

Empowering **CDP Use Cases**: Identifying the **Journeys** that Matter

Our PIFEL Framework

To effectively develop CDP use cases, organizations must identify the journeys that matter.

Which journeys are important to customers? How well does the organization perform with respect to each journey? How often does each journey apply to customers?

This paper presents our PIFEL framework that provides a methodical approach to address these questions in the context of a comprehensive, illustrative e-commerce organization, including resulting candidate CDP use cases.



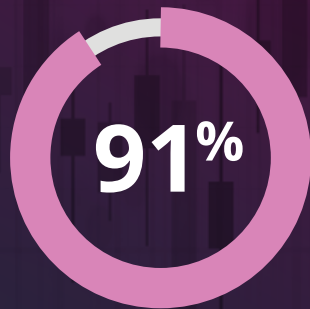


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The Lack of Structured CDP Use Case Development Frameworks Plays a Key Role in Project Failure Far Too Often

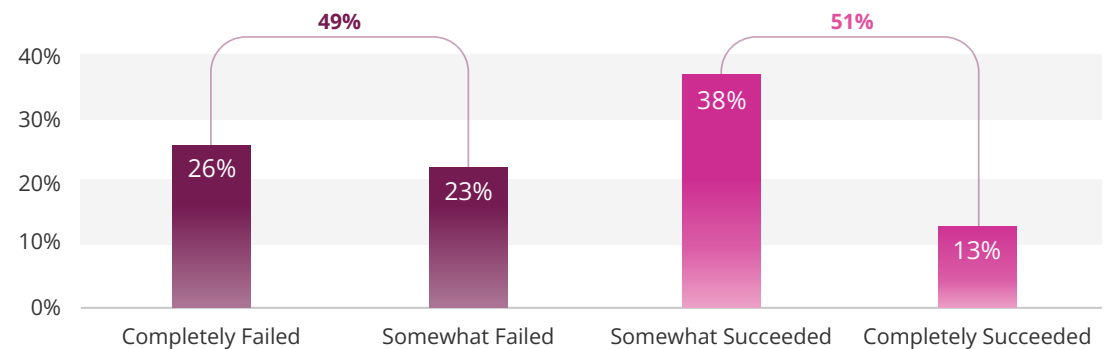
FIGURE 2*



91% of failed or somewhat failed CDP projects where Lack of a CDP Use Case Development Framework was indicated as having played a key role in the failure

The deployment of customer data platforms (CDP) is a strategic imperative for organizations aiming to leverage customer data for enhanced engagement. Yet, the journey is fraught with challenges. In a recent Zion & Zion study of 400 professionals who were involved in CDP projects in the past five years, 26% reported complete project failures, while 23% experienced partial failures. This alarming statistic represents 49% of CDP projects (see Figure 1).

FIGURE 1*



Crucially, 91% of these unsuccessful projects identified the lack of a structured framework for CDP use case development as playing a key role in their failure (see Figure 2). In our experience, this lack of one or more frameworks initially manifests itself early in the CDP deployment process, with organizations lacking a structured approach to prioritize areas for CDP use case development. This paper introduces our PIFEL (Performance, Importance, Frequency, Effort, and Likelihood of Improvement) framework as a solution that we have found to be effective in multiple engagements.

PIFEL provides a strategic methodology for navigating the early-stage complexities of CDP use case identification and prioritization, offering a focused and effective approach to developing CDP use cases through journey-oriented thinking, thereby significantly mitigating the risk of project failures.



The Challenge of Identifying Actionable CDP Use Cases



A common stumbling block for organizations embarking on CDP initiatives is identifying where to start with CDP use case development. It's not uncommon for teams to broadly categorize "use cases" under umbrella terms like "customer retention," "customer acquisition," or "customer loyalty." While these categories are relevant, they often lack the specificity needed to guide effective CDP strategy and execution.

Furthermore, a typical, yet problematic, approach that we see organizations take during CDP use case workshops involves delineating an organization's data sources, target audiences, and activation channels. Data sources might include the organization's CRM, websites, point-of-sale systems, or mobile app. Audiences could be segmented into groups such as first-time buyers or customers with specific product affinities. Activation channels are typically the mediums through which engagement is driven, like email, display advertising, or on-site personalization. While this method helps visualize the components at play, it falls short in providing a structure that can be used to drive strategy or prioritization. It does not offer a clear methodology to determine what matters most to customers and what will drive cost-effective impact.

Our observations and experience underscore the need for, and effectiveness of, adopting a customer-first methodology. This approach pivots on understanding and prioritizing what customers value and need, ensuring that CDP use case development is grounded in enhancing the customer experience. This customer-centric perspective is not just about gathering data; it's about deriving meaningful insights that can focus an organization's attention on where and how to provide personalized, impactful customer interactions. By placing the customer's preferences and behaviors at the forefront, organizations can develop CDP use cases that are not only relevant but are also primed for sustainable success.

Introducing the PIFEL Framework

There are three questions that organizations must ask in order to triangulate on candidates for CDP use case development.

These three questions are:



PERFORMANCE

How well do we perform on our customers' various journeys?



IMPORTANCE

Which journeys are important to our customers?



FREQUENCY

How often do our customers engage in each of these journeys?

Note that we will cover the Effort (E) and Likelihood (L) elements of the PIFEL framework later in this paper.

The PIFEL-framework-driven approach allows an organization to clearly see where the best candidates for CDP use case development may lie.

To better illustrate the PIFEL framework, we've included in this paper data and exhibits from a project we conducted involving a global web and app-based e-commerce organization. For that project, we utilized our PIFEL framework as part of the early stages of identifying candidate CDP use cases. In our research, we identified 17 key journeys of varying importance to customers, each with its own performance rating as measured by customer satisfaction rating with the particular journey, and each with its own frequency of occurrence—meaning that some journeys were engaged in more or less often than others.

While analysis based on PIFEL can be applied in many ways, in this paper, we will cover the four primary types of analysis that we employ with clients: Multi-dimensional Visualization, Distributional Visualization, Causal Analysis, and Comparative Satisfaction Analysis.

