

IBM Project Northstar

IBM's vision and strategy for Exceptional Web Experiences



When it Comes to Top Line Growth, The Customer is Still King

As organizations across the world start to recover from the global recession, one might assume that the surest path to stability would be to focus on cost cutting and the bottom line. After all, in 2009, CEOs “placed cost cutting at the top of their priorities to cope with the sudden and severe recession.”¹ Although the assumption that cost cutting is the most popular road to recovery sounds quite reasonable, it is actually no longer true in practice. In fact, today, “the focus for 71% of business leaders is a return to revenue growth”², rather than controlling costs

One clear way organizations plan to achieve their revenue growth objectives is to place a high business priority on reinvigorating and reinventing their customer relationships. According to the 2010 IBM CEO study, 88% of CEOs are making “getting closer to the customers” as their highest priority over the next 5 years. 95% of standout organizations – those organizations that consistently outperform their peers over both the short and the long term – have this same top priority as well.

Focusing on retaining existing and attracting new customers also emerged as top business priorities in the recent 2010 Gartner CEO and Senior Business Executive Survey³. Through their research, Gartner discovered that the top three business priorities for 2010 are:

- Retaining and enhancing existing customers
- Maintaining competitive advantage
- Attracting new customers.

Why the strong focus on customers? Well, there is a very clear linkage between retaining existing customers and increased profitability. Consider the following statistics:

- A 2% increase in customer retention has the same effect on profits as cutting costs by 10%.⁴

- A 5% reduction in customer defection rate can increase profits by 25-125%, depending on the industry.⁵
- Acquiring new customers can cost 5x more than satisfying and retaining current customers.⁶
- Loyal customers are 15x more likely to increase spend than high-risk, intermittent customers.⁷
- Repeat customers spend, on average, 67% more.⁸

With such a strong correlation between customer retention & profitability and between customer loyalty & increased customer spend, it is no wonder that senior leaders across the globe are focused on “getting closer to the customers” as a top initiative.

When it comes to meeting the primary business objective of revenue growth, it appears as if most CEOs and Senior Business Leaders agree – success depends on strengthening customer relationships and delivering differentiated customer experiences. Even in late 2010 and into 2011, the old adage remains true – the customer is king.

Delighting Your Customers Through Exceptional Web Experiences

Suppose you work for one of these organizations whose top business priorities for the coming years are to improve customer retention and attract new prospects. What levers do you pull to most effectively meet these business objectives?

While a myriad of different tactics can be employed, many organizations are choosing to strategically invest in their online customer experiences in order to attract and retain the best customers. After all, with over 2 billion people projected to be on the web by 2011 and 1 trillion connected devices, the web is quickly becoming the primary “face” of an organization.

With so many customers and prospects interacting with organizations via online channels such as web sites, email, social sites, kiosk, and mobile devices, you can’t settle for providing an undifferentiated, uninteresting, one-size-fits all

experience. If you do, your customers could just leap over to your competition, who are just a few clicks away. In short, you can't afford to represent your brand and enable interactions on the web in anything less than an exceptional manner.

So what constitutes an exceptional web experience?

An exceptional web experience engages users by delivering precisely the information, capabilities, and resources that the user finds valuable, useful, and usable. More specifically, from your customers' perspective, an exceptional web experience is:

- **Engaging** – Makes customers feel 'connected', and, each time they return, the business and personal relationships and bonds strengthen. An exceptional web experience puts the customer front and center, giving them the sense that they are being heard and that their input is valued. Finally, a truly engaging experience allows customers to complete their business and personal goals with ease and speed.
- **Relevant** – Delivers a personalized experience that is tailored to the customer, making them feel unique and understood. Often this involves dynamically optimizing the experience based upon analyzing customer behavior, preferences, location, device, and/or relationships.
- **Trustworthy** – Makes customers feel secure and safe when exchanging information or doing business. To retain customers' trust, the experience shouldn't overstep the bounds of trust by utilizing sensitive information in an inappropriate manner. In addition, the experience is always up and available when needed.
- **Portable** – Delivers a consistent, engaging experience when and where needed, regardless of the device and in a secure manner.

