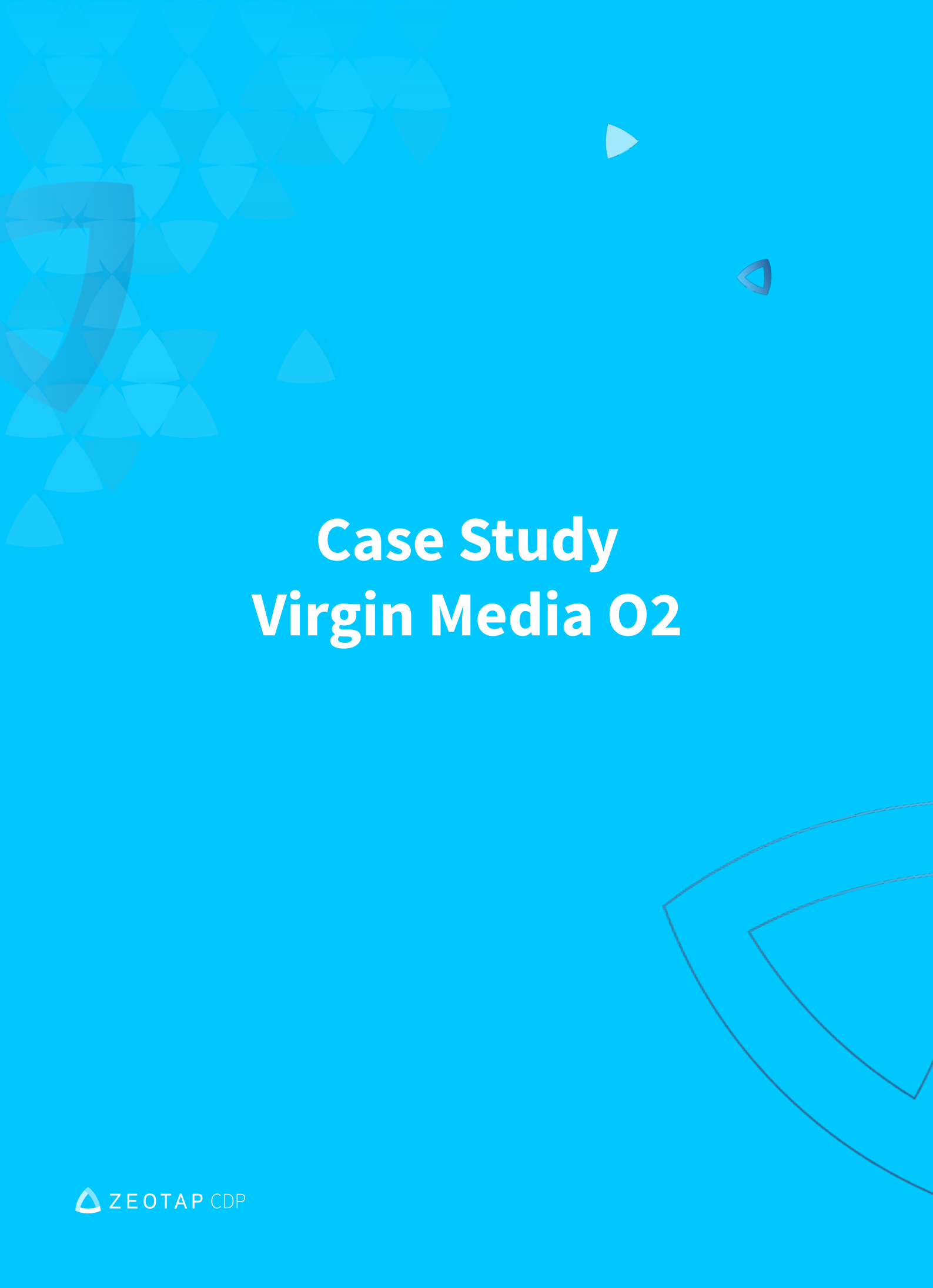
2. **Marketing Optimisation and Customer Engagement:**

- **Customer Upsell and Cross-Sell:** Analyse user behaviour to identify upsell and cross-sell opportunities, fostering customer loyalty and increasing revenue.

- **Plan Contract Expiry:** Proactively engage customers nearing plan expiration to encourage renewals, leveraging timely and targeted communications.