Multi-Dimensional Visualization

In the diagrams shown in Figures 3 and 4, we see a two-dimensional representation of the PIF three-dimensional space. i.e. Performance (P) is shown on the y axis. Importance (I) is shown on the x axis; and Frequency of Occurrence (F) is shown as the size of each circle. To make the data easier to visualize, the data has been split into two separate PIF diagrams in Figures 3 and 4, where Figure 3 represents the lower performing journeys, and Figure 4 represents the higher performing journeys.

A JOURNEY THAT MATTERS

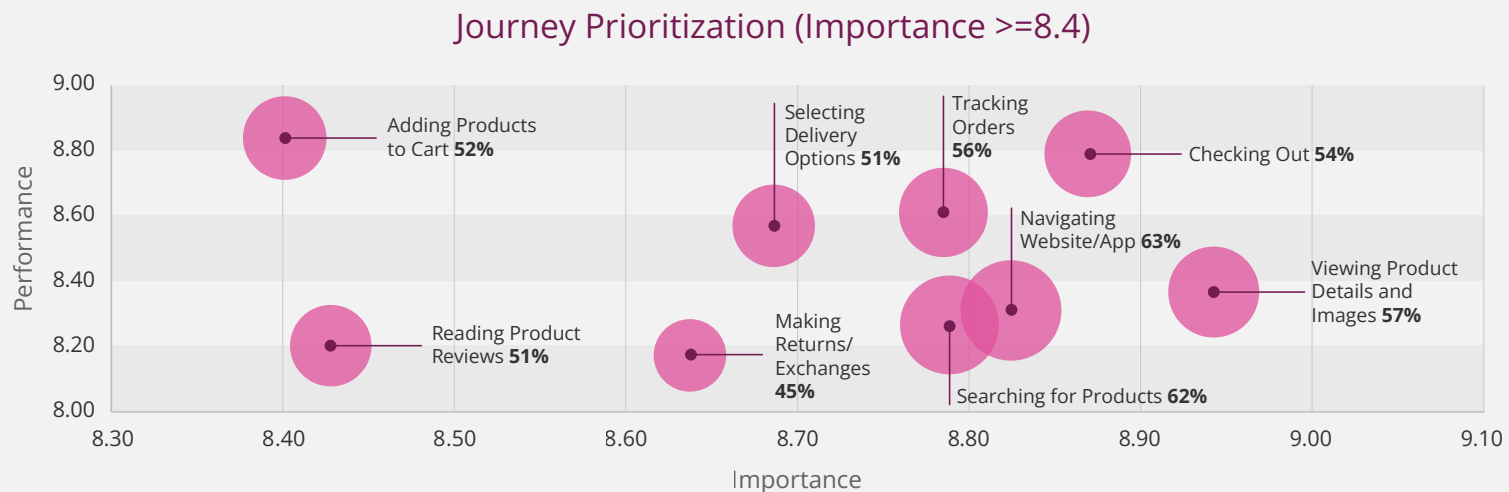
Example 1

Referring to Figure 3, *Journey Prioritization* (*Importance* ≥ 8.4), we see that the journey of Viewing Product Details and Images is not only the most important journey in the eyes of customers, but it is also one of the lower performing journeys in this group and happens to be the third most frequently-engaged-in journey amongst the 17 journeys examined. This immediately makes Viewing Product Details and Images stand out as a candidate for further consideration with respect to actions ranging from examining the UX of the journey to augmenting the journey through CDP use case development.

CDP USE CASES:

- 1. Personalized Product Visualizations:** Use the CDP to track individual customer preferences and behaviors to dynamically alter the way product details and images are presented. For example, if a customer frequently zooms in on images or looks at specifications, ensure that these details are highlighted and more readily accessible for them in the future.
- 2. Zero-Party Data Collection:** Use the CDP to capture users' direct feedback on the product details and images through simple interactive prompts and surveys. This zero-party data, actively provided by customers, is extremely valuable and will be collected and managed through the CDP to continually refine product presentation strategies.

FIGURE 3*



A JOURNEY THAT MATTERS

Example 2

Referring to Figure 4, *Journey Prioritization (Importance ≤ 7.8)*, we see that the journey of Device-Based Voice Shopping is the lowest performing of all 17 journeys in the eyes of our customers. However, it is also noteworthy that it is also simultaneously considered by our customers to be the least important of the 17 journeys and the least frequently engaged in, i.e. P=lowest, I=lowest, and F=lowest.

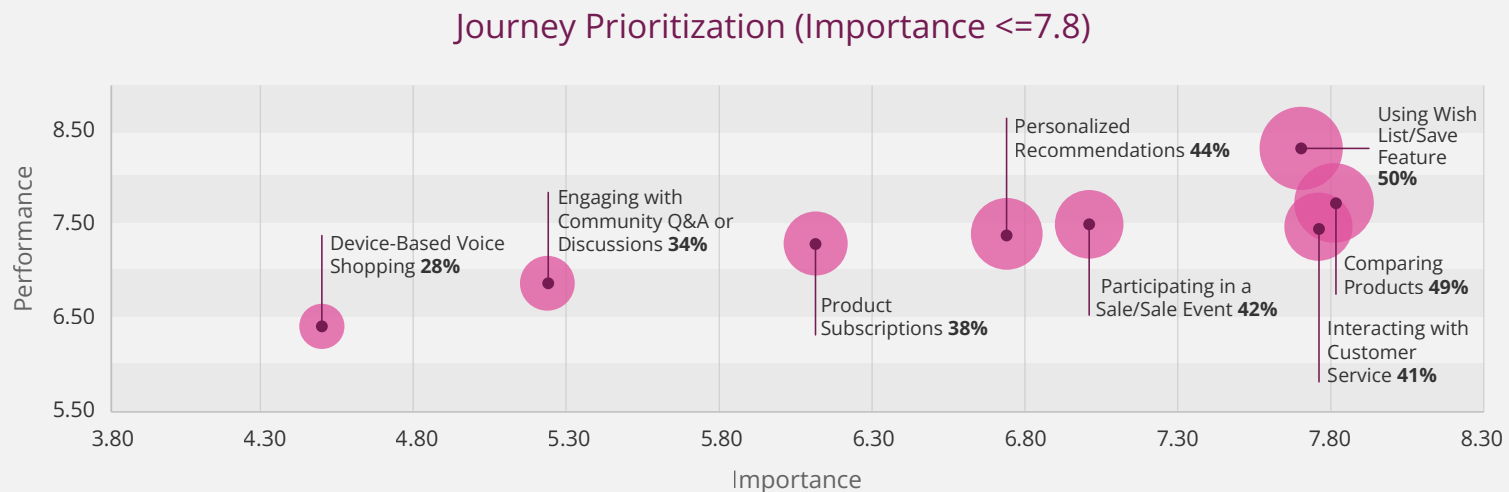
So, does that mean that it should be ignored? On the one hand, a customer advocate could argue, “People don’t consider it important, and people don’t do it very often as compared with everything else they do, so why prioritize this high on our list?” On the other hand, it could also be argued that “The reason that customers don’t consider it as important and the reason that customers don’t do it very often is because the functionality is lacking.” So, which is the right answer? For the purposes of this white paper, it doesn’t matter. What matters is that the conversation was initiated inside the organization by utilizing the PIF aspect of the PIFEL framework.