Given these customer expectations, your organization will gain the most business value by delivering an exceptional web experience that:

- **Delights customers** – forming the basis of a mutually beneficial relationship between you and your customers, engendering loyalty & affinity, and satisfying the four

customer tenets described above (Engaging, Relevant, Trustworthy, Portable)

- **Creates sustainable differentiation** – setting you apart in the marketplace, acting as a long term competitive weapon and not just a fleeting advantage. The differentiation you create via the web should be consistent with your brand promise, your business goals, and your corporate culture, whether that is operational excellence, product leadership, or customer intimacy.
- **Adapts to new opportunities** – supporting the ability to drive after new opportunities (i.e., new segments, new products, new campaigns, new geographies) with ease & speed. This often means enabling line of business users to drive changes without going through IT.
- **Leverages investments** – ensures years of data, systems, and infrastructure are utilized, saving costs, while delivering more consistent customer experiences.
- **Is unbreakable** – delivering when and where you need it most. It is reliable, scalable, responsive, and secure.

While all of the above criteria are extremely important, perhaps none is more so than engaging customers by helping them easily and intuitively achieve their business goals. In fact, if customers come to your site to solve a problem but can't figure out how to do so, it could result in lost customers and increased service costs. Consider a recent survey unveiled in the Harvard Business Review, that found "a staggering 57% of inbound calls come from customers who first attempted to resolve their issue on the company's website. Over 30% of callers [were] on the company's website at the same time that they [were] talking to a rep on the phone." Imagine the cost savings and potential improvements in customer satisfaction if web experiences not only allowed users to achieve their goals, but became the preferred means of interaction.

Exceptional Web Experiences Deliver Exceptional Value

If your organization is able to deliver an exceptional web experience, you can realize impressive results – even above and beyond pure customer retention and attraction. Consider a recent independent report by Forrester Research, Inc.⁹, which indicates that exceptional web experiences can deliver:

- **400% higher** visit-to-lead conversion rate.
- **200% higher** visit-to-order conversion rate.
- **41% lower** page abandonment rates.
- **16.6% more** customers who are likely to recommend products and services.
- **15.8% fewer** customers lost to competitors.
- **14.4% more** customers who show repeat purchase interest.

IBM customers have reported similar beneficial results by delivering exceptional web experiences with IBM technology. For example, some customers have reported:

- **30% higher rating** of web self-service over the help desk.
- **75% faster time** to roll out new customer applications.
- **30% reduction** in call center field support calls.
- Ability to support **100x increase in web site traffic** during a major event, while maintaining **100% web site availability** and protecting the system from unauthorized access.¹⁰

Investments in exceptional web and exceptional customer experiences can yield big returns. Companies that have increased their customer experience investment in the past 3 years, compared to those that have decreased their investment, report satisfaction scores that are 60% higher, and are 30% more likely to have attrition rates of 5% or less.¹¹

The Road to Exceptional Web Experiences Can Be Bumpy

With so many documented benefits of investing in the customer online experience, it might make you wonder why every organization doesn't offer their customers, citizens, and partners exceptional web experiences through every online channel. Unfortunately, there can be some challenges that

make the road to exceptional web experiences a bit bumpy. Here are the top 5 challenges organizations face:

One-size-fits-all online experiences.

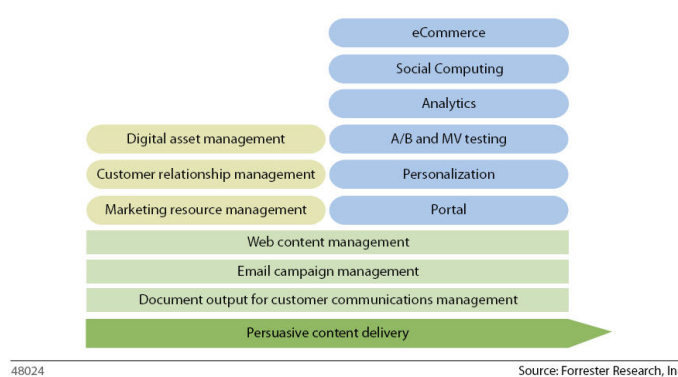
Marketing 101 teaches the value of customer segmentation. After all, more success (read more money and happier customers) can be achieved from properly understanding a customer or a segment's unique needs, and then offering those customers the right mix of products, services, and targeted messages. Even so, many organizations today still have these one-size-fits-all online experiences that deliver the same product information, the same set of services, and the same targeted messages to all users – regardless of their profile, preferences, likes, relationships, and behaviors. Part of the challenge in delivering a personalized web experience is that it requires organizations to be able to first gather a wide variety of information about each customer, including traditional information stored in a CRM, as well as information gathered from a user's online behavior. Next, it requires analyzing the often vast amount of information to determine the customers needs and wants. And, finally, organizations must act upon this customer insight, optimizing the online experience accordingly. Without the right tools, creating personalized, targeted experiences can be very challenging.

