

Capitalize on the power of big data to transform marketing



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Marketing professionals understand that customer information is one of the most valuable assets for producing effective marketing. And today, customers are generating more information than ever before. They are demonstrating their interests through online purchases and website clicks; explaining their needs and preferences through call-center interactions, email and branch visits; and providing product and service feedback and registering their “likes” through social media.

This “big data”—the enormous volume, variety and velocity of data being produced—holds tremendous potential for marketing professionals. If marketers successfully collect and analyze this data, they can generate new insights to better understand their customers as individuals; deliver rich, personalized experiences that reinforce company brands; and maximize the value of every customer interaction. Extracting the full value of their data allows organizations to optimize marketing efforts to deliver the right message to the right person, at the right time and at the right price. Marketers have the potential to transform their roles and use the new insights they produce to drive strategic decisions for years to come.

Leading marketers in retail, banking, telecommunications, digital media, travel and transportation and other industries have already started to take advantage of big data to effect change. They are implementing analytics solutions to access the full breadth of information, discover new patterns, better anticipate customer behaviors and determine the next best action in real time. By more fully analyzing traditional information sources and tapping into non-traditional sources—such as surveys, social media, call-center notes and more—marketers are gaining insights that they did not have access to before. Analytics solutions for big data provide new approaches to addressing marketing imperatives and delivering impressive results.

Maximizing audience value with big data analytics

Challenge

Digital media company MediaMath wanted new ways to maximize the value of each marketing campaign for its ad-buying clients.

Solution

The company implemented a data warehouse appliance to power its platform for planning ad campaigns and measure effectiveness.

Benefits

The new data warehousing appliance helped improve the performance of the company’s platform and enabled the company to better differentiate that offering from others in the marketplace. The appliance now supports analysis of more than 13 billion advertising impressions a day. Capitalizing on the improved performance, one client achieved campaign goals while reducing cost per action by more than half.

Preparing for the challenges of big data

Though big data can present important opportunities, many marketing professionals realize they are underprepared for the challenges that big data brings.

Data explosion

In addition to the data amassed through their own customer transactions, customer service interactions and traditional surveys, organizations are collecting a variety of data from new, external sources, including social media. At the same time, real-time data is streaming in from an increasingly instrumented world—for example, telecommunications companies are collecting billions of call detail records (CDRs) from their subscribers.

Increasing the effectiveness of telecommunications promotions with real-time analytics

Challenge

With nearly 100 percent of its mobile customers on a prepaid plan, Globe Telecom wanted to deliver more targeted, real-time marketing to reduce customer churn.

Solution

The company implemented a solution that analyzed streaming data so marketers could detect in real time when to make renewal offers.

Benefits

With the ability to deliver real-time offers based on new customer insights, the company improved the effectiveness of promotions by 600 percent while reducing the time and cost of promotion development by 95 percent.

Marketers understand that somewhere in all of that data, there are valuable nuggets of information. Yet they need effective ways to collect, analyze and produce insights from this data in order to truly capitalize on its potential.

Social media

Collecting and analyzing the content from social media must be a top priority. The volume of social media content is staggering: Twitter processes an average of 140 million tweets per day.¹ Facebook has more than 1 billion monthly active users, all posting numerous pieces of content every month.²

All of this content can provide a treasure trove of insights and opportunities: marketers can use social media to gauge consumer trends, gain important feedback on products and services, and determine customer preferences. They can observe—and potentially capitalize on—the rippling effects of social media in building buzz. Of course, to take advantage of the power of social media, marketers must have the tools to collect the unstructured information, analyze it and deliver actionable insights.

Multiplication of channel and device choices

Customer data is being generated through a diverse array of channels and devices—traditional in-person, phone and email communication modes are supplemented by instant messaging, online forums and social media. Customers are using PCs, smartphones and tablets to ask questions, make purchases and share their preferences with friends.