In this particular case, the strategic decision leans into the opinion that a better experience will drive users to use device-based voice shopping even more.

CDP USE CASES:

- Voice-Activated Personalization:** Use the CDP to collect data from voice interactions to tailor the shopping experience. For example, when customers frequently ask about specific types of products, the CDP includes these preferences and drives personalization of the shopping experience by highlighting similar items during future voice searches.
- Zero-Party Data Collection Via Voice:** Use the CDP in combination with a fine-tuned LLM to process natural language customer feedback and preferences directly through voice interaction, directly feeding this zero-party data into the CDP.

FIGURE 4*



Example 3

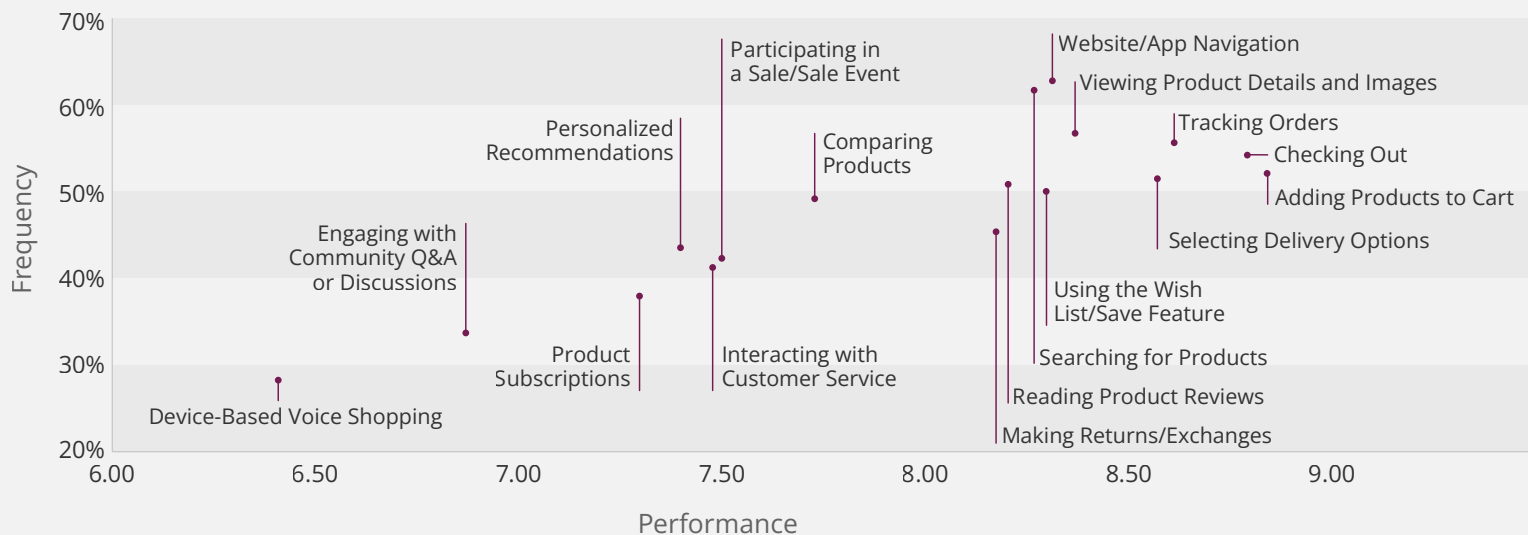
Another useful view of the PIF data is a two-dimensional Frequency vs. Performance view shown in Figure 5. Referring to the diagram, we note that Comparing Products lies somewhere in the middle of the frequency range, however, it also lies somewhere in the middle of the performance range. Combining this observation with our earlier observation about Viewing Product Details and Images, enables the insight that there may be a general issue related to customers getting the product information they need.

Upon more detailed investigation, we found a UX issue related to both the product-related journeys as well as CDP use case opportunities.

CDP USE CASES:

- 1. Incorporation Of Natural Language Preferences:** Use the CDP to store attributes distilled from customers' natural language descriptions of what they consider important in various product comparisons.
- 2. Personalized Comparison Features:** Use the CDP to track what attributes or features customers most frequently compare, and personalize the comparison tool to highlight these attributes. For instance, when a significantly-sized segment of customers consistently compares battery life in electronics, the product comparison tool will adapt and automatically highlight this attribute in future sessions.