Integration cost of pulling together the required elements for an exceptional web experience.

Creating highly engaging and persuasive online experiences often requires stitching together different software products that might not be that well integrated. Unfortunately, the cost of this integration can be daunting, especially given the breadth of capabilities required for persuasive web experiences (See figure 1). Forrester Research articulates this problem well when they state, “professionals who support public-facing web sites face a potpourri of product options from software vendors. Currently, persuasive content functions —such as content services, analytics, and more — remain siloed in products from Web content management (WCM) and enterprise marketing vendors, among others.¹²” Rather than try and execute on a strategic project to implement the desired exceptional web experience foundation, many organizations choose to add the necessary persuasive functions in a one-off

fashion, addressing customer or competitive situations as they arise. For some, this method of operation results in a platform that is both unwieldy and difficult to support.

Figure 1: Forrester Research: Elements of a persuasive content ecosystem



Too much focus on look & feel at the sacrifice of flexibility and usability.

Unfortunately, too many organizations think that an exceptional web experience means only an exceptionally beautiful web experience. This narrow point of view can result in long term challenges. Over-rotating on pure look & feel and website “flash” can result in web experiences that are difficult to change, hard to integrate into the required back-end systems, and potentially not even very usable! A common scenario is that a marketing team is thrilled with the latest web experience their agency created for them. That is until their IT teams (who have to take over maintaining the code) aren’t able to change the online experience fast enough to meet new business needs. As a result, what might start off as an exceptionally beautiful experience can get dated very quickly, resulting in exceptionally poor customer experiences.

Web Sprawl - multiple sites, built on different platforms and technologies.

Over time, many organizations have found themselves with a myriad of different websites using different technology foundations and approaches. This includes an organization’s primary web presence or .com site. This may or may not be related to the B2B or B2B commerce site or the customer self-service site. Not to mention the investor site, those sites acquired during an acquisition, or the myriad number of marketing micro-sites or brand-specific sites— all potentially built on different foundations. The challenge with this type of web sprawl is that it is expensive to maintain, it is difficult to change to react to new customer or marketing needs, and it often results in different look & feels, outdated messages, and inconsistent branding across all web properties. For customers, the effects of web sprawl manifest itself in a clunky, disjointed, and inconsistent online experience that can make users ponder how well-run an organization really is.

Indifference or Loss of Momentum.

Last, but not least, many organizations today don’t have an exceptional web experience simply because it has not been deemed a priority. If your organization falls into this bucket, it is only a matter of time before your CEO goes to your competitors’ website, realizes that you are at a competitive disadvantage, and then declares it is time for a high priority project to “fix the website.” If this has not happened yet already, it most certainly will (and can then manifest one or more of the previously mentioned challenges)! A similar phenomenon to indifference is lack of momentum. Organizations might heavily invest in a one-time effort to create a compelling web experience, only to leave the site languishing, without the further investments required to remain competitive.

In the face of these types of challenges, what's needed is an exceptional web experience offering that:

- Contains the key foundational elements required to deliver persuasive customer-facing web experiences,
- Allows you to leverage what you have and the level of investment you can make today, while also supporting rapid changes to meet new market needs, individual customer preferences, and new technologies and devices, and
- Has proven itself with thousands of websites worldwide and a network of industry and technical partners that can help you apply all of this to your business.