The new channel and device options available to customers provide opportunities for marketers to facilitate two-way communication and deepen their relationships with individuals. But marketers can realize those opportunities only if they can collect and analyze a wide variety of data, coming in from a diverse range of sources.

Addressing key marketing imperatives

Adopting new solutions for big data can help marketers take on big data challenges and address some of the key marketing imperatives identified by chief marketing officers across a range of fields.³

Understand each customer as an individual

Marketers must go beyond broad customer segmentation to determine individual preferences and anticipate individual behaviors. By understanding each customer as an individual, they can develop highly targeted promotions, determine the next best action for each individual and deliver a tailored experience—one that improves outcomes.

Maximize the value of engagement at every touch

As the number of customer channels increases, marketers need to ensure that they are delivering a tailored experience across all channels. Whether a customer engages a bank teller in person, calls a telecommunications sales agent, sends an instant message to a travel reservation specialist or comments on a retailer's social media post, these organizations must anticipate what the customer wants and then make the most of each interaction—sustaining interest, generating a qualified lead and converting an inquiry into a new sale—while making the most of the marketing investment.

Ensure that the desired brand image and customer experience are authentically one

In the past, organizations were able to carefully manage and control the corporate and brand reputation—but a new norm is emerging. For many organizations, a gap is developing between what a brand promises and what customers actually experience. The increasing popularity of social media provides a key opportunity for marketers to close that gap. As customers participate in chats and post comments about organizations through social media, organizations must identify trends, respond to customer issues and reinforce the brand at every turn.

Improving multichannel customer interactions

Challenge

An electronics retailer with an aging CRM system wanted to move beyond analysis of historical in-store data to better understand customer preferences and behavior across multiple channels.

Solution

The retailer replaced the existing CRM system with data warehousing appliances plus analytics and business intelligence solutions.

Benefits

The new solutions provide a single view of each customer that incorporates data from store sales, web sales, campaign responses, clickstream data, social media and mobile data. Predictive analytics capabilities help the retailer determine the next best action and provide stronger, more consistent and personalized interactions across channels and at each step of the customer lifecycle.

Redefining traditional marketing functions

What exactly can marketers do with big data? They can transform traditional marketing roles and improve how they execute essential marketing functions, from gathering customer information to implementing targeted promotions.

Explore a broad range of customer information

Traditional focus groups, surveys and third-party market research cannot capture a full range of customer data and often lead to static, siloed information that still requires marketers to make educated guesses about the future. Solutions for big data present opportunities to explore all data—from a wide range of sources, in a variety of formats—and find relevant information quickly and cost-effectively.

Anticipate behaviors instead of reacting

Relying solely on historical, transaction-based data and broad customer segmentation for developing marketing strategies may yield disappointing results. By analyzing more data, from more sources, in real time, solutions for big data can help marketers better anticipate behaviors and determine the next best action for each individual customer—in time to implement that action for maximum impact.

Increase brand control

Traditionally, marketers have been charged with controlling the messaging that defines brands. Using solutions for big data, marketers increase brand control by actively listening to and engaging customers in the social media environment—where brand reputations can be quickly bolstered or tarnished.

Deliver highly targeted content

Marketers no longer have to settle for campaigns that hope to resonate with broad customer segments. Instead, they can develop highly targeted promotions and advertising that caters to individual preferences and is delivered in real time, across channels and devices.

Develop tomorrow's products

The valuable customer information that marketers collect can be used not only to improve marketing but also to enhance product development. By sharing emerging trends and real-time feedback gathered from social media and other sources, marketers can make a valuable contribution to successful product development.

Moving from traditional marketing strategies to more data-driven approaches that employ advanced analytics, marketers can optimize their audience, channel, content and yield. They can better target high-value customers, determine the best channels for reaching those customers, tailor the messaging and ultimately deliver better results.

Boosting revenues by nearly 1,000 percent with predictive analytics

Challenge

Trident Marketing—a direct response marketing and sales firm—wanted new ways increase customer acquisition by determining which people were most likely to buy which products, when.