FIGURE 5*



Distributional Visualization

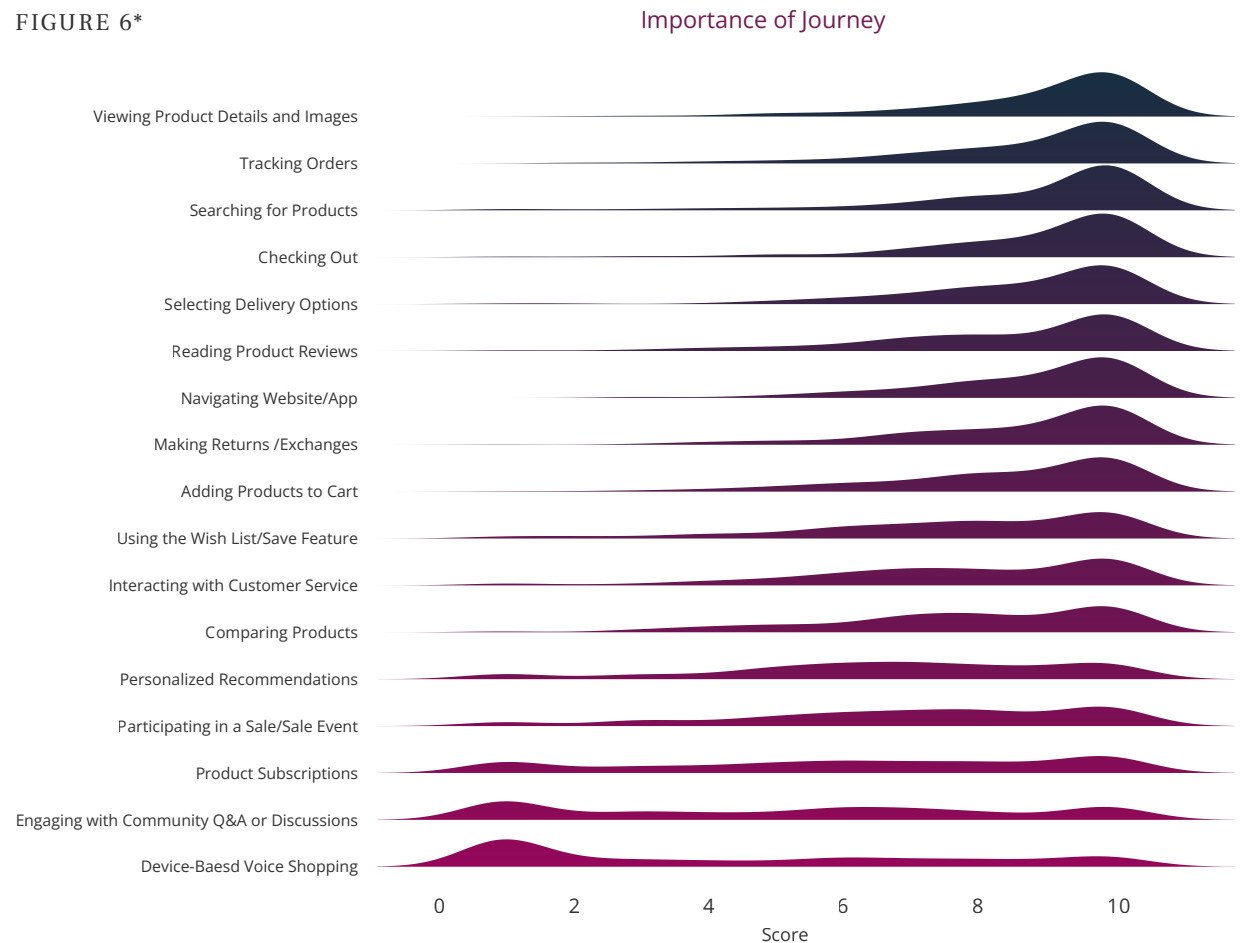
The wealth of data at an organization's disposal can sometimes obscure as much as it reveals. Understanding not just the performance, importance, and frequency of customer journeys, but also the distribution of these metrics provides crucial insight into where to focus efforts. When the distribution varies significantly across journeys, this indicates an opportunity for segmentation—a cornerstone of effective CDP use.



Variability in Importance

Examining the Importance distribution in Figure 6, we notice a varied landscape of how customers perceive the importance of different journeys. This suggests that different customer segments prioritize different aspects of their e-commerce experience with this organization. For example, note the spread in the distribution of customers' answers to how important the Product Subscription journey is. There is an obvious segmentation opportunity when it comes to that journey. At a minimum, whether or not a customer really considers that journey to be important or not dictates to marketers which customers should and should not be included in the audience related to that journey, especially if including a customer in said audience means that an opportunity to include them in another, more relevant, audience is lost.

