The Future of Marketing

How to increase loyalty with new generation of customers

Semír Aldabagh

Enterprise Marketing Management

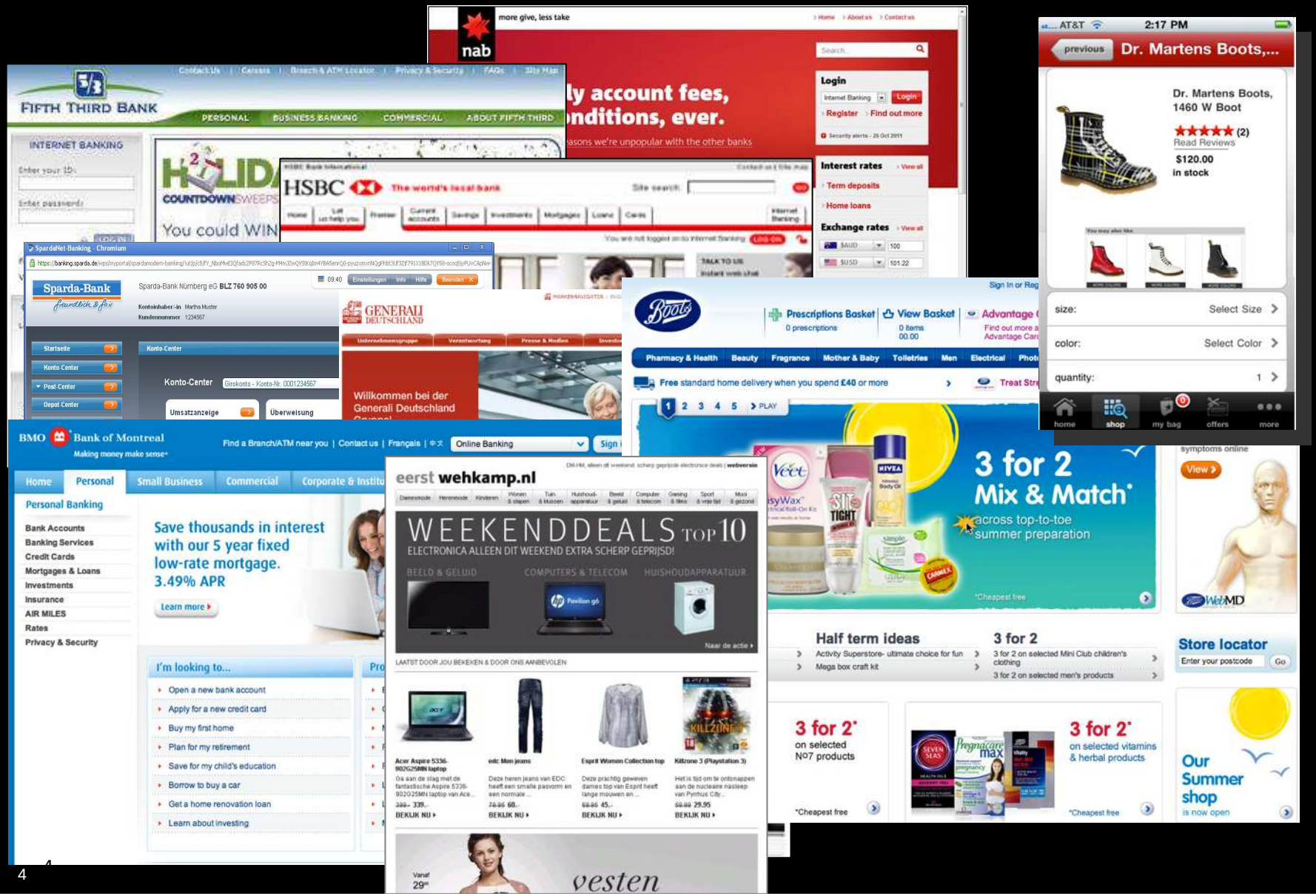
IBM Central and South East Europe

© 2011 IBM Corporation

We are Mobile

We Are Social

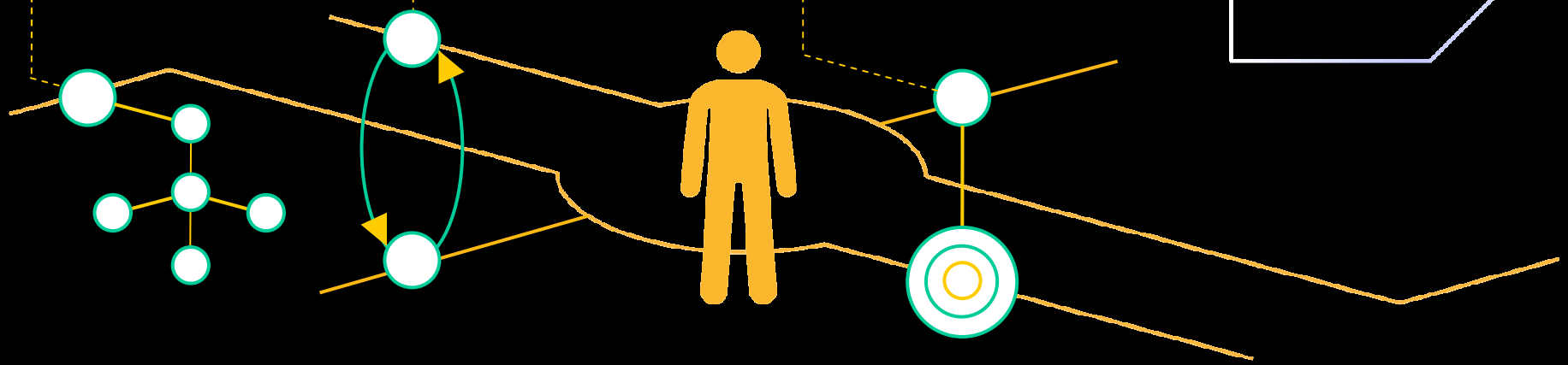
We Are Conducting Life Online



Social is empowering customers to own the brand

- Customers now have unlimited access to information and can instantly share it with the world
- Social networking and mobile commerce have dramatically changed the dynamic between buyer and seller.
- Customer expectations of service, price and delivery are soaring.

Get it now or go elsewhere!