Solution

Trident implemented a data warehouse appliance to consolidate thousands of data points from internal databases and external sources, and it deployed an analytics solution to help uncover customer trends.

Benefits

The firm increased sales by 10 percent within just 60 days and ultimately boosted revenues tenfold over four years, all while reducing search marketing costs by 30 percent.

Improving marketing effectiveness through behavior analysis

Advanced analytics solutions can play a key role in maximizing the value of big data and transforming key marketing functions. Employing big data analytics for behavior analysis, for example, enables marketers to explore a broader range of customer information than previously available, detect patterns in prior behavior and more accurately predict future behaviors. As a result, marketers can determine the next best action, better target promotions and increase the effectiveness of advertising campaigns.

To explore historical patterns of behavior, marketers can adopt solutions designed to analyze both structured information (including transaction data) and unstructured information (from social media or customer service interactions) culled from a variety of channels. Marketers can then score behaviors and create models for newly discovered buying patterns. Incorporating predictive analytics solutions takes this customer analysis to a new level, enabling marketers to anticipate future behaviors and identify, in real time, the next best action for each individual customer.

Analytics solutions for big data can also help marketers tailor product offers and promotions. For example, retail marketers can analyze clickstream data to better understand how customers are using web sites so they can optimize online content and improve results. Using content analytics solutions, retail marketers also can mine millions of social media posts to identify product feedback and visualize emerging trends. Telecommunications marketers can score product sentiment and create models that help predict cross-sell and up-sell effectiveness. Equipped with information about customer preferences and behaviors, banking marketers can implement targeted promotions while sharing product insights with other teams to enhance ongoing product development.

Attracting and retaining banking customers by capturing sentiment

Challenge

A European bank wanted to improve marketing effectiveness and enhance the customer experience to better attract and retain customers.

Solution

The bank adopted a big data analytics platform to collect and analyze a full breadth of customer information, including the potentially valuable information about customer sentiment and state captured in call-center records, social media and other web sources.

Benefits

By mining a wealth of customer information, creating a single view of each customer, predicting customer behavior and anticipating outcomes, the bank can gain better awareness of customer sentiment and state, create a stronger experience for existing customers and implement more targeted offers that attract new ones.

In addition, analytics solutions can help marketers increase advertising effectiveness. Retailers can collect and analyze social media data to assess ad awareness, customer reach and customer reaction to online and offline ads. Using predictive models, marketers from digital media firms can test and fine-tune ad campaigns. With real-time ad analysis, they can rapidly optimize campaign strategies and maximize the return on investment (ROI).

Enhancing customer value at every touch with real-time insights

Real-time analytics solutions can work in conjunction with behavior analysis to increase customer value at every touch point. Marketers can use new insights from real-time analytics solutions to enhance the customer experience, increase sales, reduce customer churn and help improve the marketing ROI.

There is no shortage of real-time customer data available for analysis. Many marketers are already collecting the data produced from a variety of live customer touches, including call center discussions, web clicks and in-person branch interactions. At the same time, they are collecting data from

smartphone apps, GPS services, ad effectiveness models and customer micro-segmentation models while extracting valuable content from social media posts.

Analyzing this large amount of data in motion enables marketers to fine-tune models, determine the next best action and improve the value of customer interactions (see Figure 1). For example, retail marketers can deliver targeted promotions to a smartphone or present personalized ads on display screens while customers are shopping in a store. Telecommunications organizations can provide customer service agents with tailored bundles to offer to customers during a phone interaction. Financial services companies can recommend products and services to online customers based on previous and current web clicks.