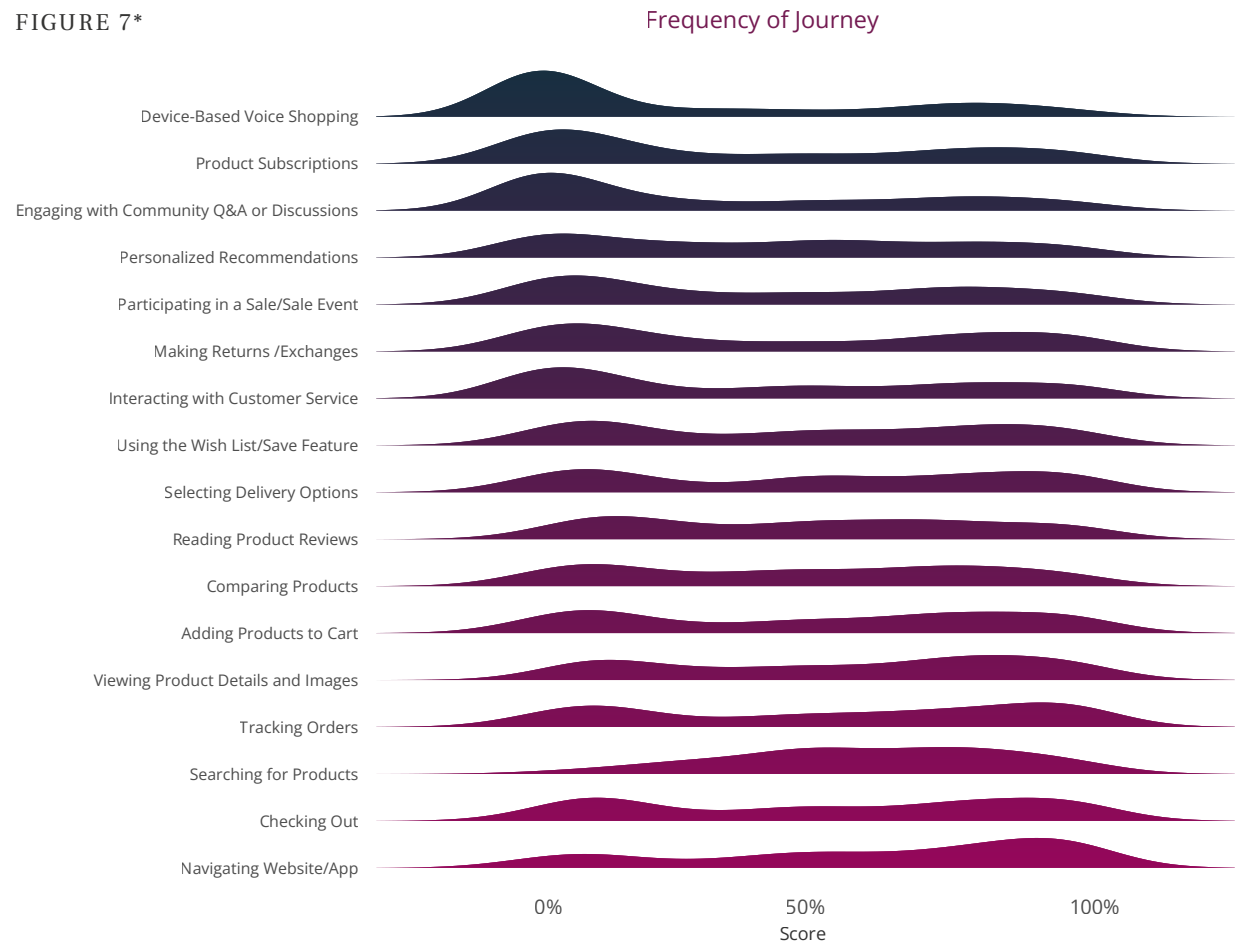
FIGURE 6*



Variability in Frequency of Engagement

The distribution of how frequently certain journeys are engaged in, displayed in Figure 7, allows us to understand not just which aspects of the service are most habitually used by customers, but the variability suggests segments based on usage differences.

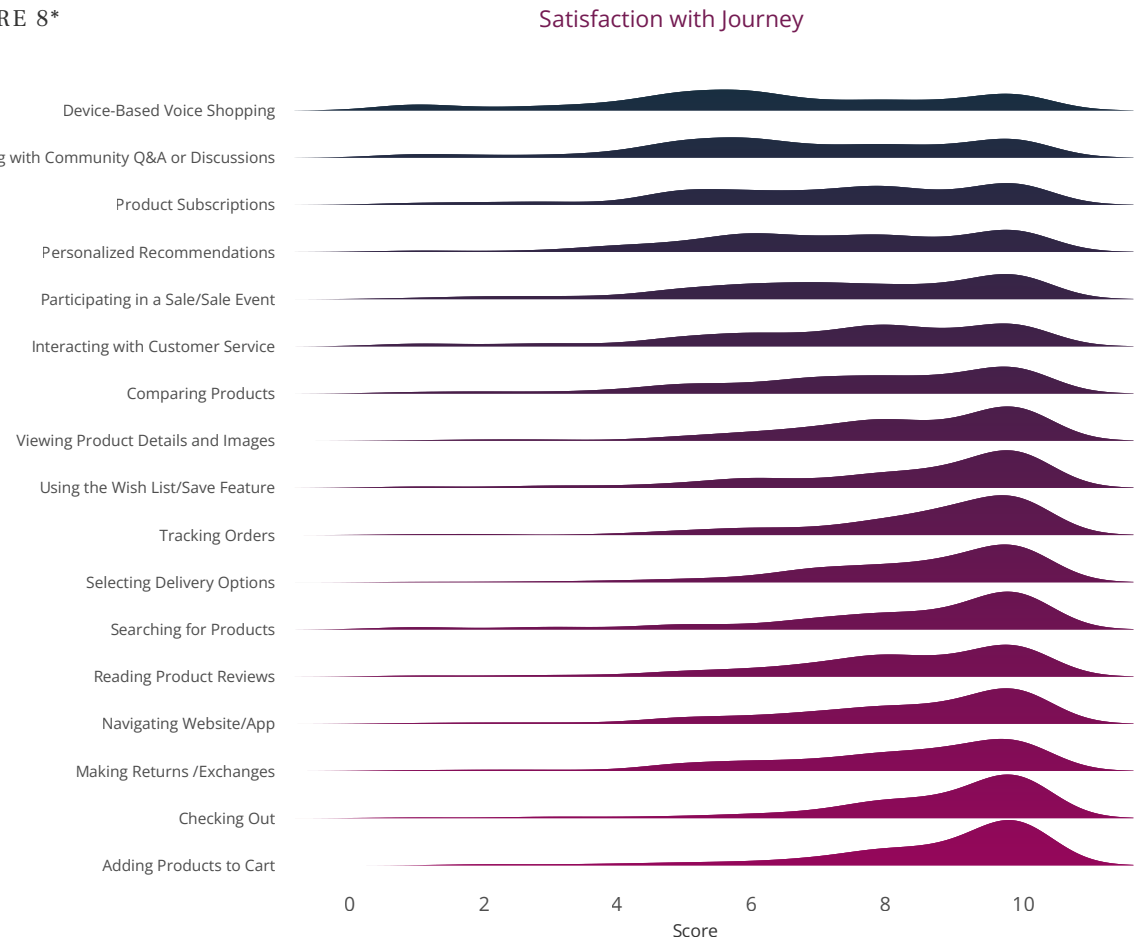
FIGURE 7*



Variability in Satisfaction

The satisfaction distribution shown in Figure 8 offers insight into where customers are finding value and where they are not. Not only do lower satisfaction journeys suggest an area for improvement and CDP use case development, but segmentation can be based on improving satisfaction for those customers and journeys that have lower scores and leveraging the high satisfaction for those customers and journeys that have higher scores.

