

# IBM Performance 2012

Smarter Analytics. Smarter Outcomes.



## The Empowered Marketer

Heena Jethwa

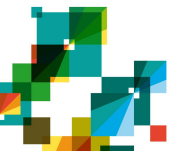
November 13 2012



# Our Agenda today



- The Empowered Consumer
- Marketing - A changing landscape
- How to create an empowered marketer



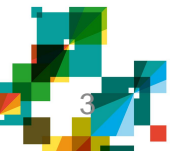
# In a simple world...



**CUSTOMER / PROSPECT**



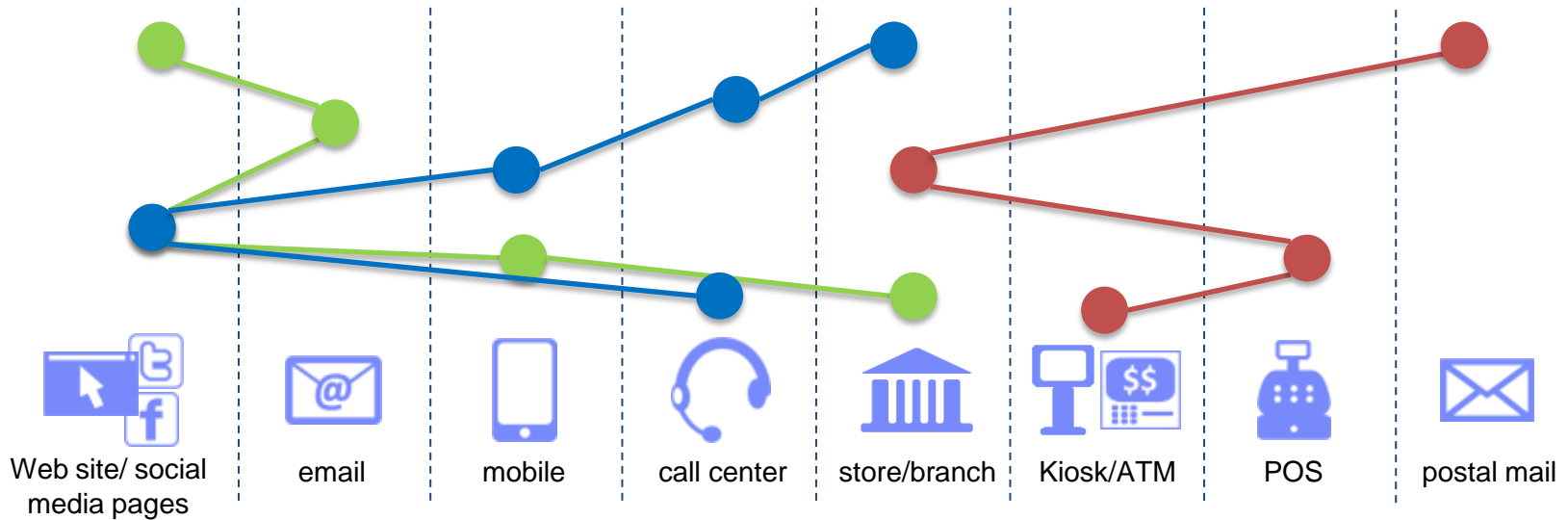
**MARKETER**



# Today's reality...



CUSTOMER / PROSPECT



MARKETER



# The Empowered consumer has taken charge...



## Customers have lost confidence in institutions

- 76% of customers believe companies lie in advertisements
- Growing trust gap in many consumer focused industries

facebook

GROUPON

## Technology is changing how customers interact

- Social media changed purchaser influence; opinions viewable instantly
- Mass customization and personalization of products and services

twitter

livingsocial

Evolving Expectations:  
✓ Timely  
✓ Localized  
✓ Experiential  
✓ Personalized  
✓ Information

## Expectations have changed

- Focus is on value, transparency and accountability
- Customers want to be seen holistically across the enterprise

buy

## Institutions need to rediscover their customers

- Consumers are experiencing brands in new ways though new channels
- Micro-targeting: the move beyond 1 on 1 is accelerating

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*“Marketing must become more adept at managing the magnitude of change now taking place. Otherwise, it will be like going into battle with a Swiss Army knife.”*

Financial services vice president, marketing, US



# Specific challenges reflect growing complexity



Figure 4

The biggest headaches The four most prominent

- 1 Data explosion
- 2 Social media
- 3 Growth of channel and device choices
- 4 Shifting consumer demographics

- 8 ROI accountability
- 9 Customer collaboration and influence
- 10 Privacy considerations
- 11 Global outsourcing
- 12 Regulatory considerations
- 13 Corporate transparency

— Mean



“From Stretched to Strengthened; Insights from the Global Chief Marketing Study” [www.ibm.com/cmstudy](http://www.ibm.com/cmstudy)



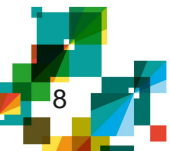


# The timeless responsibilities of marketers everywhere...

Knowing the customer.

Defining what to market and how to market it.

Protecting the brand promise.





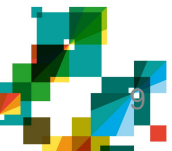


...are evolving into **three imperatives** for a new profession.

**Understanding each customer as an individual.**

**Creating a system of engagement that maximizes value creation at every touch.**

**Designing your culture and brand so they are authentically one.**





# Delivering on the imperatives for a new profession will require **closer collaboration between marketing and IT**

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Understanding each customer as an individual.

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Creating a system of engagement that maximizes value creation at every touch.

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Designing your culture and brand so they are authentically one.