- **Omnichannel Experience (Acquisition/ Upsell/ Retention):** Enable seamless customer engagement across multiple channels, driving acquisition, upsell, and retention efforts.

3. **Operational Efficiency and Customer Service Improvement:**

- **Data Activation:** Utilise customer data effectively for targeted marketing campaigns and enhanced customer experiences.

- **Processes Optimisation:** Streamline internal processes such as customer onboarding, billing, and service provisioning, leading to increased efficiency and reduced operational costs.

- **Customer Care:** Provide customer care teams with comprehensive customer views, enabling personalised and proactive support, ultimately improving customer satisfaction and fostering long-term loyalty.

Case Study
Virgin Media O2

Case Study Virgin Media O2

Virgin Media O2 recognised the critical importance of leveraging data to drive targeted acquisition campaigns and enhance customer experiences. Partnering with Zeotap, they embarked on a transformative journey, harnessing the power of our Customer Data Platform to overturn their approach to data management and marketing. Through this case study, we'll explore how Virgin Media O2 leveraged Zeotap CDP to streamline their acquisition campaigns, optimise customer segmentation, and ultimately achieve remarkable results in an increasingly dynamic market environment.

The Industry

Virgin Media O2 is a British mass media and Telco company based in London, England. The company was formed in June 2021 as a 50:50 joint venture between Liberty Global and Telefónica through the merger of their respective Virgin Media, the UK's fastest major broadband provider, and O2, the UK's favourite mobile network operator. The new brand has 46 million+ broadband, mobile, phone and home subscribers, 18,700 employees and £650 Million a year spent in advertising.

Virgin Media O2 turned to Zeotap to optimise their acquisition campaigns and managed to save £1 million in advertising budget with a smarter, more efficient targeting by suppressing existing customers, thanks to Zeotap CDP.

Let's look deeper at how a Zeotap CDP suppressing capabilities can help companies address the right target, improving online campaigns and driving business outcomes.

The Challenge

In a panorama where millions of Euros fail to bring the expected digital advertising commercial outcomes, an effective paid acquisition strategy involves taking steps to minimise the wastage that comes with inaccurate customer targeting, helping companies identify and engage with new prospects who are more likely to convert. A better targeting strategy will impact not only on Conversion and Acquisition Costs, but also on ROI, allowing the saved money to be reinvested.

With the objective of reducing cost per order (CPO) while increasing conversion rate and customer acquisition efficiency on its digital advertising campaigns, Virgin Media O2, aimed to improve its paid acquisition strategy by:

- suppressing irrelevant customers (existing customers, who have already purchased, or cannot purchase) from its campaigns;

- acquiring new customers;

- upselling or cross-selling to the existing ones.

The Solution

Virgin Media O2 worked closely with Zeotap to identify the right audiences to target, by suppressing the existing customers from its media campaigns.

The process followed 3 main steps:

1. Zeotap CDP unified first-party customer data from 3 key Company data silos: Web, Mobile, Cable.

2. Zeotap CDP stitched together 41.7M rows of data to identify 5.5M existing unique customers' profiles with 8M targetable IDs on activation platforms

3. Zeotap CDP created audience segments to be suppressed from the designated activation channels in order to exclude existing customers from digital advertising campaigns on Google Search and Meta; and from retargeting campaigns on Meta and Instagram

Using Zeotap's CDP's impactful suppression capabilities to spend smarter on its acquisition campaigns, Virgin O2 reduced Cost per Order (CPO), while freeing up budget for other prospecting campaigns.

The Results

Thanks to Zeotap CDP, Virgin Media O2 saved £1 million direct budget on paid media in one year, while bringing more new customers in return. It was able to suppress 70% of existing customers from its digital campaign and decrease the cost per order by 37%, while increasing the conversion rate with re-invested budget up to 43%.

| £1 million	-37%	+43%
Saved	Cost per order	Conversion rate

Why Zeotap CDP?

Why Zeotap CDP?

Customer Data Platforms, as a powerful tool for managing customer data, are not all the same. CDPs can vary in terms of their capabilities, ease of use, and cost. Implementing a CDP can be challenging and time-consuming. Additionally, not all CDPs are equipped to handle the same types of data or to integrate with the same martech stack. Therefore, it's important to carefully evaluate your options and choose a CDP that is well-suited to your business.