FIGURE 8*

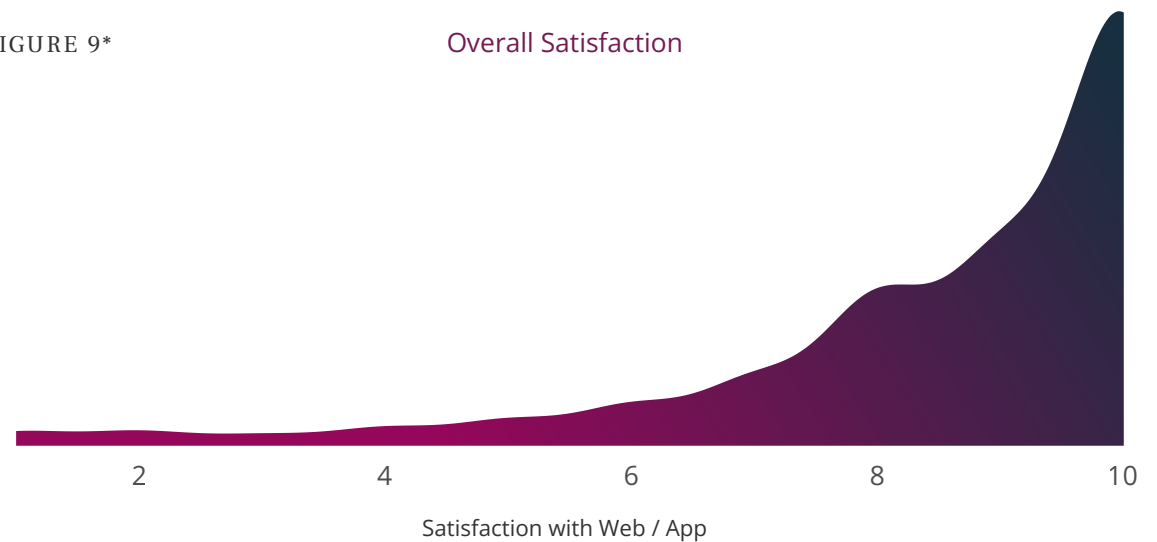


Variability in Satisfaction

It is also important to analyze the variability in overall satisfaction, see Figure 9, in addition to variability in customers' satisfaction with individual journeys—and specifically, to consider how overall satisfaction compares with individual journey satisfaction, a subject which we will explore later in this paper.

FIGURE 9*

Overall Satisfaction



Leveraging Observations of Variability for Effective CDP Strategy

Gaining customer understanding through segmentation is a key strategy in narrowing a marketer's focus and enabling methodical consideration of a wide range of possibilities.

CDP USE CASES AND VARIABILITY

1. **Segment-Specific Personalization:** Use the CDP to create customer segments based on what is and isn't important to customers, where they are and are not satisfied, and how often they do and do not engage in a particular journey. Inherently, CDP use cases are always about personalization to the extent that they are targeted at, and tailored to, an audience with specific attributes.
2. **Satisfaction Improvement Initiatives:** If satisfaction distributions for certain journeys like Device-Based Voice Shopping are skewed towards the lower end, the CDP can drive use cases that collect more detailed feedback after each interaction, providing data to inform enhancements or additional services.
3. **Outlier Analysis for Tailored Solutions:** Analyzing the tails of the satisfaction distributions can reveal outlier customer needs that, if addressed, could turn detractors into promoters. A CDP can help pinpoint these outlier experiences and develop use cases tailored to convert dissatisfaction into satisfaction.
4. **Dynamic Resource Allocation:** Based on understanding the distribution of scores across different journeys, the CDP can now help to allocate resources more effectively, focusing on areas where audience development and use case ideation can be focused where it will be most likely to yield a superior return on investment.

Distributional analysis provides a nuanced understanding that can translate into a segmented, targeted, and thus more effective customer experience. CDPs, with their ability to segment customers and orchestrate personalized experiences across touchpoints, are perfectly positioned to capitalize on these insights. The implementation of the PIFEL framework, enriched with the insights from distributional analysis, allows for a strategic, data-informed approach to creating customer experiences that not only meet, but anticipate, customer needs.

Causal Analysis of Journey Satisfaction on Customer Advocacy

In exploring the causal relationship between customer journey satisfaction and likelihood to recommend, we conduct multiple regression analyses as a part of our comprehensive PIFEL approach. These analyses aim to identify which specific customer journeys have a significant impact on customers' likelihood to advocate for the platform, an essential metric for gauging customer loyalty and future business growth.

By analyzing the satisfaction scores of distinct customer journeys against the likelihood to recommend, we uncover how each journey contributes to overall customer advocacy. The regression models shown in Figures 10 and 11 yield R-squares of 0.5257, indicating that over 52% of the variability in the likelihood to recommend can be explained by journey satisfaction. The Adjusted R-square value of 0.4953 ensures that this percentage accounts for the number of predictors in the model, providing a more precise measure of fit.



Non-Standardized Variables Analysis

The regression analysis with non-standardized variables (Figure 10) indicates that the most significant predictors of recommendation likelihood are satisfaction with Searching for Products, Website/App Navigation, Tracking Orders, and Selecting Delivery Options, all with p-values signaling strong statistical significance. Interestingly, Personalized Recommendations and Viewing Product Details and Images show a negative coefficient, although not statistically significant, suggesting an area for cautious observation or potential investigation into detrimental aspects.