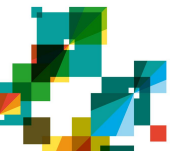
Marketing strategy and transformation

Customer experience and engagement

Customer analytics

Social marketing and collaboration

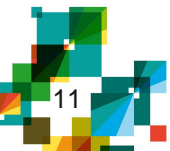
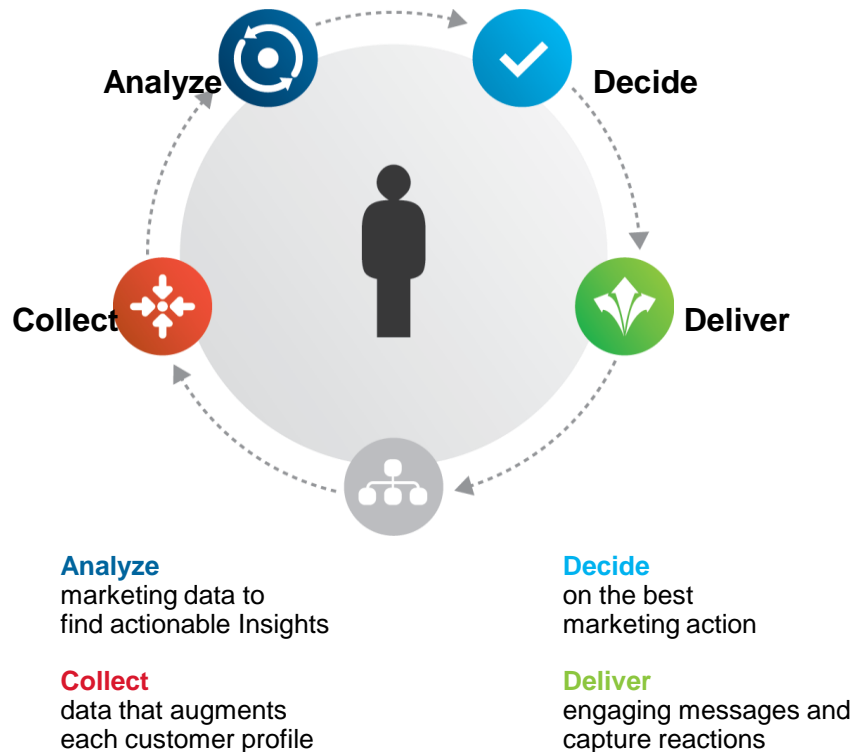
Marketing performance and optimization



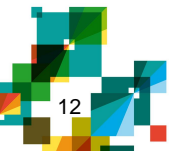
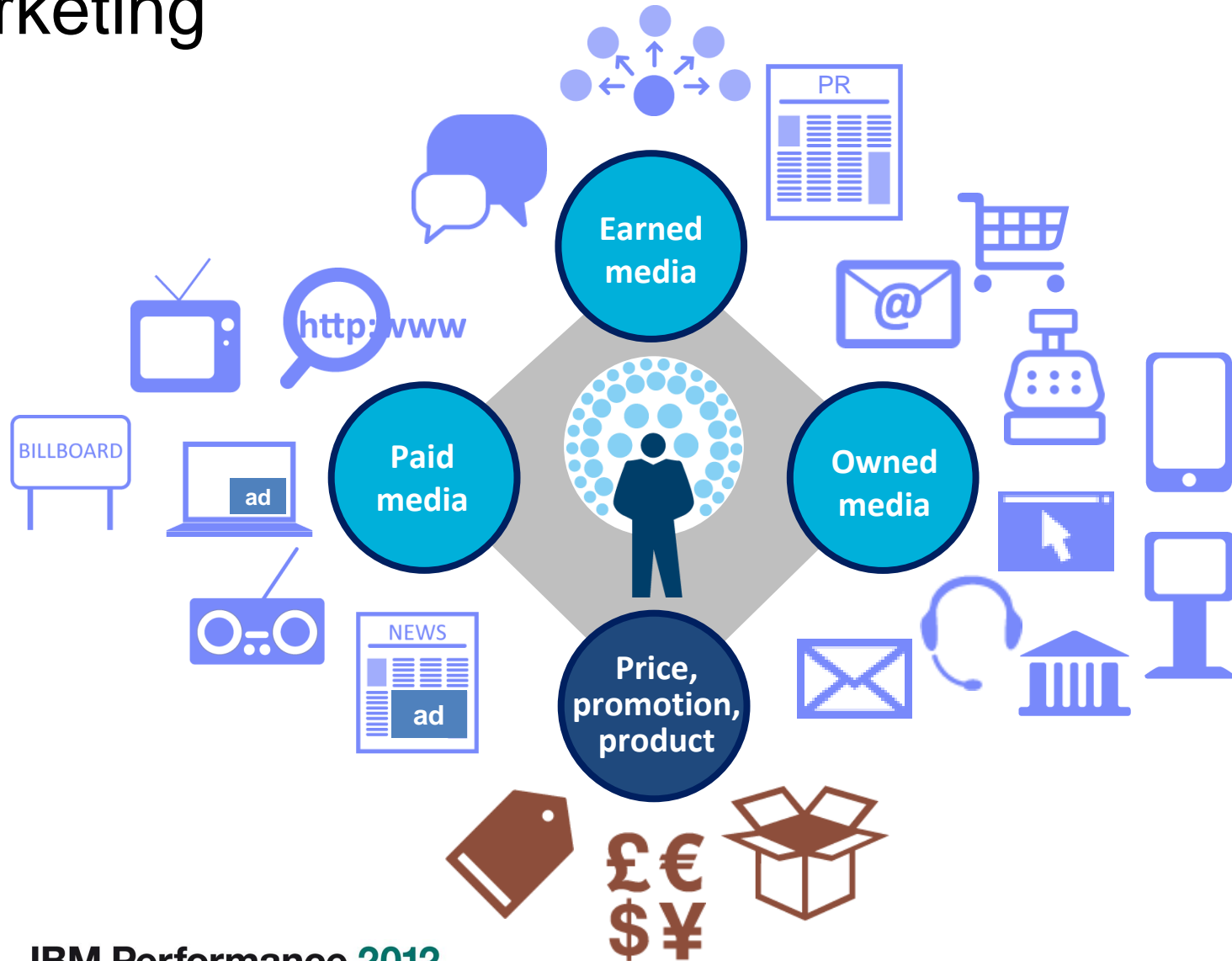


# Customer Experience and Engagement

Maximize every interaction to make a relevant impression seamlessly across all channels—creating repeat, loyal customers.



# Marketers must integrate all aspects of marketing



# What makes this hard?

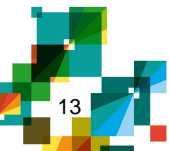


Most marketers lack:



1 complete **UNDERSTANDING** of each customer

2 platform to take coordinated **ACTION**



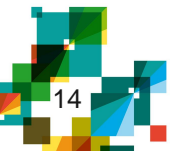
# Customer Experience and Engagement

Maximize every interaction to make a relevant impression seamlessly across all channels—creating repeat, loyal customers.



## Enables you to...

- **Engage** each customer and prospect in a one-to-one dialogue across communication channels.
- **Turn online** prospects into repeat customers and loyal advocates.
- **Integrate** offline and online customer data.
- **Create** a relevant experience across all channels.
- **Maximize** response rates.
- **Define** next best and most relevant action.
- **Maximize** website conversions and improve search results and rankings.
- **Improve** ad and paid search ROI.





# Customer Analytics

Unlock insights to understand and win customers, build loyalty and deliver lifetime value in a profitable manner.