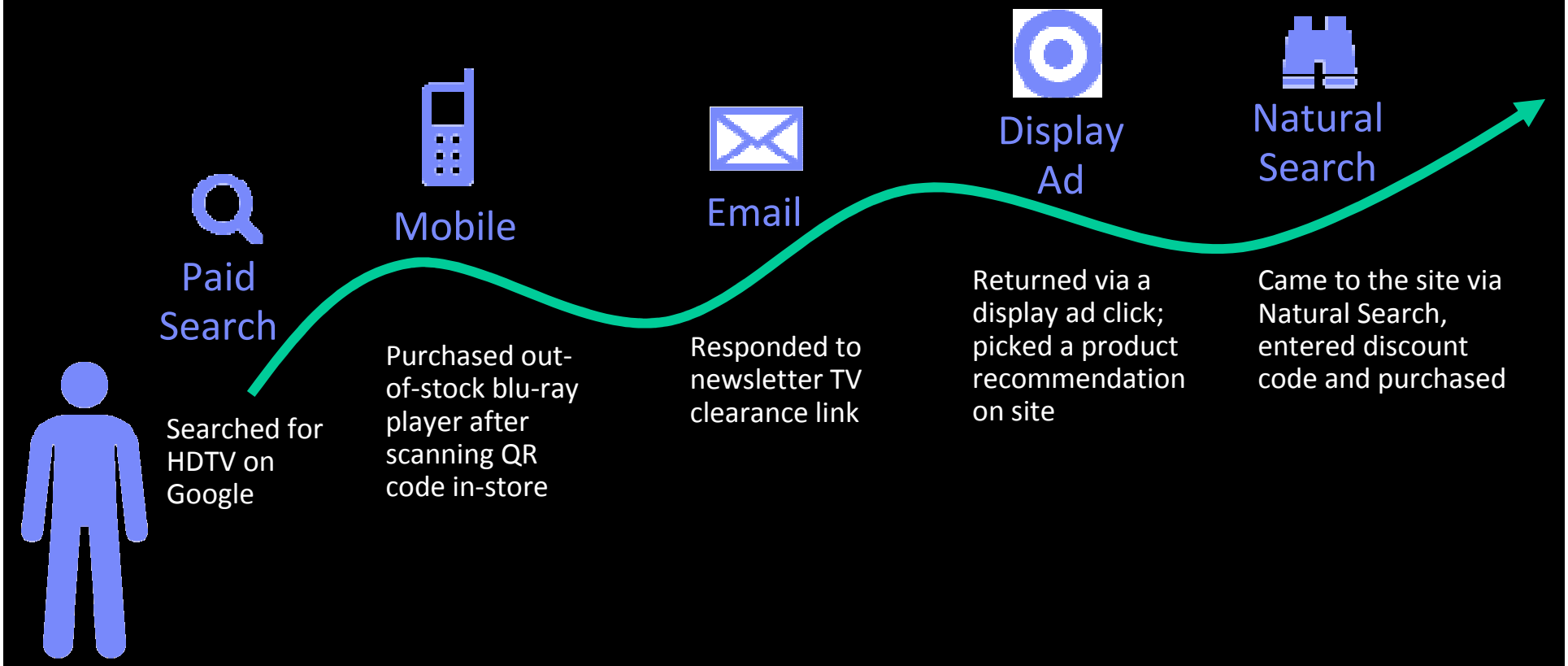
4 in 10
Smartphone users search for an item in a store

70% of online consumers trust peer recommendations

155 million
Number of tweets sent each day

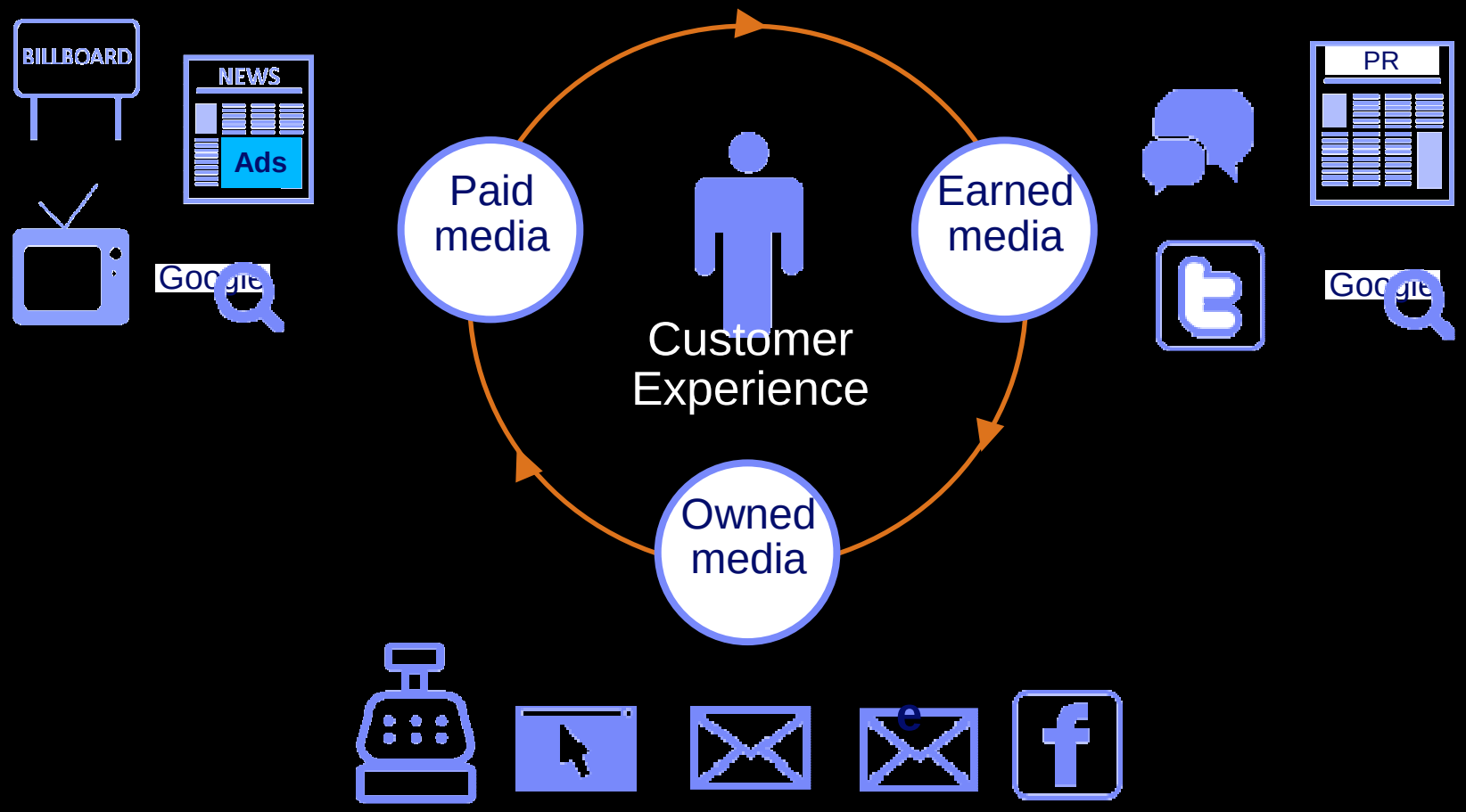
© 2011 IBM Corporation

Today's customers expect a consistent and relevant experience across multiple channels