Introducing IBM Project Northstar

To help organizations provide exceptional web experiences, IBM has introduced Project Northstar – IBM's vision and multi-year roadmap for how organizations can create differentiated, exceptional web experiences. IBM Project Northstar provides a new way forward, bringing together the right combination of capabilities needed to deliver compelling online experiences, including web content management, an enterprise portal and mashup presentation framework, built-in social and real-time communication features, search, personalization, marketing tools, comprehensive integration capabilities, mobile device support, analytics, commerce, and rich media management. Together, these capabilities help organizations create differentiated, exceptional web experiences that attract and retain the best customers, improve brand loyalty, increase customer satisfaction, and lower operational costs.

IBM shaped the Project Northstar vision—which is focused on providing businesses and organizations with all of the capabilities needed to support an exceptional experience—from the results of thousands of successful customer engagements and interviews with business leaders around the world. It is based on the idea that capabilities must evolve in



“Internet time” as well as the following primary tenets, which are meant to address the key challenges customers can face when they try to deliver exceptional web experiences:

- **Context is key.** The best web experiences make users feel like the experience was custom fit for them – based upon their preferences, device, location, social networks, and behaviors.
- **Social is everywhere and everywhere is social.** Organizations hoping to meaningfully interact with, and listen to, customers must transform their online experience beyond one-way information sharing or “brochure sites”. A more socially-infused experience is now expected, one that supports true dialogue with, and among, customers.
- **Visuals and flexibility matter.** You don't need to compromise scalability, flexibility and manageability to create a beautiful, persuasive and responsive experience.
- **Integration must be easy.** Interactive, context-aware

experiences must leverage and extend existing data sources such as customer relationship management systems, social media sites, and back-end applications, as well as the future products and cloud-based services you acquire. In addition, it shouldn't require a herculean effort to tie together the necessary foundational elements of an exceptional web experience.

- **Measurement is the key to competitive advantage.** At a tactical level, success requires the use of analytics and other tools and measures to determine if you are meeting business objectives and properly engaging customers. At a more strategic level, analytics are also fundamental to gathering enough information about your customers to truly understand them, making it possible to deliver user-optimized web experiences that deliver more to your bottom line.

For the next several years, IBM Project Northstar will serve as the guiding light for IBM's investments, including both in-house advancements, partnerships, and even acquisitions. But while the roadmap is rich and exciting, there are many IBM customers that use IBM's suite of web experience offerings to deliver killer online experiences today!

IBM Project Northstar addresses key business needs

At a high level, IBM Project Northstar is all about helping organizations create next generation, differentiated online experiences that attract and retain the best customers, improve brand loyalty, increase customer satisfaction, and lower operational costs – imperatives today for both the line of business and IT. IBM Project Northstar is designed to address the following three major areas:

Growth - drive revenue and increase brand loyalty with an enhanced online experience. With growth as an objective, business owners might have specific projects around implementing or enhancing a site's commerce capabilities,

“fixing” a web presence to meet the needs of customers or to leapfrog the competition, or driving increased traffic and brand awareness through a focus on search engine optimization (SEO) and syndicating branded content through multiple online channels.

Customer Satisfaction – provide online self-service, improving customer satisfaction and reducing costs.

Customers today value self-service just as much as service via the phone. In fact, today, less than 1/3 of customers use the phone as a primary means of receiving service (and this number is rapidly declining.¹⁴) While more and more customers are finding self-service to be a very appealing and efficient service option, there are benefits to organizations as well. Customer support costs via the telephone typically costs \$6 to \$12 per contact, versus as little as a few cents per contact with web self-service.¹⁵ As such, many organizations have kicked off initiatives to drive higher value customer interactions via lower cost channels.

Efficiency – deliver an exceptional online experience, with greater flexibility and lower operational costs.

Organizations looking to improve efficiencies typically have projects around consolidation (to greatly reduce web sprawl) or line of business empowerment (to enable business users to maintain their own content, campaigns, sites, and offers without IT involvement), both of which lead to cost reductions and improved flexibility. In addition, projects centered around consolidation can result in business benefits such as improved brand consistency.