## Transform

through analytics for breakaway results

## Act

with confidence at the point of impact to optimize outcomes

## Align

your organization around information

## Learn

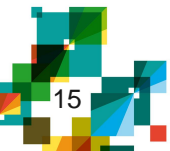
from solutions that get smarter with every outcome

## Anticipate

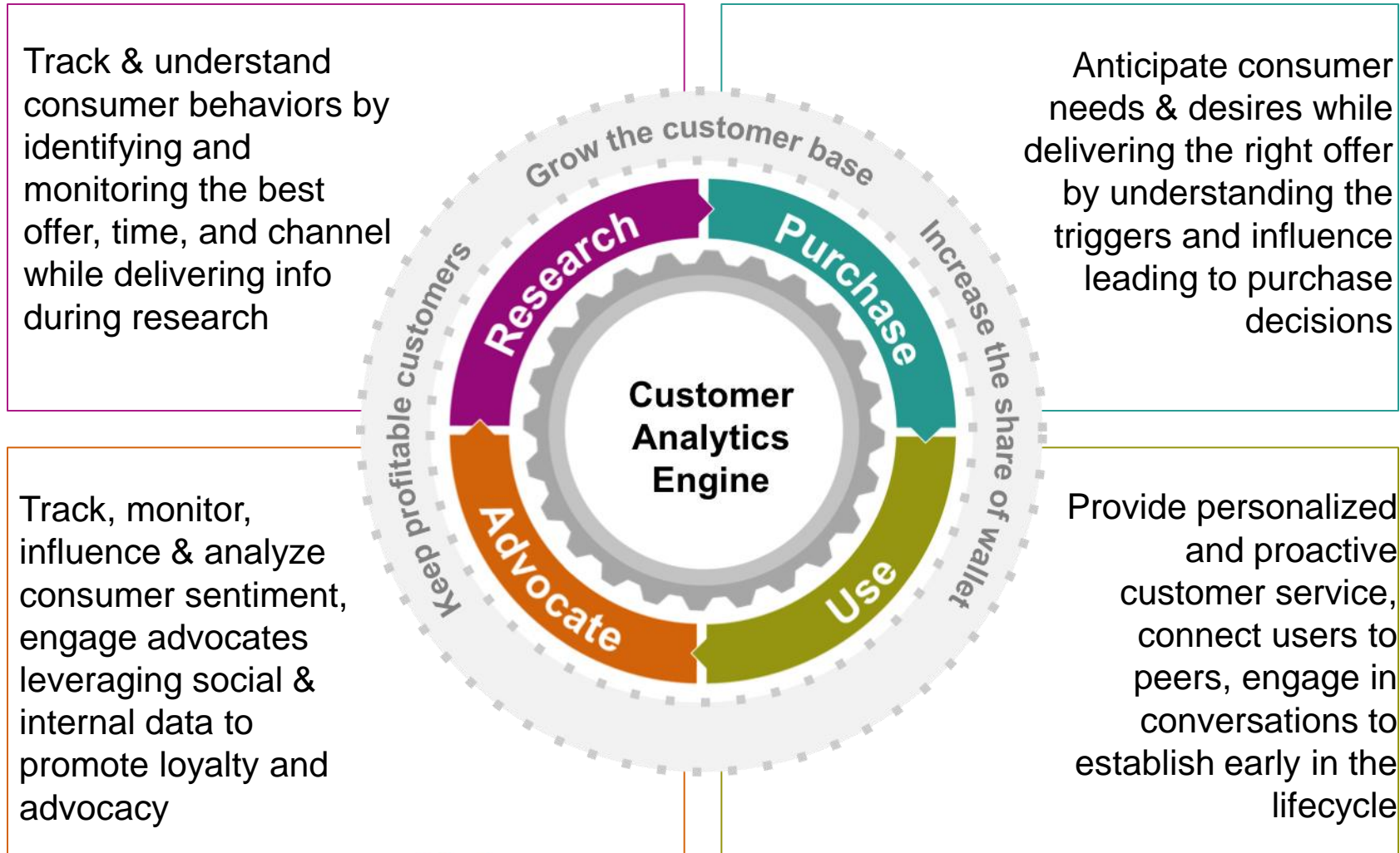
see, predict and shape business outcomes

## Enables you to...

- **Use** sophisticated analytic tools to connect people with the appropriate information to make informed decisions, identify potential trends and opportunities to improve.
- **Manage** large amount of real time, disparate, unstructured data to collect, analyze and manage.
- **Make** informed decisions, identify potential trends and opportunities to improve.