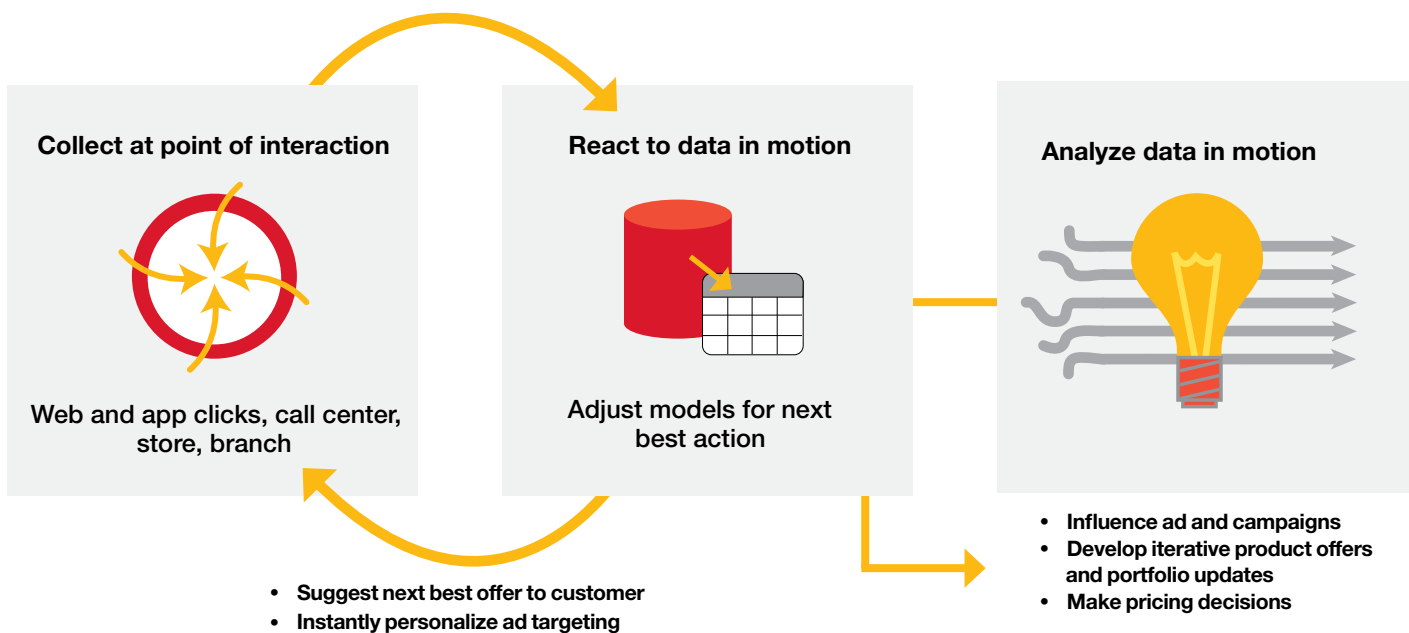


Figure 1: Real-time insights powered by big data enable marketers to engage with individual customers at the appropriate moment with the best possible response—and provide a foundation of information to help teams anticipate and react to changing market trends.

All of these efforts help provide a highly personalized experience while maximizing the return on the marketing investment. In the longer term, marketers can feed these new, real-time insights back into the organization to influence product development and product pricing.

Beginning the transformation

Big data promises to bring fundamental change to marketing. With the right tools, marketing professionals can use big data to better understand individual customers, predict their behaviors, create tailored interactions and maximize the value of each interaction.

Marketers can start capitalizing on the promise of big data today. IBM solutions for big data offer best-of-breed technologies that help organizations integrate the large volume and variety of customer data, analyze that data in real time, apply predictive analytics and generate insights for capitalizing on new opportunities.

For more information

To learn more about how IBM solutions can help you capitalize on big data, visit: ibm.com/bigdata



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¹ Statistic as of March 2011. "Blog: #numbers." <http://blog.twitter.com/2011/03/numbers.html>

² Number of users at the end of June 2012. "Key Facts." September 2012. <http://newsroom.fb.com/content/default.aspx?NewsAreald=22>

³ 2011 IBM Global Chief Marketing Officer Study. "From Stretched to Strengthened: Insights from the Global Chief Marketing Officer Study." <http://public.dhe.ibm.com/common/ssi/ecm/en/gbe03419usen/GBE03419USEN.PDF>



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