© 2011 IBM Corporation

Marketers must integrate all aspects of marketing

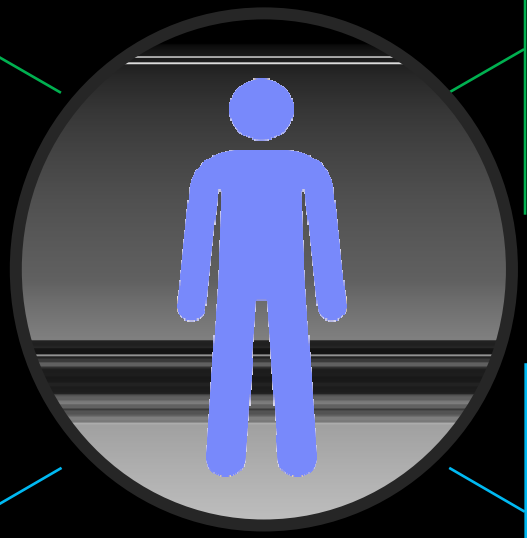


© 2011 IBM Corporation

New generation marketing requires comprehensive platform

Analyze
to indentify opportunities and predict outcomes

Decide
on the best action, offer, content and/or channel



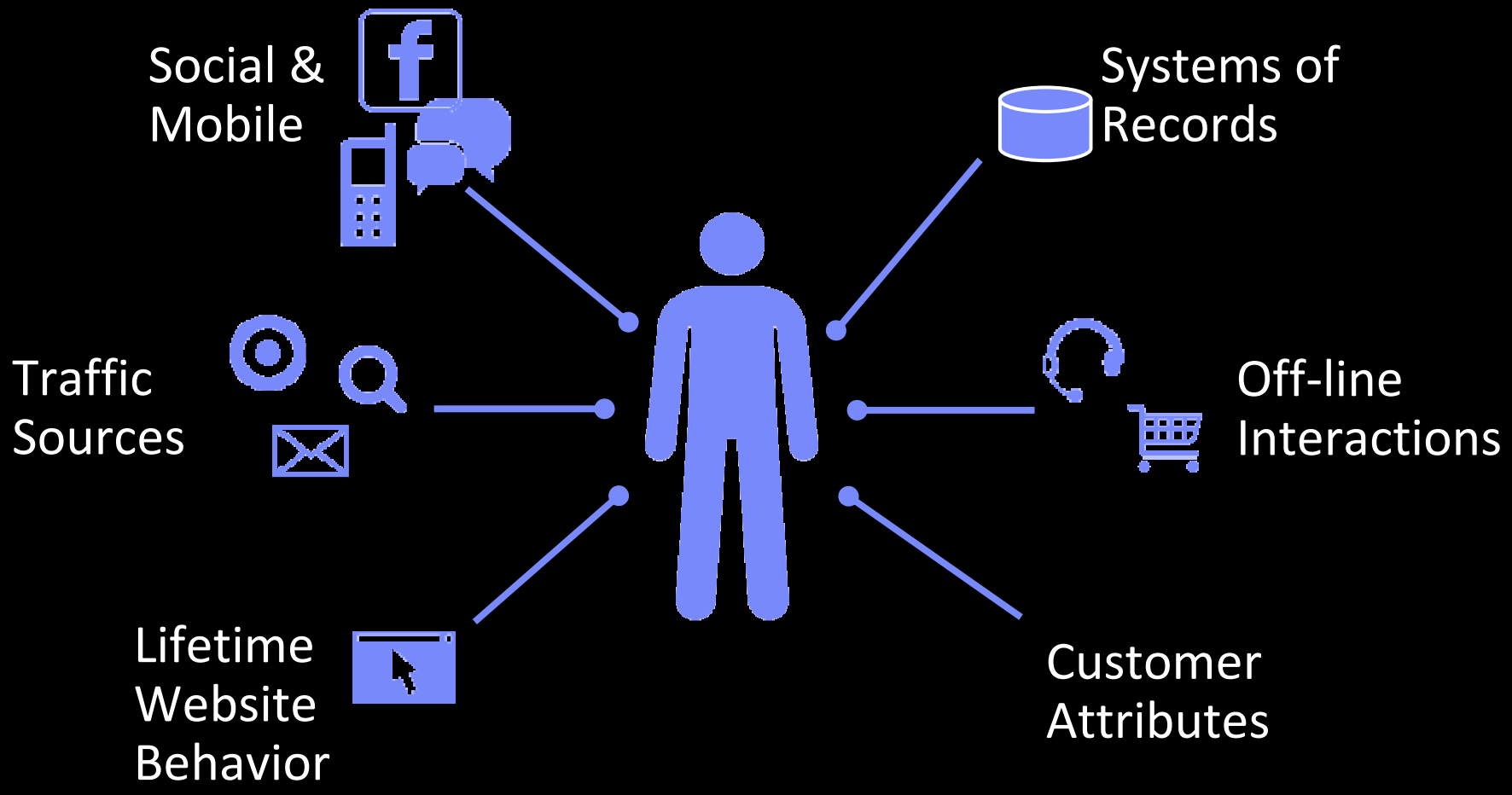
Collect
data that augments each customer profile