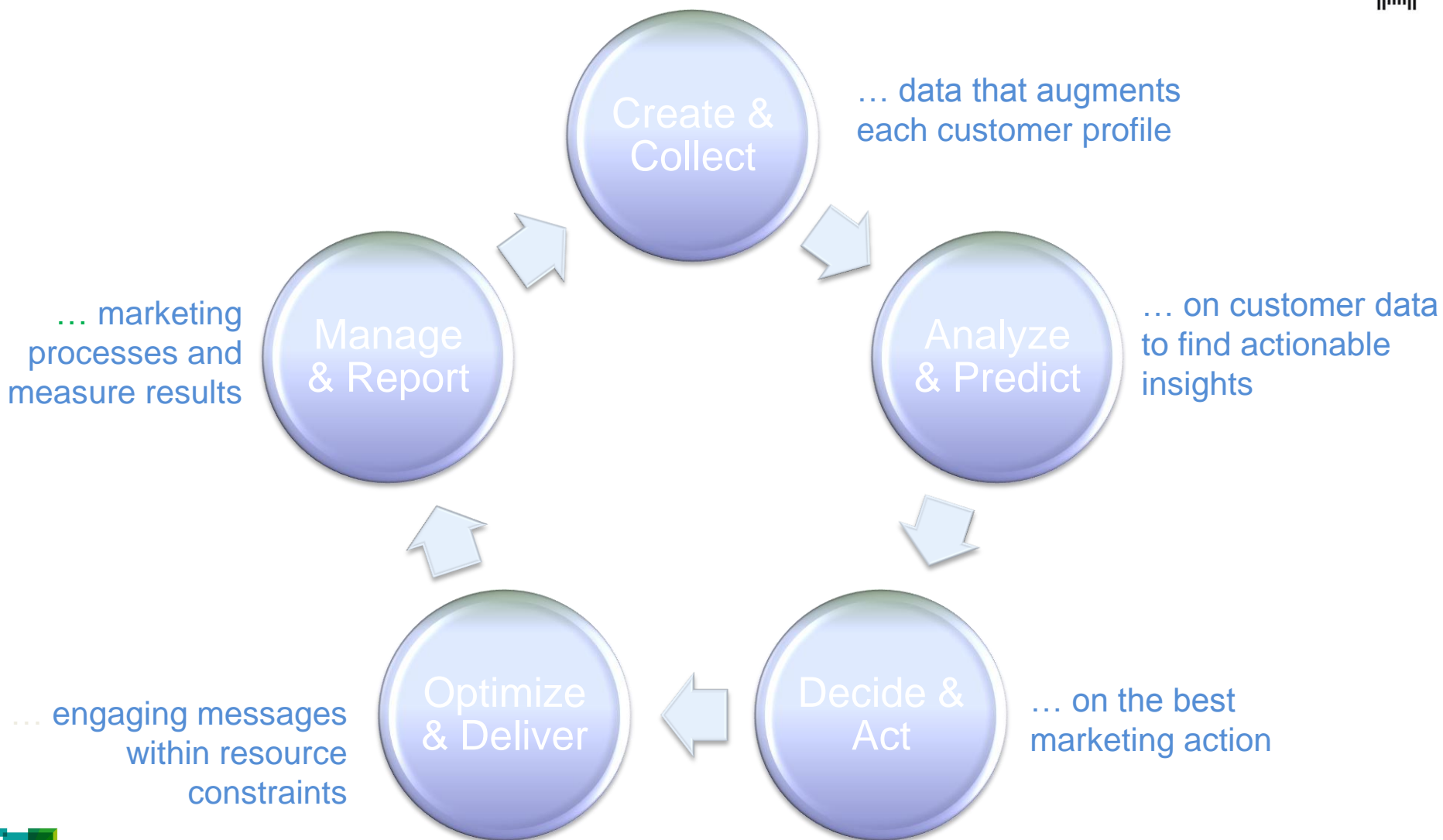


# Customer Analytics – definition & scope

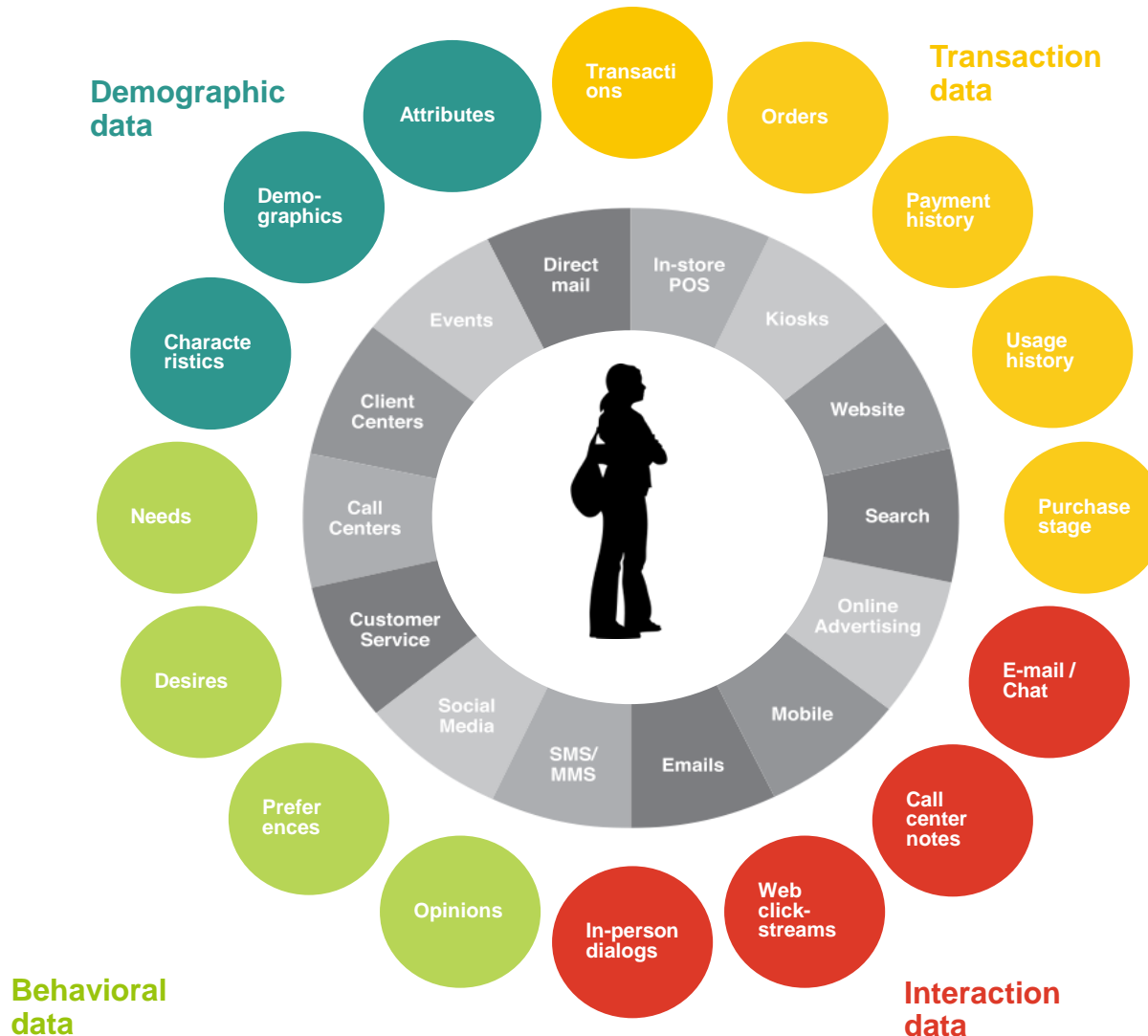




# A journey to improve customer experience

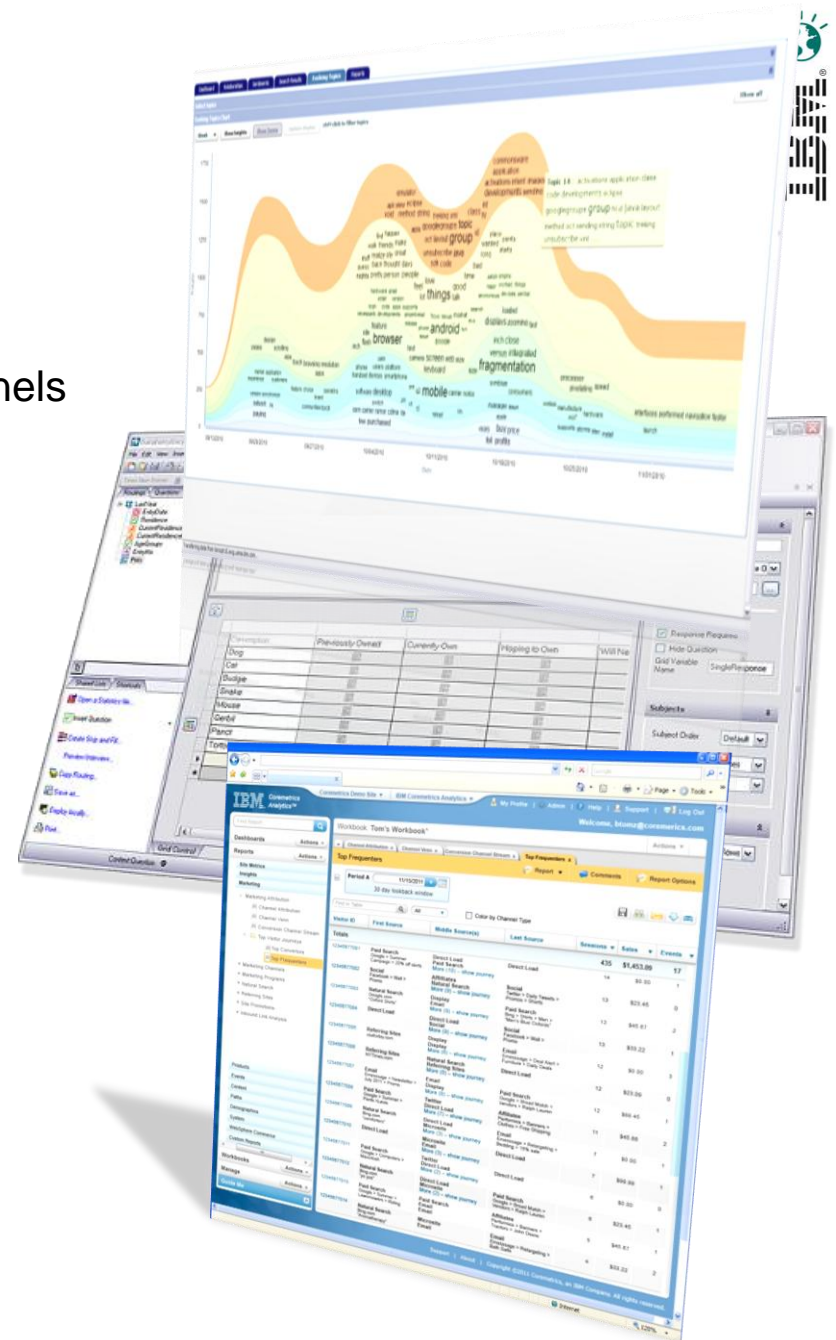


# Capture and Collect: The wealth of data



# Capture & Collect

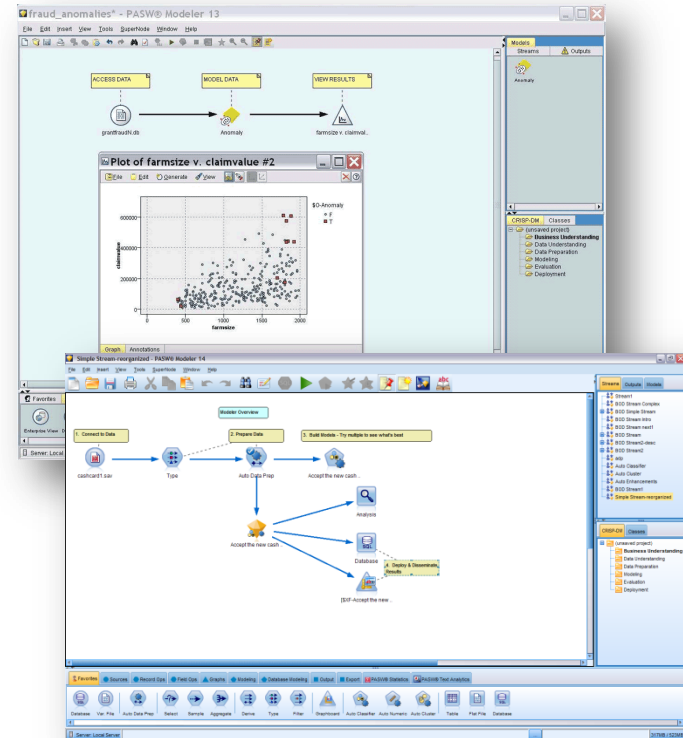
- **Social media** monitoring and analysis
  - Customer understanding through social channels
- Bring together all your data
  - Internal or External
- Monitor and analyse social media