FIGURE 10*

RAW COEFFICIENTS

Regression on Non-Standardized Variables

R-Square = 0.5257

Adjusted R-Square = 0.4954

Dependent Variable = Likelihood to Recommend

	Coefficients	P-value
Intercept	1.26	0.02
Sat - Searching for Products	0.27	0.00
Sat - Website/App Navigation	0.22	0.01
Sat - Tracking Orders	0.19	0.02
Sat - Selecting Delivery Options	0.17	0.05
Sat - Checking Out	0.16	0.07
Sat - Personalized Recommendations	-0.10	0.13
Sat - Reading Product Reviews	0.07	0.35
Sat - Comparing Products	-0.06	0.36
Sat - Adding Products to Cart	-0.07	0.48
Sat - Interacting with Customer Service	0.04	0.48
Sat - Making Returns/Exchanges	0.04	0.55
Sat - Viewing Product Details and Images	-0.05	0.60
Sat - Participating in a Sale/Sale Event	-0.03	0.65
Sat - Product Subscriptions	0.01	0.84
Sat - Using the Wish List/Save Feature	0.01	0.86
Sat - Engaging with Community Q&A or Discussions	-0.01	0.90

Standardized Variables Analysis

The standardized regression output (Figure 11) allows for comparison of the relative importance of each predictor variable. Satisfaction with Searching for Products holds the highest standardized coefficient, reinforcing its critical role in driving customer advocacy. Several of the statistically significant subsequent predictors, although with lesser magnitude, also highlight key journeys that influence customers' willingness to promote the brand.

The non-statistically-significant journeys, with respect to their status, as predictors, should not be ignored. These journeys may hold latent potential to be unlocked with the right strategic focus, or alternatively, may be areas where resources can be optimized by reallocating resources to the more influential journeys.

FIGURE 11*

STANDARDIZED COEFFICIENTS

Regression on Standardized Variables

R-Square = 0.5257

Adjusted R-Square = 0.4954

Dependent Variable = Likelihood to Recommend

	Coefficients	P-value
Intercept	0.00	1.00
Sat - Searching for Products	0.31	0.00
Sat - Website/App Navigation	0.21	0.01
Sat - Tracking Orders	0.17	0.02
Sat - Selecting Delivery Options	0.14	0.05
Sat - Checking Out	0.14	0.07
Sat - Personalized Recommendations	-0.11	0.13
Sat - Reading Product Reviews	0.07	0.35
Sat - Comparing Products	-0.07	0.36
Sat - Adding Products to Cart	-0.05	0.48
Sat - Interacting with Customer Service	0.05	0.48
Sat - Making Returns/Exchanges	0.04	0.55
Sat - Viewing Product Details and Images	-0.04	0.60
Sat - Participating in a Sale/Sale Event	-0.03	0.65
Sat - Product Subscriptions	0.01	0.84
Sat - Using the Wish List/Save Feature	0.01	0.86
Sat - Engaging with Community Q&A or Discussions	-0.01	0.90



Implications for CDP Use Case Development



The causal analysis presented provides valuable insights that inform CDP use case prioritization:

- **Prioritization of Enhancements:** Use cases can be developed to enhance the most influential journeys, ensuring that these experiences are as seamless and satisfying as possible, thereby increasing customer advocacy.
- **Reassessment of Less Influential Journeys:** For journeys with non-statistically-significant coefficients, a deeper dive via qualitative research can help understand if these are areas needing improvement or if they should be deprioritized in favor of more impactful journeys.
- **Dynamic Feedback Loop:** Incorporate a dynamic feedback mechanism to continuously gauge and respond to customer sentiment about their journey experiences, thus fostering an adaptive and responsive platform.

Our causal analysis delineates the pathways through which customer journey satisfaction translates into advocacy. By employing the PIFEL framework in this manner, organizations can strategically enhance their CDP use cases, ensuring they not only meet customer expectations but turn satisfied customers into active promoters, harnessing the true power of customer data platforms.