Deliver
relevant pricing, engaging messages, and capture reactions

Manage
marketing processes and measure results

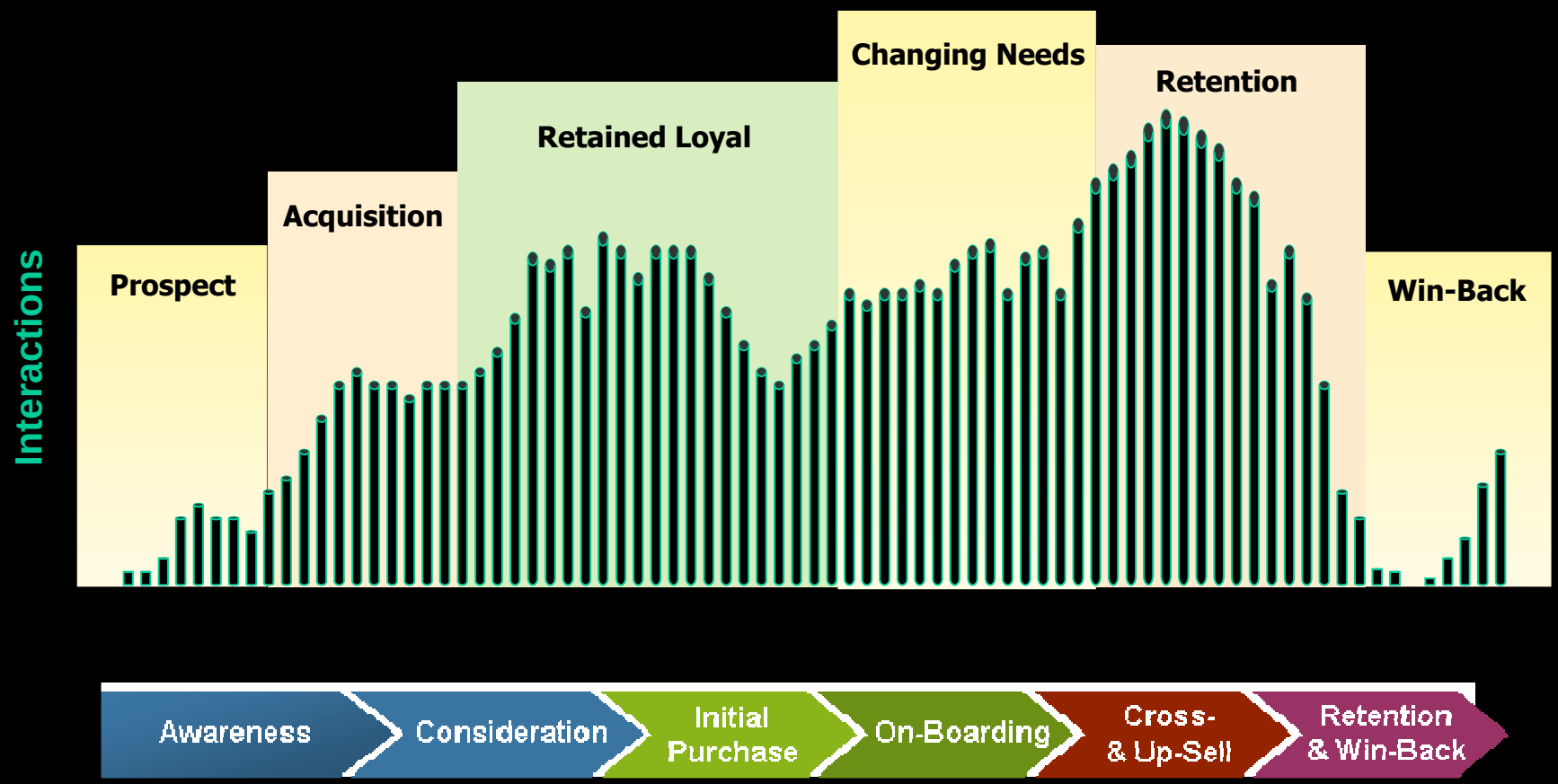
© 2011 IBM Corporation

Develop deep insights into customers' interests and lifetime interactions



© 2011 IBM Corporation

Leverage all opportunities during the lifetime of a customer



© 2011 IBM Corporation

AWARENESS

SETON HALL UNIVERSITY

Wanted better allocation of marketing spend

Business Need

- Wanted to understand how offline and online marketing activities interrelated and led to conversion (enrollment)
- Recruitment cycles range from 18 to 36 months; needed to evaluate influences over a long period of time

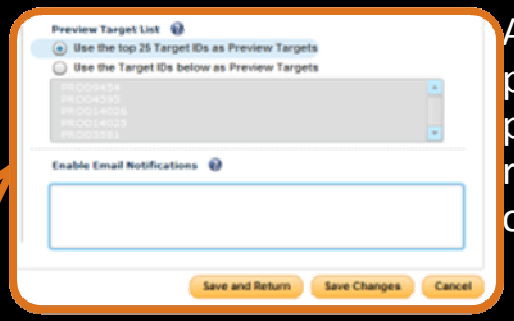
Results

- Discovered surprising results regarding which channels bring students to the site, resulting in *increased investment* in search and social media
- Discovered that the combination of direct mail and email, although expensive, resulted in *376% application rate* versus 76% for email alone

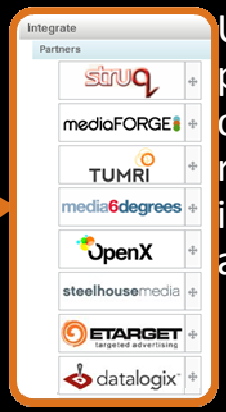
© 2011 IBM Corporation

Improve relevancy through Personalization

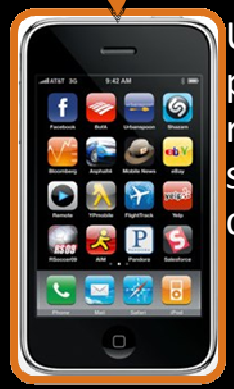
Capture and analyze visitor behavior over time



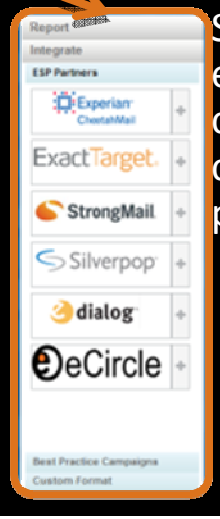
Automate personalized product recommendations on-site