  - Create customer understanding
- Solicit Customer interaction/feedback
  - Create dialogue
- Move away from silos of data
  - Gain a consolidated view



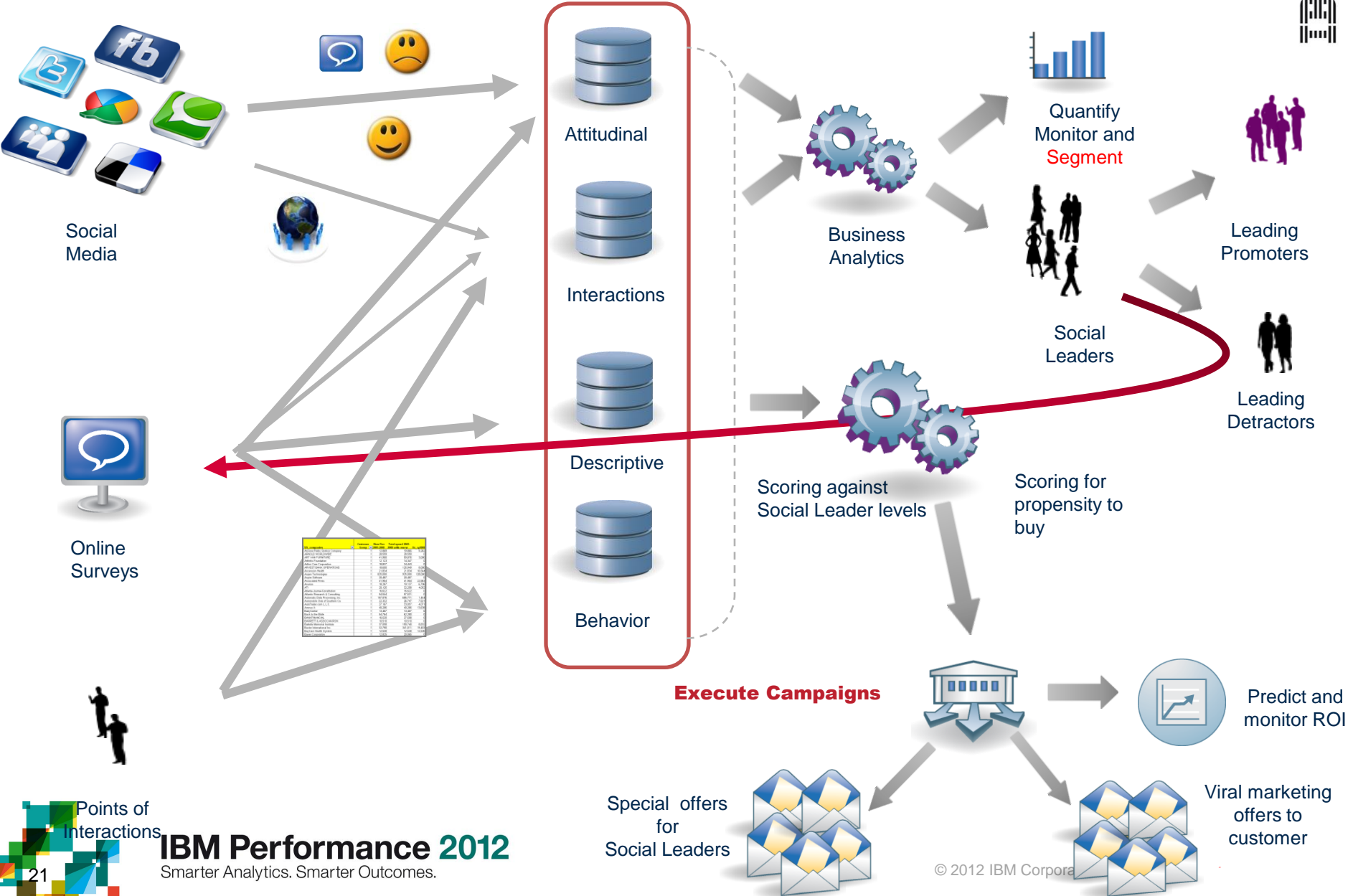
# Analyze & Predict



- Complete **analysis of all data formats**
  - Includes structured as well as unstructured
- Rapid, accurate insights and predictions
  - Find patterns, trends, & anomalies in data
- Better understand your customers' next actions
  - Attract ideal, grow lifetime value, retain profitable