IBM has many customers today that leverage its web experience software to meet the business goals of increased growth, improved customer satisfaction, and enhanced efficiencies. Here are just three examples:

Growth: Lufthansa

Since 1996, Deutsche Lufthansa AG, a leading global aviation group, has been providing sales and services via the Internet through Lufthansa.com. This site originally contained a flight booking engine that was built in-house. By 2001, loyalty program and administrative websites were added.

Lufthansa.com needed to be transformed for scalability and to adopt a variable cost structure. In addition, Lufthansa.com had to advance in function to become a major sales and customer service channel. As a result, Lufthansa initiated a re-engineering effort in order to improve online services with the following goals:

- **Improve Customer Online Experience** by providing more search options for finding the best flights, by showing more flight options for customer to choose from, by attracting online shoppers with compelling & exclusive online prices, and by giving full access to account information and former transactions. The ultimate goal was to establish the online channel as the most cost-efficient way to purchase Lufthansa products and services.
- **Reduce Time-To-Market** - reacting more quickly to changes in the market, Lufthansa needed the capability to offer new and changed content sooner (new pricing information being a notable example).
- **Increase Platform Scalability** - Lufthansa needed to prepare for growth in online sales and service usage. It needed to ensure an optimal customer experience with fast response times and excellent service levels, while also being able to reuse platform functionality for multiple customer groups and additional use cases.
- **Increase Profitability.** Lufthansa wanted to lower costs per transaction by implementing a new platform with superior economies of scale, and by decreasing the costs of future development by taking advantage of out-of-the box features of commercially-available products.

Lufthansa selected IBM to deliver the hardware, software, and services required for the re-engineering of Lufthansa.com. The results of the partnership between Lufthansa and IBM are impressive. Lufthansa.com:

- Delivers a **personalized, high performance, stable web experience** for millions of customers in more than 80 countries and 12 languages. It handles more than 10,000 concurrently logged-on users who generate an average of 200 flight availability requests per second.
- Supports more than **16,000 customer** check-ins/day, and **3+ million** online flight bookings/year.
- Showcases a **single, consistent brand image** across different online presences.
- Remained stable and served customer requests quickly, even with a **70% increase in transaction load** due to the April 2010 volcano eruption in Iceland.

Customer Satisfaction – College.gov

The U.S. Department of Education wanted to make it easier for students to find information about planning, preparing and paying for post-secondary education (such as 2- or 4-year colleges and universities, as well as vocational or career schools). In addition, they also wanted a way to build relationships with students and trading partners.

Given these business needs, the college.gov site was created. College.gov is intended to provide inspiration and hope to all students, and encourage them to consider and pursue a post-secondary education.

College.gov is built with IBM's web experience software, in conjunction with direct feedback from students as to what information would be most useful as they looked ahead toward college. College.gov is intended to continuously evolve, and it encourages users to help influence the process by visiting the feedback page to submit questions, suggestions and feedback.

All in all, college.gov has proven to be a success. It:

- Supports delivery of approximately **\$96 billion** in grant, work-study and loan assistance to almost **11 million** post-secondary students and their families.
- Provides a rich user experience with **social networking capabilities** and pro-active **delivery of information based on customer preferences**.
- Provides customers an **integrated view of relevant information** from multiple sources

Looking forward, the team behind college.gov is excited about delivering the next generation of exceptional web experiences. The Federal Student Aid Office of the CIO remarked, “IBM has helped us provide an intuitive experience for our students and partners as well as helped to streamline our operations. We were excited to hear about the IBM Project Northstar vision because it is similar to our goal of bringing the next generation of highly engaging, personalized and differentiated web experiences to our users.”