Zeotap CDP is an easy, secure, and impactful Customer Data Platform that empowers brands to integrate, unify, segment and orchestrate customer data now and in the cookieless future, all while putting consumer privacy and compliance front and centre. It makes it easier than ever for businesses to achieve commercial success with minimal effort, thanks to an intuitive interface that prioritises simple use cases driving results in only 8 weeks.

Zeotap CDP's easy-to-use platform, designed for marketers, ensures frictionless deployment and time-to-value impact. Additionally, Zeotap's CDP Identity Stitching capabilities give telcos full transparency and control to select identifiers for profile creation. With its native integrations and over 200 connectors, Zeotap CDP not only streamlines operational costs but also ensures that segments are kept updated with the most recent and relevant customer data. It also allows you to orchestrate in real-time and across channels how the brand engages with the customer, thereby enhancing the experience and relevance.

Optimising Telco Operations with Zeotap CDP
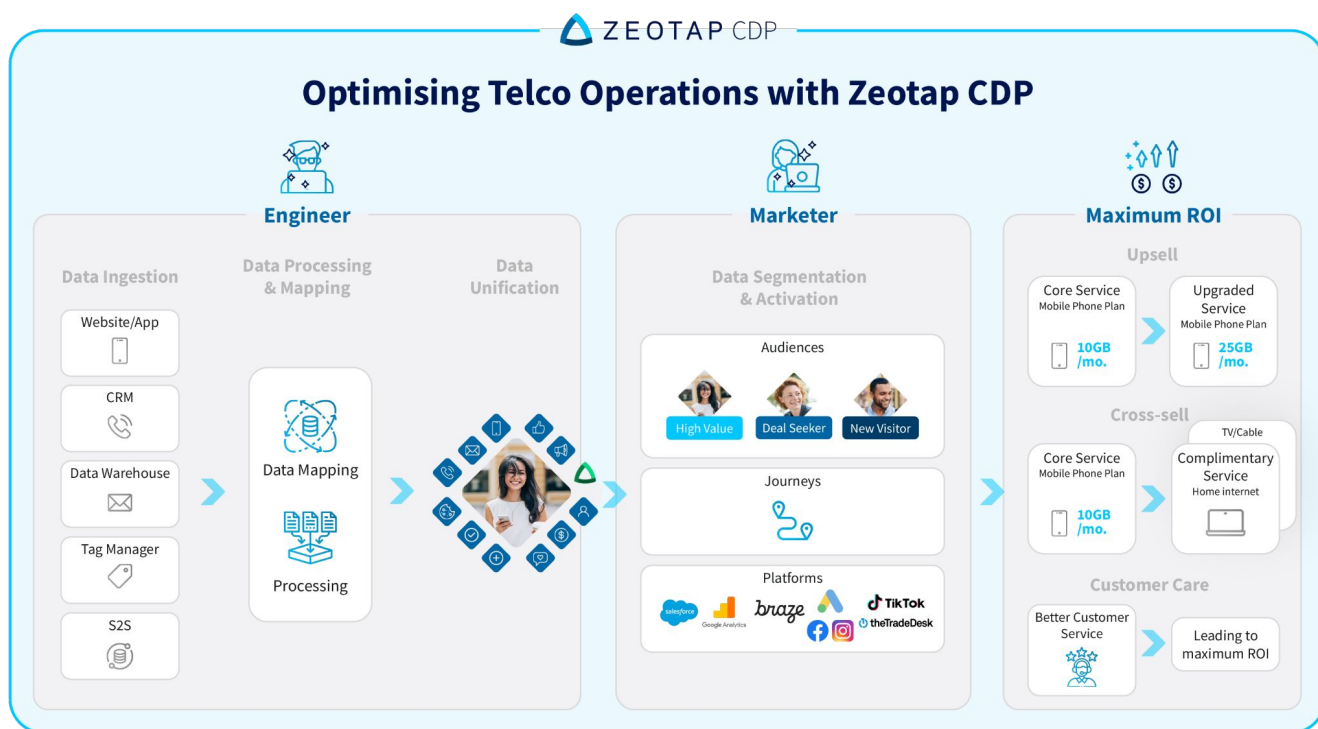
Zeotap CDP can be the best solution to boost Telco growths thanks to:

Ease of Use

Zeotap CDP is designed for hands-on marketers to easily build and activate segments or orchestrate real-time journeys, without needing coding or technical skills. The intuitive user interface allows marketing teams to be independent and autonomous from resource-constrained IT teams.