Use personalized product and content recommendations in display advertising



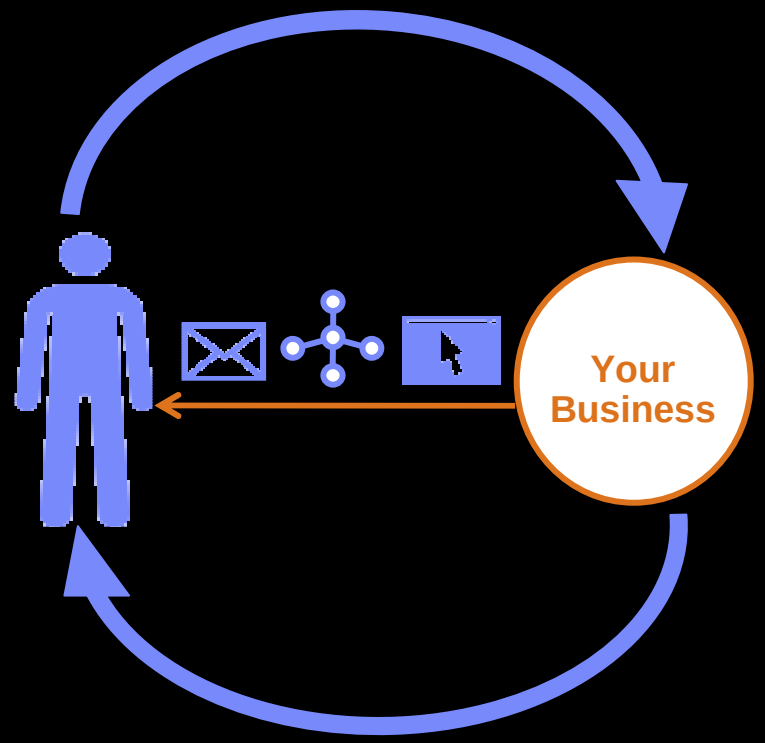
Use personalized product recommendations specific to mobile devices



Send targeted emails with compelling content and products

© 2011 IBM Corporation

Recapture customers who abandon by relevant re-targeting



It takes an average of 6.8 digital interactions before conversion.

If you don’t convert a visitor, someone else likely will.

© 2011 IBM Corporation

CONSIDERATION-INITIAL PURCHASE

wehkamp.nl

Business Need

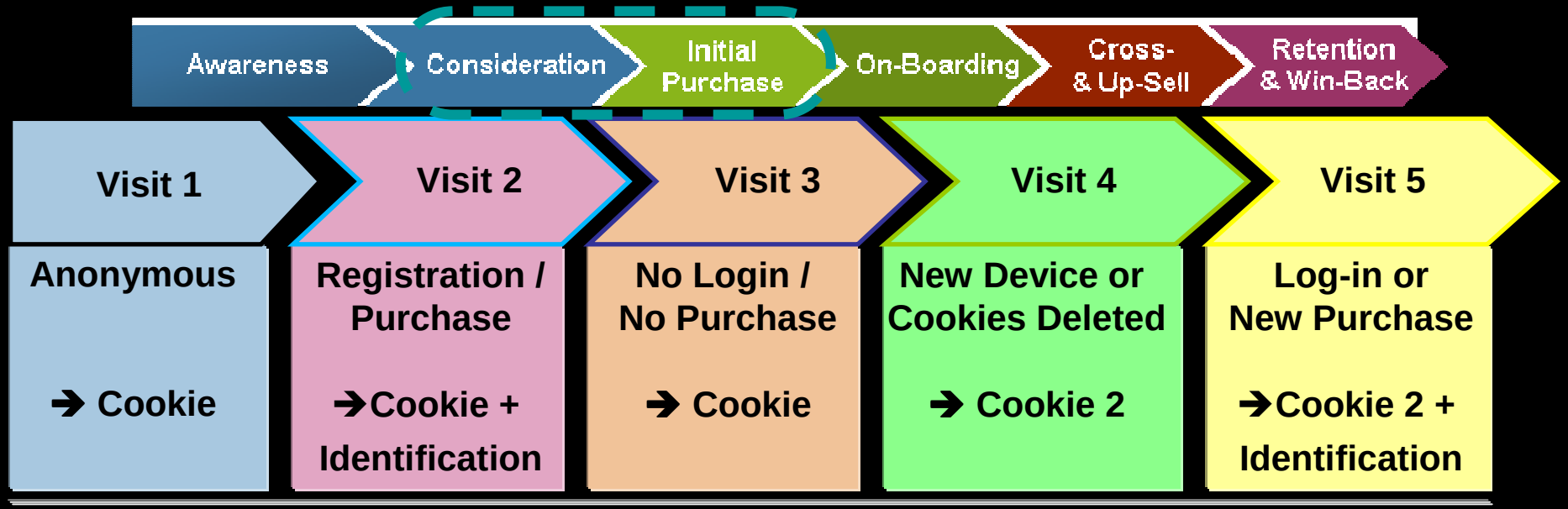
- To reacquire abandoners with retargeting using display ads, email, and on-site product recommendations
- To improve relevance of the customer experience