# Analyze and Predict Social media Behavior

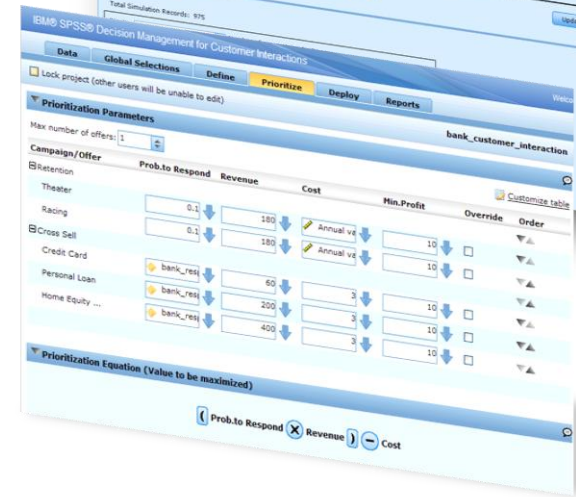
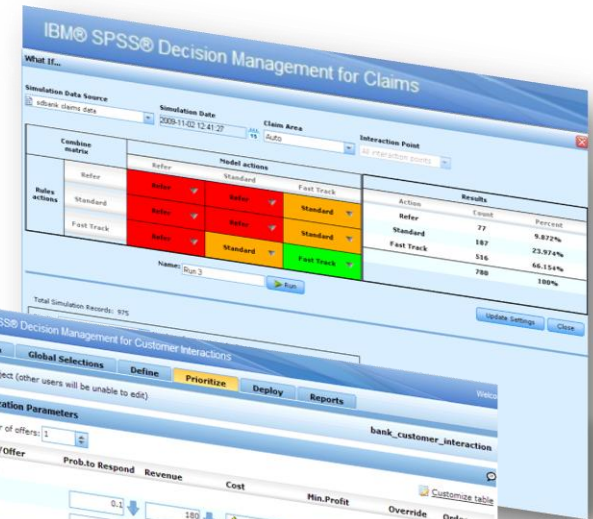


Category	Item	Value	Score	Weight	Weighted Score
Attitudinal	Positive sentiment	0.8	0.5	0.4	0.16
	Negative sentiment	0.2	0.5	0.4	0.04
	Engagement rate	0.9	0.3	0.3	0.27
	Response time	0.7	0.3	0.3	0.21
	Share rate	0.6	0.3	0.3	0.18
	Comment rate	0.5	0.3	0.3	0.15
	Retweet rate	0.4	0.3	0.3	0.12
	Like rate	0.3	0.3	0.3	0.09
	Follow rate	0.2	0.3	0.3	0.06
	Unfollow rate	0.1	0.3	0.3	0.03
Interactions	Direct messages	0.5	0.5	0.25	0.125
	Comments	0.4	0.5	0.25	0.1
	Retweets	0.3	0.5	0.25	0.075
	Shares	0.2	0.5	0.25	0.05
	Clicks	0.1	0.5	0.25	0.025
	Downloads	0.05	0.5	0.25	0.0125
	Views	0.02	0.5	0.25	0.005
	Impressions	0.01	0.5	0.25	0.0025
	Reach	0.005	0.5	0.25	0.00125
	Engagements	0.002	0.5	0.25	0.0005
Descriptive	Age group	18-24	0.3	0.3	0.09
	Gender	Female	0.6	0.3	0.18
	Location	Urban	0.4	0.3	0.12
	Income level	High	0.2	0.3	0.06
	Education level	College	0.5	0.3	0.15
	Marital status	Single	0.3	0.3	0.09
	Employment status	Full-time	0.4	0.3	0.12
	Home ownership	Own	0.2	0.3	0.06
	Vehicle ownership	Own	0.1	0.3	0.03
	Travel frequency	High	0.3	0.3	0.09
Behavior	Device usage	Mobile	0.7	0.3	0.21
	App usage	High	0.6	0.3	0.18
	Website usage	High	0.5	0.3	0.15
	Search engine usage	High	0.4	0.3	0.12
	Social media usage	High	0.3	0.3	0.09
	Video usage	High	0.2	0.3	0.06
	Music usage	High	0.1	0.3	0.03
	Gaming usage	High	0.05	0.3	0.015
	Reading usage	High	0.02	0.3	0.006
	Travel usage	High	0.01	0.3	0.003



# Decide & Act

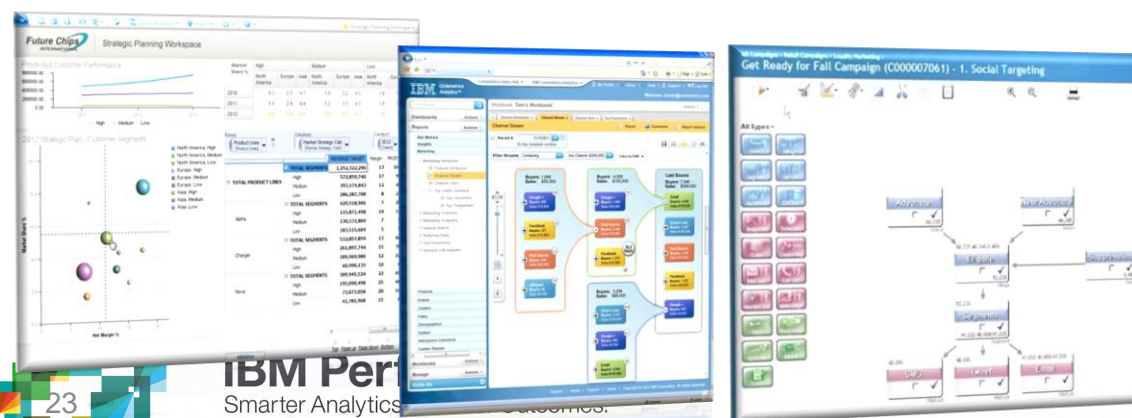
- Move from insight to action
  - Automate decisions by embedding into operational systems
- Quickly & easily build offers & campaigns
  - Purpose built for business users & analysts
- Combine knowledge with technology
  - Predictive analytics, business rules, & optimization
- Personalizing every customer interaction
  - Determine the right message, offer, time, & channel