All in one

Zeotap CDP serves as the singular platform that fulfils all your requirements concerning data ingestion, processing, segmentation, and data activation.

Immediate Value

Thanks to one-click deployment and simple configuration, Zeotap CDP has lower latency and a faster time to value. We specialise in prioritising simple use cases that drive commercial outcomes in just 8 weeks.

Customer Support

Zeotap is committed to partnering with you to ensure your success through our comprehensive support package. Our customer support structure includes email, phone, availability, response times, and dedicated support contacts.

Top-tier Privacy

Engineered in Germany, our product complies with strict EU regulations to guarantee the highest privacy standards.

Data Extension & Cookieless ID

Zeotap provides sophisticated identity stitching and ID extension for higher match rates in digital marketing, Retail Media, and personalisation use cases. We offer our own cookieless ID (ID+) while supporting other IDs seamlessly as well.

"Based on my experience, I can honestly say Zeotap's platform is without equal. Brands can happily jettison a complex and inefficient patchwork of point solutions in favour of their unified stack for all data-related activities."
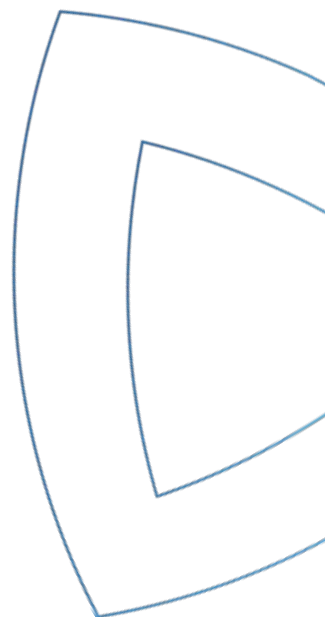
Kay Schwabedal, former Chief Digital Officer VMO2

Many international Telecommunication Companies use Zeotap CDP to grow their business

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ZEOTAP

Founded in 2014, Zeotap's mission is to make customer data easy, secure, and impactful. It empowers the world's most innovative brands to deliver personalised omni-channel customer experiences more efficiently while ensuring compliance.
Today, Zeotap owns three data solutions.

ZEOTAP CDP   ZEOTAP Data   ZEOTAP ID+

Zeotap CDP is a customer data platform for hands-on marketers to achieve meaningful business outcomes. It has been designed for comprehensive 360 customer identity, rapid deployment, low-latency real-time performance, and superior out-of-the-box connectivity, in a privacy-first world. **Zeotap Data** offers persistent, people-based and deterministic audiences built from over 500 million unique IDs, with more than 1bn data data points refreshed daily. Leveraging exclusive data partnerships from the telecoms sector, Zeotap Data is fully-consented, GDPR and ePrivacy compliant and is not reliant on third party cookies for scale or reach. **Zeotap ID+** is a universal marketing ID initiative that paves the way for addressability in the cookieless future.

Zeotap works with the world's top brands including: **Virgin Media O2**, **Rewe**, **Douglas**, and **TIM**.

Privacy and Security is in our DNA

Designed in Germany and developed for stringent European regulation

TRUSTED PRIVACY — **P** — EU data protection — ePrivacyseal

CISSP®

Certified Information Privacy Professional — **CIPP** — iapp

Certified Information Privacy Technologist — **CIPT** — iapp

Information Security Management — **ISO 27001** — Certified

STAR LEVEL TWO: THIRD-PARTY AUDIT — **STAR LEVEL TWO** — SECURITY-TRUST ASSURANCE & RISK

Industry Recognitions

2019 WINNER THE ADEXCHANGER AWARDS	ADWEEK	CDP CUSTOMER DATA PLATFORM INSTITUTE	2023 RealCDP CERTIFIED	Gartner COOL VENDOR 2020	campaign TECH AWARDS WINNER
Best Data Enabling Technology	Best in 1P Data Integration	Certified CDP	RealCDP Certificate	Cool Vendor in Advertising	Tech Pioneer of the Year
ADEXCHANGER	**ADWEEK READERS' CHOICE**	**CDP INSTITUTE**	**CDP INSTITUTE**	**GARTNER**	**CAMPAIGN TECH AWARDS**

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