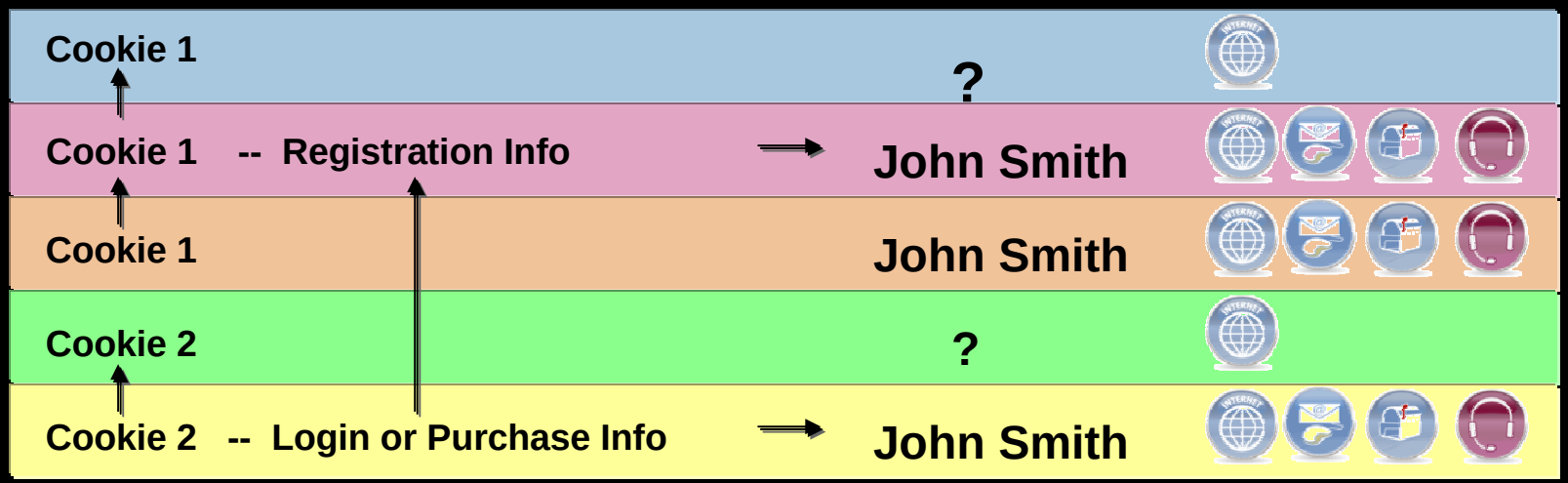
Results

- Targeted display ads are *15x better* ROI than untargeted
- 1% click through rate on targeted banners: *5x higher* than untargeted
- Deploying automated product recommendations allowed 5 full time employees to be repurposed to other programs
- 23% higher email open rate; 68% higher click-through rate: 67% lower opt-out; 271% higher sales-per-send ratio

© 2011 IBM Corporation

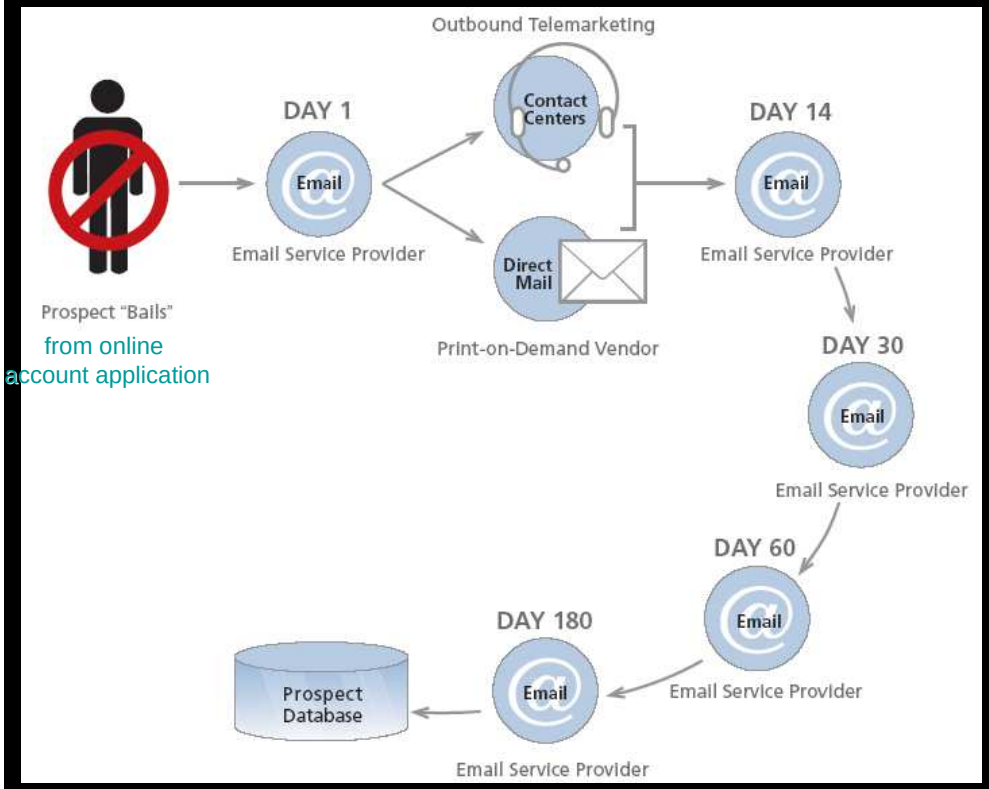
A considered purchase business nurtures and closes leads





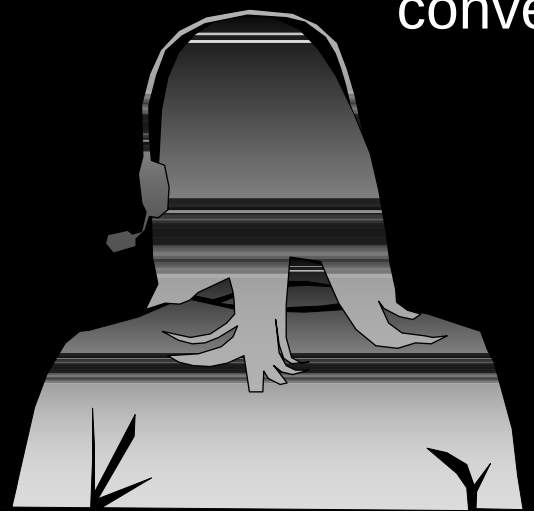
© 2011 IBM Corporation

ONBOARDING- Remarketing:



Results

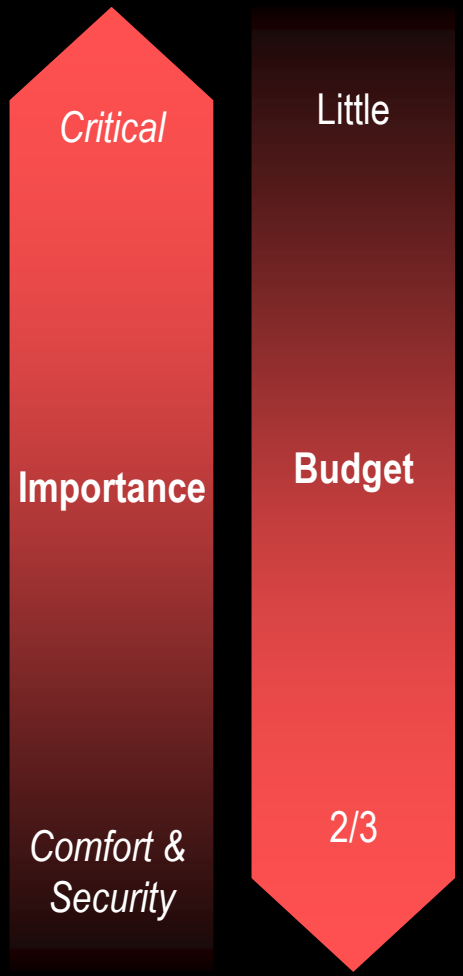
- ~3.4% incremental conversion



© 2011 IBM Corporation

Frequency of touch point

Mobile		20-30 x per month
Internet		7-10 x per month
ATM		3-5 x per month
Contact Center		5-10 x per year
Branch		1-2 x per year