Efficiencies – Major US County Government

A major county in the western U.S. created a website to provide visitors with a simple and convenient way to access information and services provided by the departments, commissions, and agencies that serve the area. Three of the major driving goals behind the creation of this site include the ability to:

- Establish and promote the County “brand”
- Create a more cohesive and interactive communication channel with its residents
- Reduce the number of external facing websites managed by different departments

Utilizing IBM’s web experience software, the County implemented a web site that achieved the following:

- Over 75% increase in unique visitors per month
- 1.2 million page views from 500,000 visits per month, a 48% increase
- Constituents now make up 70% of visitors, up from 40%
- Delivers a cohesive and consistent user experience to over 10.4 million citizens
- Eliminated silos by consolidating online services from 47 different departments

IBM Customer Experience Suite – the Centerpiece Offering of Project Northstar

In order to help customers meet their exceptional web experience goals in the most efficient and flexible manner possible, IBM has recently released a new offering that is designed to help organizations create highly engaging, personalized, and differentiated web experiences. This new offering is called IBM® Customer Experience Suite, and it is the centerpiece offering in the IBM Project Northstar vision.

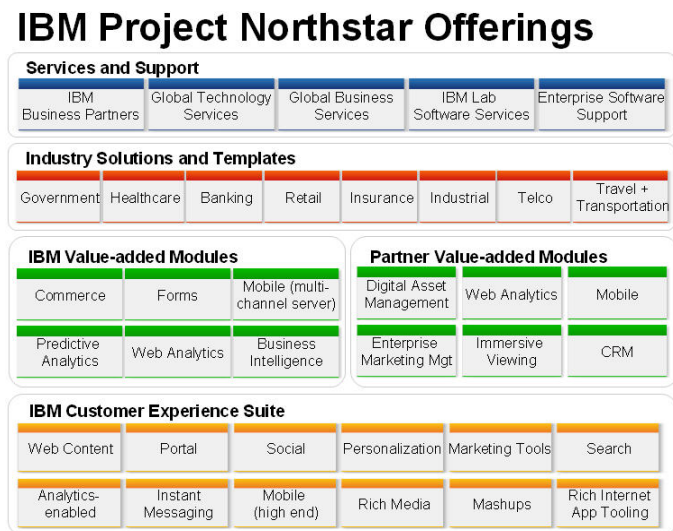
With the IBM Customer Experience Suite, organizations can:

- Create highly personalized customer interactions by analyzing and then adapting to the preferences, behaviors, location, products owned, device, and sentiments of each visitor.
- Support conversations with and between customers through online communities.
- Empower business owners to manage the creation and delivery of content, rich media, and campaigns.

- Deliver rich and engaging experiences without sacrificing flexibility, scalability, or security
- Compose seamless Web experiences by connecting into the necessary back-end applications, commerce solutions, social media sites, and cloud-based services.
- Offer consistent experiences across multiple online channels.

As shown in figure 2, the IBM Customer Experience Suite provides the foundation for IBM Project Northstar.

Figure 2: IBM Project Northstar offerings



On top of the Customer Experience Suite, organizations can add on modules from IBM or from partners to deliver specialized capabilities. Modules within the Project Northstar vision include:

IBM Modules

Commerce – If you need to enhance your online experiences with market-leading eCommerce capabilities, you need not look further than WebSphere Commerce. IBM provides pre-built, configurable WebSphere Commerce components (such as shopping cart, catalog, search, product, my cart, my account, my order) that can be utilized within IBM’s web experience software.

Forms – If you need to automate paper and forms-based business processes, you can add on Lotus Forms, which can help cut costs by eliminating printing, distribution, processing & storage of paper, reduce error rates, and provide auditable & compliant records - all in the context of the user’s web experience.

Mobile – IBM Customer Experience Suite can render mobile-optimized, browser-based applications to high-end devices like the iPhone and Blackberry. However, if you need to support a wide array of devices, especially those that don’t support the leading browsers, you can choose to leverage the IBM Mobile Portal Accelerator. This offering supports over 7,000 mobile device types, including smart-phones.

Predictive analytics- SPSS, an IBM company, offers a suite of products that can capture customer input across multiple-touch-points, as well as discover patterns and trends within vast amounts of customer data. SPSS can be used today to optimize marketing efforts, increase customer loyalty, and reduce customer churn. Customers today can leverage SPSS’s ability to analyze sentiment on the web, and then use that information to make necessary changes to the online experience. As IBM Project Northstar evolves, we’ll provide

even tighter integration between the web experience line of products (such as Customer Experience Suite) and SPSS, resulting in pre-integrations that make it quick and easy to feed the real-time decisions, recommendations, and customer insights coming from SPSS into the Customer Experience Suite's personalization capabilities.