# Optimize & Deliver

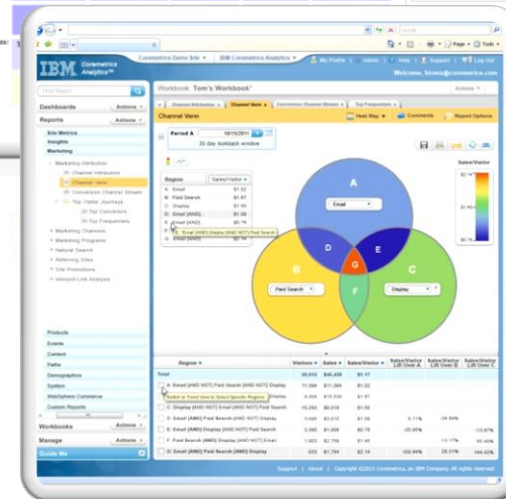
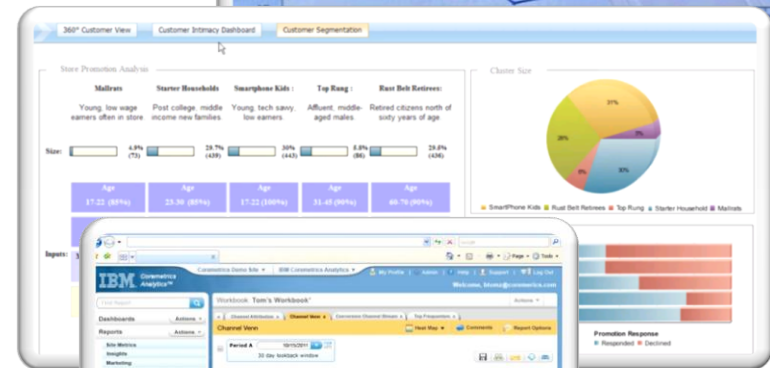
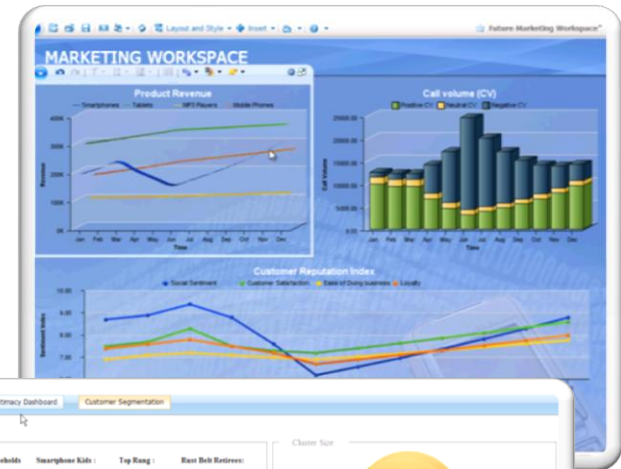


- Optimize budget based on performance
  - Allocate to projected highest performing campaigns
- Integrate with relevant customer touch points
  - Website, call center, mobile app, etc...
- Send the message and record the response
  - Ensure the customer dialogue remains interactive
- Refine predictions based on outcomes
  - Champion / challenger models ensure high accuracy



# Manage & Report

- Measure marketing performance & ROI
  - Monitor the pipeline, responses, conversions, etc...
- Flexibility to change in real time
  - Modify forecasts, alter messages, adjust programs
- Share insight across the organization
  - Deliver KPIs and scorecards to key stakeholders
- Information everywhere, anytime
  - Share through mobile, desktop, and server



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# Introducing: multi-channel campaigns with integrated social analytics

An integrated approach which allows organizations to measure, adjust and, ultimately, use social media data to gain greater precision for their campaigns.



**Marketing  
Manager**

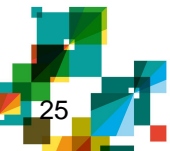
**How can I leverage social analytics to optimize return on my campaigns?**



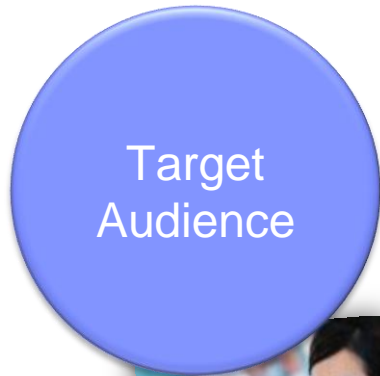
**Social Media  
Analyst**

**How can I maximize the value of our social insights for marketing?**

- Measure the social impact of campaigns through earned and owned media
- Gain greater campaign precision by applying predictive models to socially-derived segments
- Evolve and align marketing and social campaigns through a centralized workspace

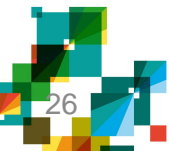
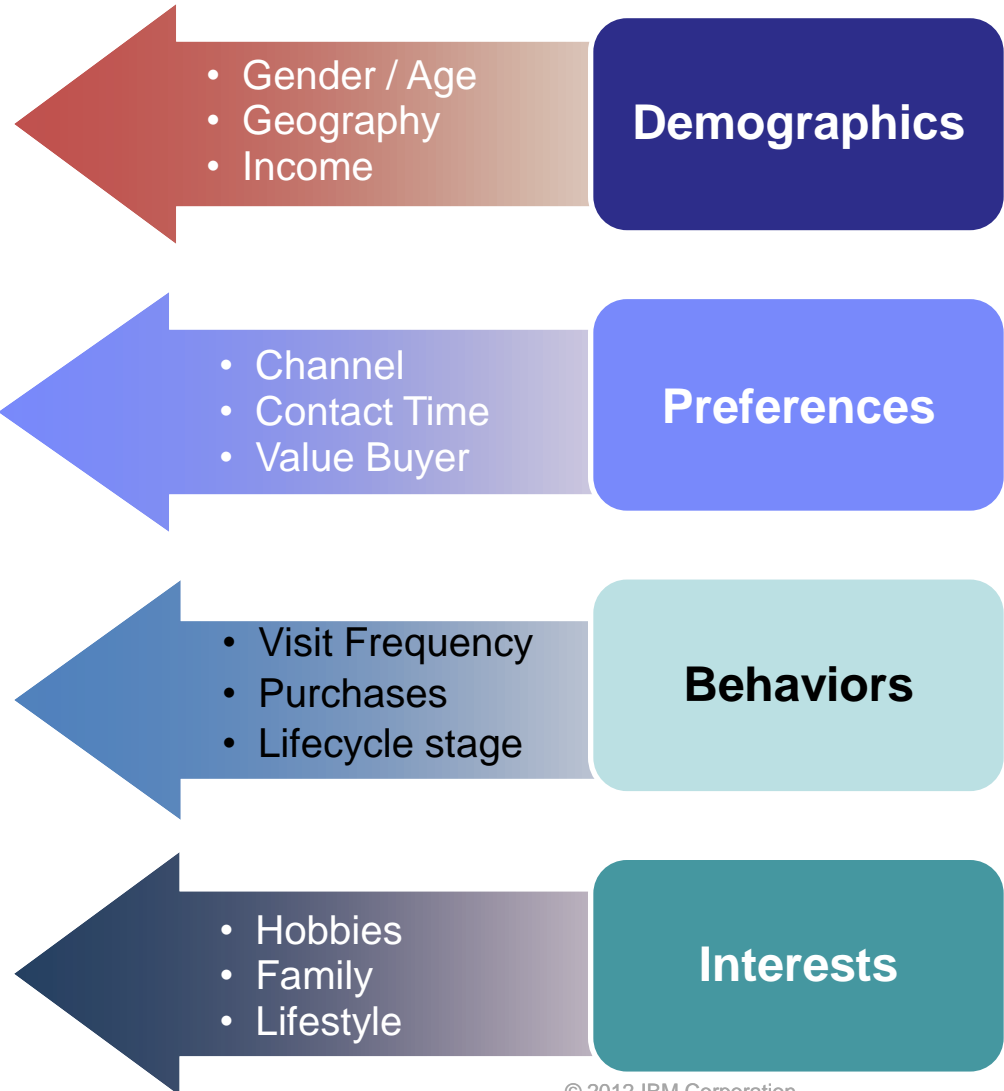


