Twilio Report Reveals Customer Data Platforms are a Critical Foundation for AI-Driven Customer Insights

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Fifth annual Customer Data Platform Report shows embracing CDPs that are interoperable with data warehouses is key to capitalizing on AI

SAN FRANCISCO--(BUSINESS WIRE)--Feb. 20, 2024-- Businesses are integrating customer data platforms with AI and analytics to personalize customer experiences and drive business success, according to a new report from Twilio Segment (NYSE: TWLO). The fifth annual Customer Data Platform Report, which reflects the findings of anonymized usage data from Twilio Segment's 25,000+ customers, finds that businesses are prioritizing data quality to harness the power of AI and quickly act on nuanced customer insights.

Amidst the widespread adoption of AI, businesses are grappling with an exponential increase in data volume. Twilio Segment processed a record high 12.1 trillion API calls in 2023—increasing by hundreds of billions from 2022. This increase is indicative of a larger trend towards more sophisticated, data-centric operations, emphasizing the essential role of real-time data processing and seamless AI technology integration. The ability to quickly harness data insights through CDPs that are open and interoperable with data warehouses is a critical competitive edge, enabling businesses to efficiently collect, unify, and activate data across various platforms.

"In 2024, more and more brands will turn to AI to deliver better, more personalized experiences for their customers. Our report showcases the essential role customer data plays in maximizing AI's effectiveness," said Kathryn Murphy, SVP of Product and Design at Twilio. "With data warehouses, and data lakehouses like Databricks becoming central to customers' data strategies, it's crucial for CDPs to support seamless integration with these data warehouses. At Twilio, we're seeing a significant trend towards leveraging the interconnectedness of AI, data warehouses, and digital communication channels. The ability to interoperate with data warehouses is essential, ensuring that CDPs act as a pivotal technology for brands eager to leverage AI and data to forge even stronger relationships with their customers."

"As businesses look to break down data silos and rely on a unified data platform to power their analytics and AI initiatives, the importance of data sharing and data quality has never been more apparent," said Chris Hecht, SVP, Corporate Development and Product Partnerships, at Databricks. "Our collaboration with Twilio Segment signals our dedication to ensuring that organizations leverage the full potential of their data – no matter where it lives – and can effectively bridge the gap from data to insights using cleaned and verified event profile data."

Key findings of the 2024 Twilio Segment CDP Report include:

1. **Data quality is the bedrock of AI success**: The effectiveness of AI hinges on the data it's trained on, highlighting the importance of quality data as organizations work to process explosive growth in data volume. With 60% of businesses recognizing high-quality, accurate data as a key ingredient for growth, emphasizing data integrity is essential for deriving meaningful customer insights and leveraging AI competitively.
2. **The ascendance of data warehouses:** Data warehouses continued to spike in popularity as one of the most popular destination categories for customer data in 2023, as businesses pave the way for deeper analytics and AI-driven insights. This reflects a broader shift towards data centralization and quality as businesses outgrow the constraints of traditional CRMs. With data warehouses and lakehouses as the backbone for storing and analyzing vast data sets, CDPs facilitate real-time data integration, identity resolution, and activation of customer insights across different touchpoints. This interoperability is essential, allowing organizations to not only store and analyze data at scale, but also to activate these insights in real time, ensuring a flexible and effective data strategy that leverages the strengths of both CDPs and data warehouses.
3. **Predictive AI is now a core strategy**: Businesses are continuing to realize the potential for predictive AI to help them glean deeper customer insights and anticipate customer needs and behavior. Predictive AI is quickly growing in adoption on the Twilio Segment platform, with over 426 Predictive Traits created so far. With CustomerAI Predictions —Twilio Segment's latest feature—companies are empowered to adopt a proactive customer engagement strategy where they can target users with an increased likelihood of performing an event based on their customer data. Brands like Box are using Predictions to optimize campaign performance, improve customer retention, and unlock revenue opportunities.
4. **Enterprise solutions continue to show growth**: The Twilio Segment platform helps customers activate their data by connecting to 450+ out-of-the-box integrations. Google Universal Analytics was the most popular app (used by 55% of Twilio Segment customers), followed by Mixpanel (44%) and Facebook Pixel (37%). Companies that are tasked with collecting data from all digital touchpoints and preparing that data for analyses are turning to CDPs to help solve for fragmentation and with tools like Functions, enabling seamless integration with nearly any app available offers unmatched adaptability. This move towards greater flexibility and the ability to avoid vendor lock-in reflects a growing market preference for systems that are not only modular but also highly interoperable. With a CDP, businesses benefit from smarter, data-driven strategies that can enhance the customer journey.

The full Customer Data Platform Report 2024 is available here.

CDP Report Methodology: The report is based on anonymized, aggregated usage behavior of Twilio Segment's 25,000+ customers, during the period of 11/01/2022 to 11/01/2023.

Join Twilio Segment on February 29 for CDP Live, a virtual summit featuring experts from PwC, Hubspot, and Trade Me, for a discussion on how harnessing clean, flexible data can build smarter, more engaging customer experiences.

About Twilio Segment

Twilio Segment's Customer Data Platform (CDP) provides companies with the data foundation that they need to put their customers at the heart of every decision. Per IDC, it's the #1 CDP in worldwide market share four years in a row (2019-2022). Using Twilio Segment, a real-time customer data platform, enables companies to capture and send customer data from any source, including the data warehouse, unify user profiles, and activate engagement Over 25,000 companies use Twilio Segment to make real-time decisions, accelerate growth and deliver world-class customer experiences. For more information, visit https://segment.com.

About Twilio

Today's leading companies trust Twilio's Customer Engagement Platform (CEP) to build direct, personalized relationships with their customers everywhere in the world. Twilio enables companies to use communications and data to add intelligence and security to every step of the customer journey, from sales to marketing to growth, customer service and many more engagement use cases in a flexible, programmatic way. Across 180 countries, millions of developers and hundreds of thousands of businesses use Twilio to create magical experiences for their customers. For more information about Twilio (NYSE: TWLO), visit: www.twilio.com.

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Oscar Murillo
Press@twilio.com

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