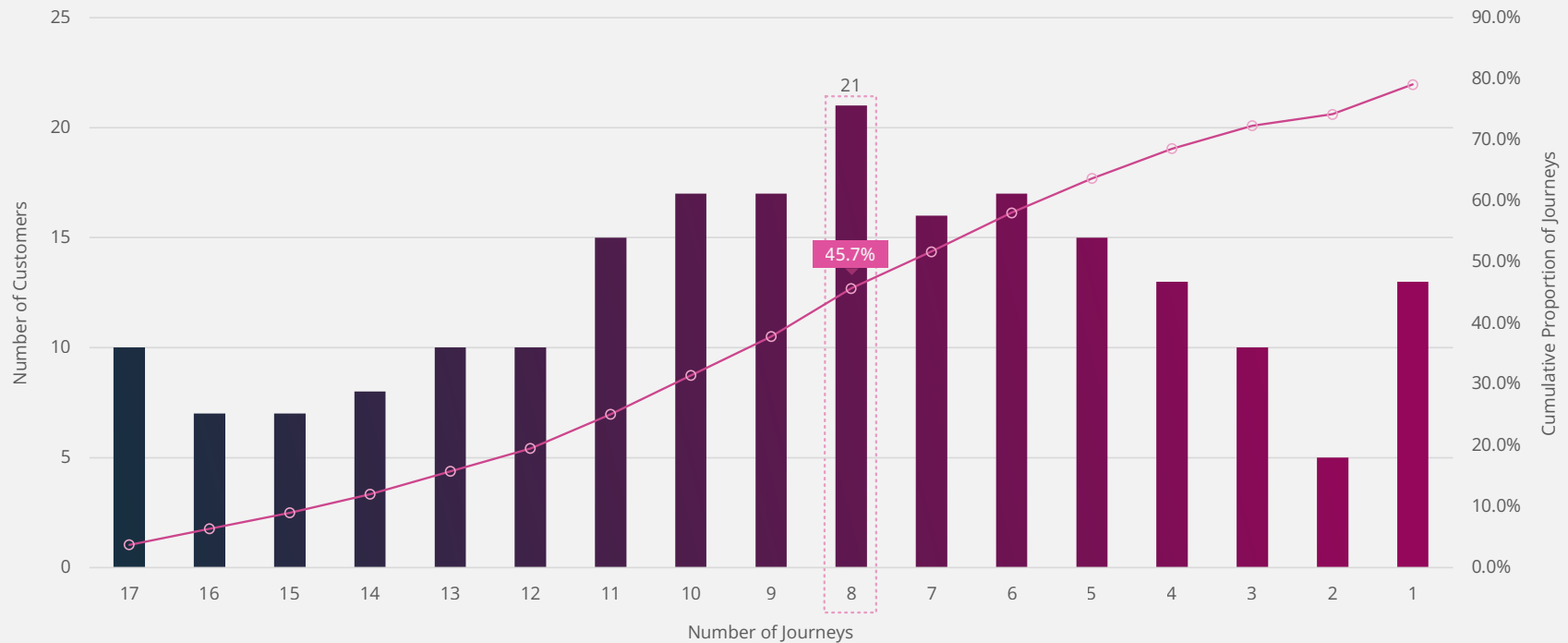
Comparative Satisfaction Analysis

Comparative Satisfaction Analysis serves as a critical component in understanding the relationship between specific journey satisfactions and overall satisfaction. This analytical approach delves into the variances between the two, spotlighting areas of divergence where journeys underperform relative to the customer's holistic experience with the platform. By interpreting the frequency of lower satisfaction scores across individual journeys, we gain a layered perspective on customer sentiment that goes beyond aggregate satisfaction ratings.

For instance, Figure 12 illustrates that there are 21 instances within the dataset where customers have rated eight or more of the 17 journeys lower than their overall journey satisfaction. This is a striking indication that while the general sentiment towards the platform may be positive, there are numerous specific interactions that are not rising to the same level of customer satisfaction. Such a significant number of journeys underperforming compared to the overall satisfaction rating could suggest systemic issues that, if addressed, might not only improve these individual experiences but also elevate overall perceptions.

Moreover, the data suggests a cumulative effect on the customer experience. Almost half of customers, 45.7%, have rated at least eight specific journeys lower than their overall satisfaction, underscoring the potential impact that these touchpoints have on the perceived quality of the platform. It is at this point that the granular application of the PIFEL framework becomes instrumental, guiding organizations to not just identify underperforming journeys, but also to scrutinize the reasons behind the dissatisfaction.

FIGURE 12*





CDP Use Case Implications

1. **Targeted Improvement Initiatives:** Use the CDP to leverage this comparative satisfaction data and prioritize customer journeys that frequently score lower than the overall satisfaction. By implementing targeted improvements on these specific journeys, CDP use cases focus on collecting real-time feedback, enabling continuous refinement.
2. **Overall Experience Enhancers:** Recognizing that overall satisfaction is not necessarily tarnished by underperforming journeys, use the CDP to orchestrate use cases that reinforce positive experiences while subtly addressing the areas of lesser content. For example, ensuring that positive aspects of the platform are prominently featured may buffer the impact of less satisfactory interactions.
3. **Predictive Analysis:** Employing advanced analytics through the CDP, we can predict which journeys are most likely to fall below the overall satisfaction threshold and preemptively initiate improvements or offer compensatory experiences to the customer.

Our Comparative Satisfaction Analysis, therefore, provides a strategic avenue for applying the PIFEL framework in a nuanced manner. This analytical vantage point not only facilitates a more precise allocation of resources towards journey improvement but also underscores the importance of a balanced approach in managing both the macro and micro aspects of customer satisfaction.

Effort and Likelihood of Success

Using Performance (P), Importance (I), and Frequency (F) to focus attention on various journeys in order to identify and prioritize candidates for CDP use case development is the PIF part of PIFEL. The PIFEL framework's comprehensive nature is further established by also considering both Effort (E) and Likelihood of Success (L)—key components in ensuring the feasibility and impact of CDP use case development.

Effort encapsulates the resources needed—whether time, financial investment, or technical expertise—to enhance a user experience (UX) and/or to develop and implement a CDP use case. It provides organizations with a realistic appraisal of the undertaking required for each potential enhancement, allowing for a more strategic allocation of resources.

Likelihood of Success complements this by gauging the potential effectiveness of these improvements. It prompts organizations to assess the probability that the efforts expended will meet the objectives set out, considering both internal capabilities and market readiness. This dual consideration of Effort and Likelihood helps to prioritize initiatives not only by their potential impact on customer experience but also by their practicality and potential return on investment.

Together, the 'EL' dimensions of the PIFEL framework anchor the initial 'PIF' insights in reality, ensuring that the journeys chosen for development are those where meaningful enhancements are both actionable and likely to succeed. This culminates in a strategic roadmap that is balanced, focused, and poised to bring about substantial CX improvements in the realm of CDP deployments.





CONCLUSION

In the context of the PIFEL framework, this paper explored a wealth of analyses, i.e. Multi-Dimensional Visualization, Distributional Visualization, Causal Analysis of Journey Satisfaction on Customer Advocacy, and Comparative Satisfaction Analysis. Collectively, these cast a new light on an intricate dance of factors and approaches to determine where marketers can and should focus their efforts to develop CDP use cases.

Each form of analysis contributes a vital piece to the puzzle, offering a kaleidoscope through which the nuanced fabric of customer interaction is understood and appreciated.

The insights derived from these varied analyses are instrumental in the intelligent segmentation and prioritization of customer journeys. This strategic segmentation ensures that resources are not dispersed thinly over the broad expanse of possibilities but are instead focused sharply on areas of the greatest concern and greatest impact. It is through such methodical consideration of priorities that our PIFEL framework empowers organizations to allocate their efforts efficiently, ensuring that every ounce of investment in CDP use case development is calibrated for maximum efficacy.

Through the lens of these analyses, the PIFEL framework exceeds its foundational elements to become a vehicle for impactful action.

This paper has laid out a comprehensive roadmap for organizations to utilize the PIFEL framework to harness the transformative power of customer data platforms. By weaving together the threads of customer insights and strategic resource allocation, organizations can embrace a future where CDP use case development is both an analytical endeavor and an art form—meticulously crafting experiences that not only meet but surpass the expectations of an ever-evolving customer base.