# Making technology work for both marketer and consumer

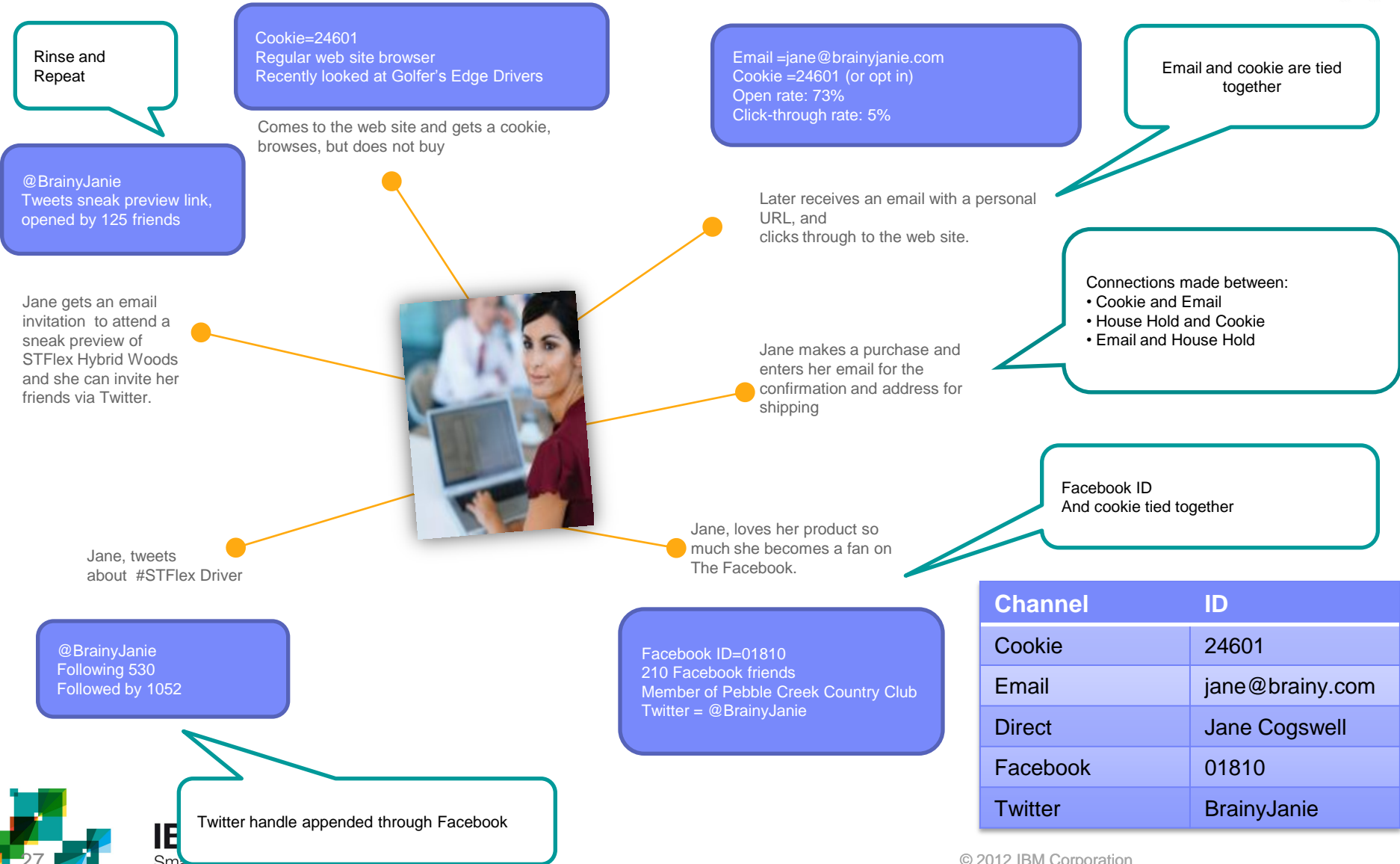


**Jane Cogswell**  
Demographic Profile

- Accountant
- Married
- 28 years old
- Located in Boston, MA



# Pulling together the whole scenario



Channel	ID
Cookie	24601
Email	jane@brainy.com
Direct	Jane Cogswell
Facebook	01810
Twitter	BrainyJanie

# First Tennessee



## *Personalize your offers in near-real time*

### **The Opportunity**

- Missing opportunities both to connect with customers and to more accurately measure campaign ROI
- Needed a better way to analyze the large volumes of customer-related data it was accumulating and a faster way to develop targeted marketing campaigns.

### **The Solution**

Implemented an integrated marketing solution that allows them to automate and execute highly personalized marketing campaigns based on prediction of customers buying propensities

### **What Makes it Smarter**

600% overall return on its investment through more efficiently allocated marketing resources

3.1% increase in marketing response rate through more accurate targeting of offers to high-value customer segments

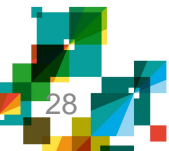
20% reduction in mailing costs and 17% reduction in printing costs due to the ability to target the most attractive segment for specific offers

***“Our aim was to shift from the ‘marketing-as-an expense’ mindset to the idea that marketing is a true profit driver.”***

Dan Marks, Chief Marketing Officer

### **Solution components:**

- IBM SPSS
- IBM Unica
- IBM Cognos



# A progression path for the empowered marketer