CROSS & UP-SELL

Gambling and on-line betting industry

Maximising player value

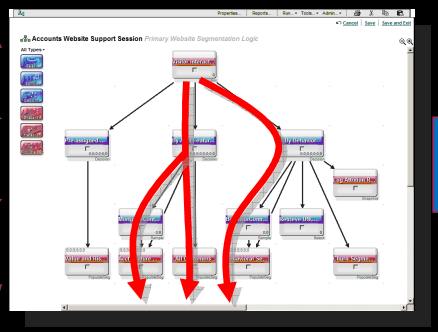
Test and compare different strategies

Turning player insights into marketable action

© 2011 IBM Corporation

PLAYER DATA & INSIGHT

OFFERS



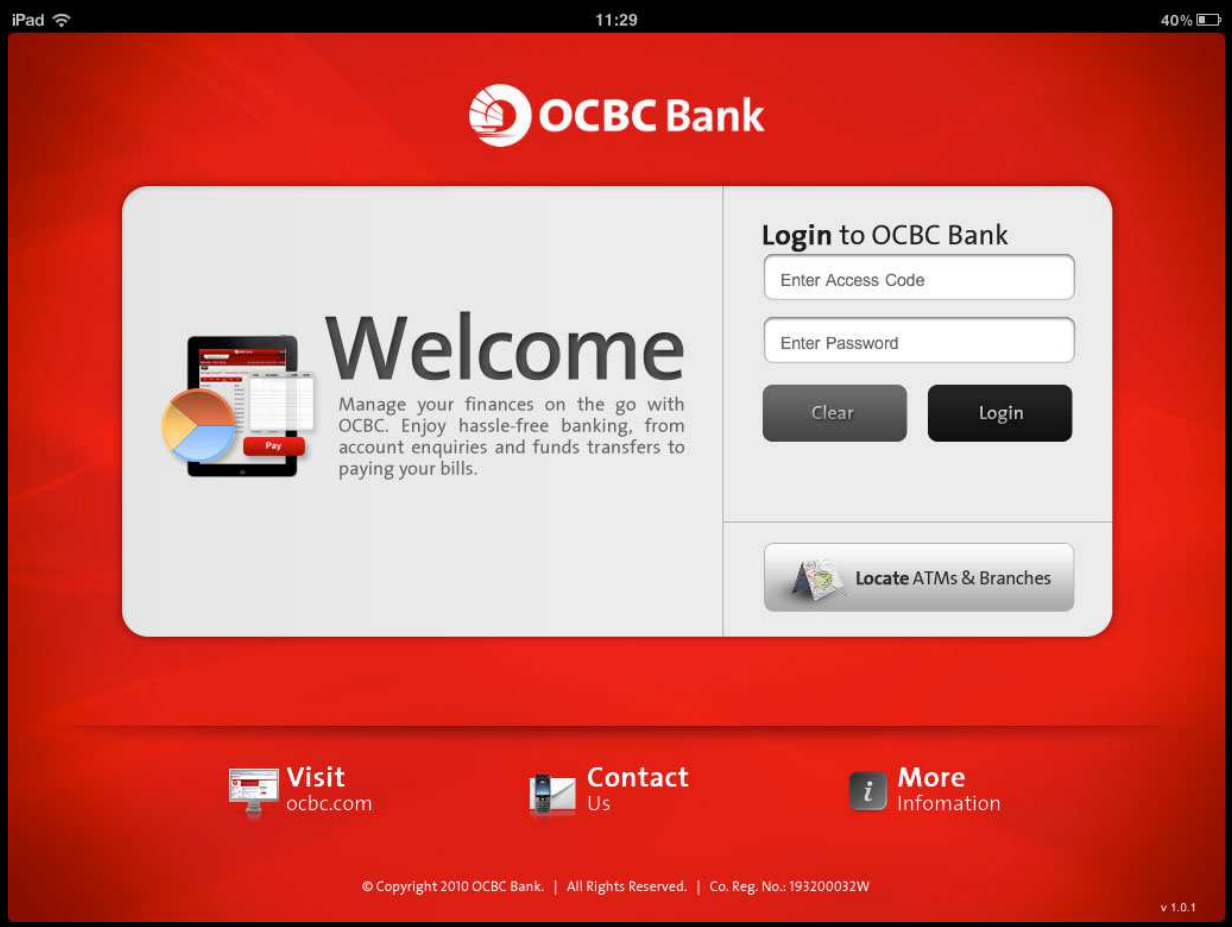
REAL-TIME DECISION

REAL-TIME CHANNEL

Closed Loop: Response drives subsequent Personalisation

INCREASED BET SIZE
INCREASED FREQUENCY

RETENTION –WIN BACK



Event based marketing

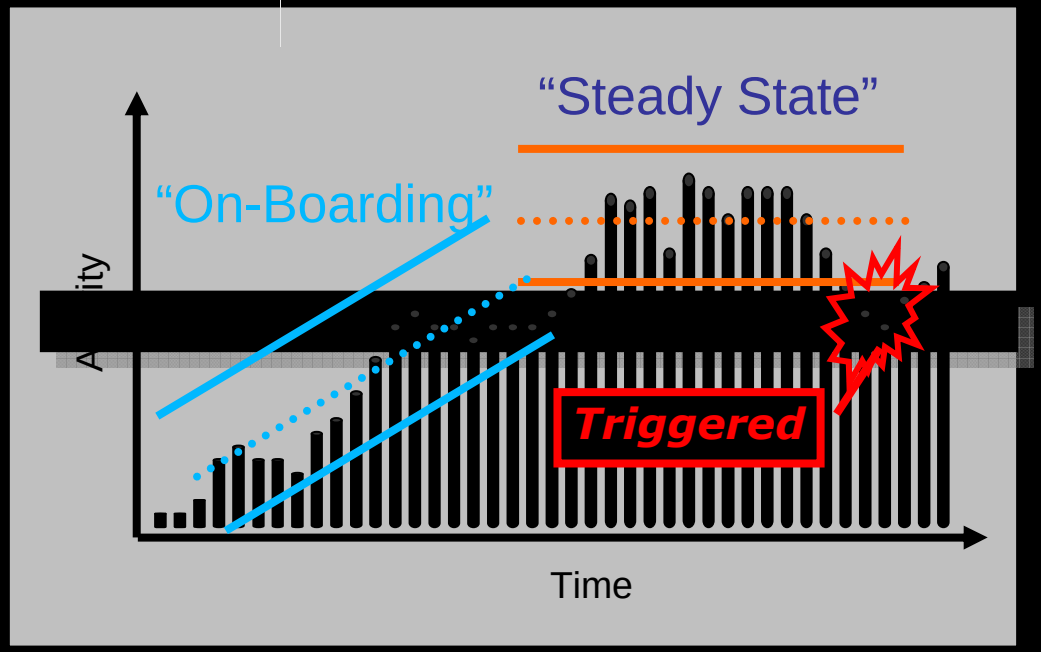
- Service related triggers
- Review Rate Plans
- Deposit Attrition
- Contacted help line
- 500 customer states
- 40% retention increase

