lemnisk™

Customer Data Platform

Buy v/s Build

The Global Customer Data Platform market is expected to reach

USD 19.7 billion by 2027

Financial marketers are oftentimes faced by this dilemma

Buy Vs. Build Factors to consider

01

>15%

of revenue spent on marketing should consider building a CDP in-house

02

<9%

of revenue spent on marketing should buy CDP

03

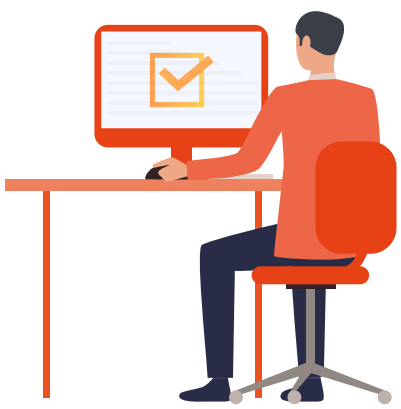
What kind of CDP capabilities are required?

04

Availability of resources and technology

TIME TO MARKET

How quickly should the company deploy a CDP?



BUYING A CDP

Only the CDP subscription cost will be charged

The average cost of buying a CDP can range anywhere from **$100,000** to **$300,000** annually

The CDP will come with technical & business support

Time taken to buy a CDP is 4-5 weeks which is subjected to various system integrations

BUYING CDP

PROS	CONS
Access to the best vendors in the respective industry	The CDP vendor evaluation process is lengthy

1

2

The total cost of ownership is significantly lower than building a CDP

The vendor dependency is high

3

Probability of technology being outdated is minimal

A Generic CDP vendor may not be able to meet all the requirements of the Financial Services industry

4

Total time-to-market is reduced as the CDP vendor already has a ready-to-deploy platform

BUILDING A CDP

1

Building CDPs require substantial IT development efforts

2

The costs to build and maintain a CDP in-house is quite high

4

Depending on the number of integrations, it can take a minimum of around 4 to 6 months to build a CDP

3

No subscription fees involved

BUILDING CDP

PROS CONS

A financial services company that builds a CDP has total control over it

There is no dependency on the external vendor for the company's roadmap vision

Financial firms can customize the CDP to meet their requirements

The total cost of ownership for building a CDP is high

Maintaining a CDP involves additional expenses which increase the overall cost

There is a risk of technology being outdated with time

Conclusion

Financial companies that are planning to buy a CDP are better off selecting a vertical-specific vendor that caters to their industry. Companies that are planning to build their own CDP should carefully assess their options and build a platform that suits their needs.