

## The Race to Add AI to Marketing Clouds: Salesforce Buys CDP provider Evergage

**Summary:** Salesforce has bought customer data platform provider Evergage to strengthen its overall 1:1 personalization for its marketing platforms.

**Event:** On February 7<sup>th</sup>, Salesforce announced its purchase of Evergage, a customer data platform provider, for an undisclosed price. The announcement was made via press release. No other details were shared.

**Analysis:** This move will allow Salesforce to quickly modernize its overall marketing platform (e.g., marketing automation)—and to do so via acquisition. Evergage was an emerging CDP provider offering personalization, a unified profile, and the ability to harmonize data tied to the buyer and their activities.

While Salesforce already offers its Integrated Customer 360 data platform that integrates independent experience channels, this deal was more about updating its aging Marketing Cloud offering to make it AI-based, individual, and account-personalized.

### Who is Evergage?

Evergage is based in Sommerville, Massachusetts. Before its Salesforce acquisition, Evergage had raised \$26 million.

Evergage has a key focus on real-time personalization. The platform allows business professionals to expose customers to unique experiences based on their ongoing engagement metrics and user behavior by

matching it against the data collected from previous first- and third-party customer engagements using AI technology. Data are integrated through the CDP and made available for analysis through machine learning systems.

Aragon feels that Evergage has a promising offering compared to the rest of the CDP market, with unique strengths in personalization.

### The Future of Marketing Platforms is Intelligence and Customer Journeys

CDPs leverage machine learning-based analytics systems and other data-driven insights to help provide a clear and instructive picture of customer activity. The goal of a CDP-enhanced marketing platform is to understand buyer journeys to enable the right offer to be made at the right time.

Going forward, all marketing platforms become intelligent with the ability to adjust campaigns and offers on the fly. To that end, marketing platforms will need to have a unified profile. A key part of the new AI-based marketing platform is the unified profile. Aragon has written about user profiles for years, but it is only now that the unified customer profile is fully coming into its own.

**Prediction:** *By YE 2021, a unified user/buyer profile will become a must-have part of a marketing automation platform (70% probability).*

## Salesforce Acquires Evergage to Complement Its Einstein Marketing Cloud

Salesforce already has Einstein, which has become a quiet hit with customers. The same cannot be said about Einstein Marketing Cloud, which offers several insights on past behavior, but isn't as focused on real time personalization. It is Evergage's personalization that fills a gap in Salesforce's Marketing Cloud.

### Customer 360 Overlap?

Salesforce made a big deal about its Customer 360 offering and 360 truth at Dreamforce 2019 as a cross company effort—not one that will totally benefit the Marketing Cloud. For one, it is important to remember that the company's flagship CDP, Customer 360, is still a relatively new offering, only released in 2018.

Aragon feels that with Customer 360 Truth and its approach to a common identity (e.g., profile), there is some overlap with Evergage. That said, we expect this to be corrected through technology convergence as the deal gets wrapped up. Parts of Evergage could be folded into Customer 360.

### CDP Growth and the Unified Profile

Customer data platforms (CDPs) are a quickly growing sector of the enterprise customer engagement technology market. Among marketing technologies, CDPs are quickly gaining momentum and have been recognized as a key method for marketing teams to add value to the sales process in 2020. One of the big benefits of a CDP is its ability to provide a unified profile that brings together a range of data and behaviors tied to the customer/buyer.

While CDPs have been growing in popularity, it is only now that it has become clear that they are

the answer to the issue of modernizing marketing clouds to be automated and intelligent.

### Competition: The CDP Race—Acquia Got There First

While the move by Salesforce is early, Acquia beat them to the punch, they bought CDP provider AgilOne last fall.

Between Salesforce and Acquia—Aragon feels that this has fueled a new race—the race to the intelligent marketing platform. Many other providers will be targeted. Some include:

- Exponea
- Lattice Engines
- Segment
- Selligent
- Tealium AudienceStream CD

### Aragon Advisory

Enterprises should pay close attention to consolidation in the CDP market, which is an increasingly valuable share of the enterprise technology industry. Consolidation could portend positive improvements, but could also mean product obsolescence, increased prices, etc.

- Enterprises should ask their marketing cloud provider what their plans are for adding CDP functionality to their platform.

### Bottom Line

Consolidation is a natural step for the rapidly emerging CDP market. We predict of the shift to AI-based marketing clouds that can customize journeys and offer insights in real-

time based on behavior. Ultimately, the Salesforce acquisition of Evergage reveals many interesting facets of the growing CDP market.

### **Related Aragon Research**

[The Aragon Research Technology Arc™ for Sales and Marketing, 2019](#)

[Salesforce.com Customer 360 Platform SWOT Analysis](#)