OCBC Bank

© 2011 IBM Corporation

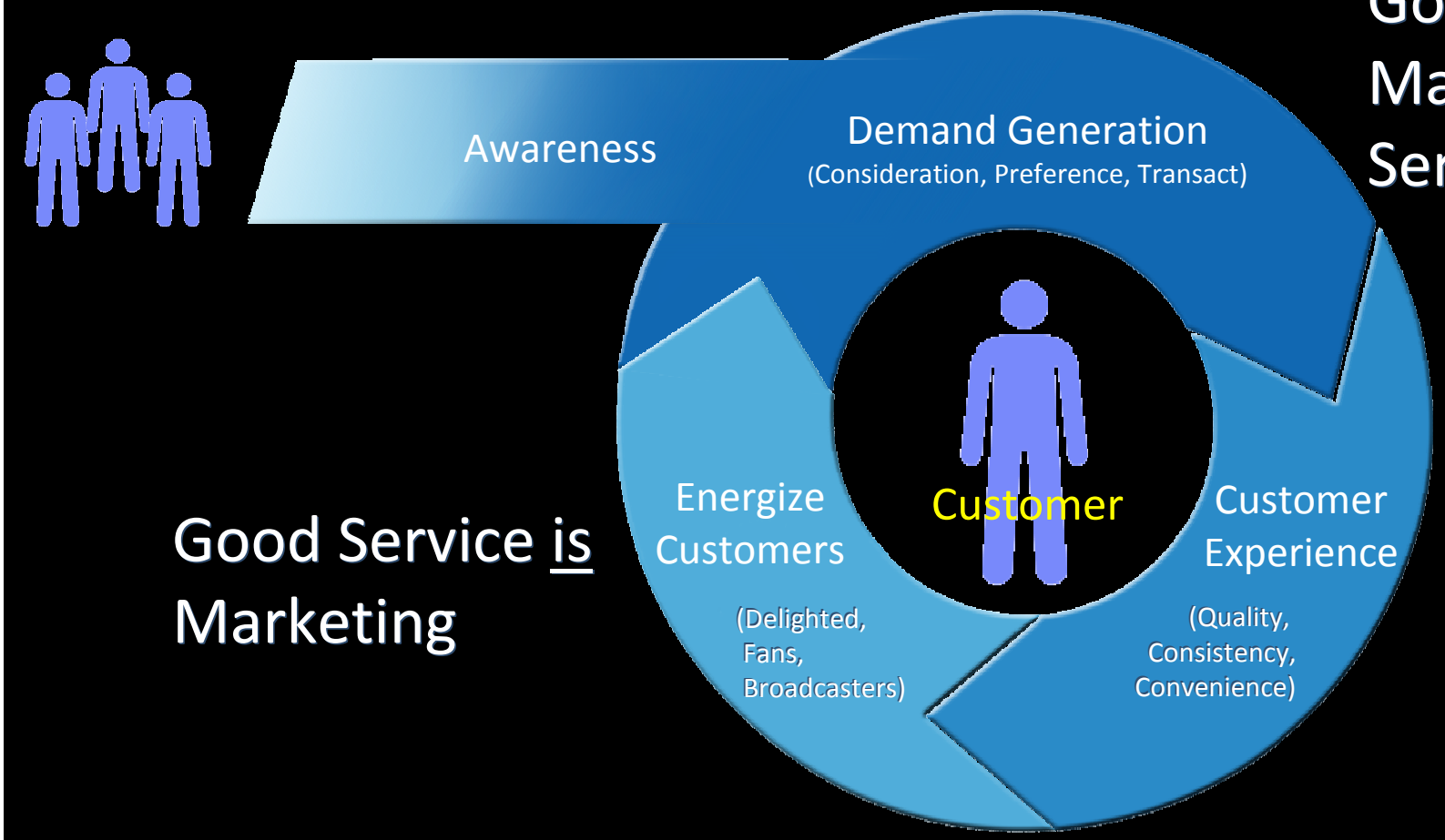
Event-Based Marketing

Uncover Significant Behaviors	Define "Rules"	Define Offers, Treatments	Behavior Monitoring	Automated Marketing	Measure
Leverage analytics, data mining	Empower marketers Fast production	Relevant to specific behavior changes	At the individual/ account level	Timely, personalized offer using best channel	Evaluate effectiveness, modify accordingly



Demand Generation is about Delighting Customers

Good Marketing is Service



Good Service is Marketing

© 2011 IBM Corporation

Real results reported by EMM users

More effective marketing:

Response rates: up 10-50%
Campaign ROI: up 15-30%
Online marketing ROI: up 15-25x

Improved transactional results:

Sales volume: up 0.5-1%
Average order value: up 15-20%
Trade ROI: up 15-20%

Better customer relationships:

Customer value: up 5-10%
Loyalty and retention: up 10-15%
Acquisition cost: down 25%-75%

More efficient marketing:

Cycle times: down 40-80%
Marketing costs: down 20-40%
Campaign volume: up 2-5x

Better top- & bottom-line results:

Revenue: up 1-3%
Margin: up 2-5%

More than 2500 Organizations Worldwide Depend on IBM's EMM Solutions

So don’t miss the train, call us!

© 2011 IBM Corporation

IBM®