Real-time analytics- IBM Customer Experience Suite is enabled for real-time analytics out-of-the-box. This means that you can snap-in web analytics capabilities from Coremetrics (an IBM company), as well as other leading web analytics providers. By adding on web analytics capabilities to Customer Experience Suite, you can better understand customer behavior, and then use that information to optimize your online experiences. In addition, with a product like Coremetrics, you can leverage the Impression Attribution capability to measure the effectiveness of your various online campaigns, allowing you to figure out how to best focus your resources.

Business Intelligence – If you are looking to add business intelligence capabilities to your web experience platform, then IBM offers Cognos – a market-leading business intelligence (BI) platform. IBM offers capabilities out-of-the-box that make it easy to surface BI reports with the Customer Experience Suite. In addition, using the integration capabilities with Customer Experience Suite, BI data can be seamlessly integrated into the web experience.

In addition to the IBM value-added offerings listed above, IBM partners also offer a rich set of capabilities that can be used to deliver exceptional web experiences.

Partner value-added modules:

- **Digital asset management and rich media** - IBM Customer Experience Suite supports creating compelling web experiences that contain all types of rich content (audio, video, images, animations, etc.). If you need additional rich media capabilities including capture, storage, delivery, and management of rich media files, you can look to IBM partners, such as Media Beacon, Genus Technologies, and Qumu. Each of these partners has delivered pre-integrated capabilities with IBM's web experience offerings. For example, with their MediaUpshot offering, Genus Technologies delivers out-of-the-box components to edit and publish rich media from within IBM's web content management function.
- **Web Analytics** – In addition to supporting fast integration with Coremetrics, IBM Customer Experience Suite is also instrumented to support the leading web analytic providers, such as Web Trends, Adobe Omniture, and Unica.
- **Mobile** – If you are looking to deliver mobile applications that can take advantage of the native capabilities of smartphone devices, you can rely on trusted IBM partners like Polar Mobile and Capgemini. Polar Mobile is a Global leader in mobile solutions, and they have partnered with IBM to make it easy for customers to extend their web content through mobile applications that work across iPhone, BlackBerry, and Android smartphones. Capgemini offers the Mobile Portal Platform, which delivers mobile applications that utilize the capabilities of devices which are not available to web applications (e.g. address book, camera, photo library, SIM). The Capgemini solution is actually a “hybrid” solution, supporting the user experience and functionality of native mobile applications without having to write unique apps for each unique mobile platform.

- **Enterprise marketing management** – If you are looking for a state of the art marketing platform (e.g., campaign management, lead management, marketing performance management) to enhance your online experience, then consider Unica.
- **Immersive viewing** – If your organization is looking to create an “experiential” website that feels to your users like they are part of the experience, then you can look to a company like Automatic Partners. Automatic is a digital company with lots of experience building world-class websites – including 4-D, pan-axial, experiences. In addition, Automatic has a successful history of utilizing IBM’s web experience software to deliver these amazing immersive experiences.
- **CRM** – To successfully deliver an exceptional web experience, many organizations will need to tap into their CRM systems in order to properly tailor the experience to each customer’s needs, history, and profile. IBM Customer Experience Suite provides integration capabilities that ease the process of accessing CRM systems like Siebel and Salesforce.com. For those customers without a CRM system, IBM has partnered with companies like Castlebreck, Inc. to provide CRM capabilities that seamlessly integrate into IBM’s web experience platform.

For detailed whitepapers on how IBM Customer Experience Suite integrates and leverages the capabilities of many of the products listed above, please visit the Customer Experience Wiki at <http://www-10.lotus.com/ldd/portalwiki.nsf/xpViewCategories.xsp?lookupName=WebSphere%20Portal&SessionID=CN6WWS8ELX>.

Also part of the IBM Project Northstar vision and offerings are a rich set of industry-specific templates that pair technology expertise with industry thought leadership to offer best-practice guidance. IBM-provided industry templates include government, healthcare, banking, insurance, retail,

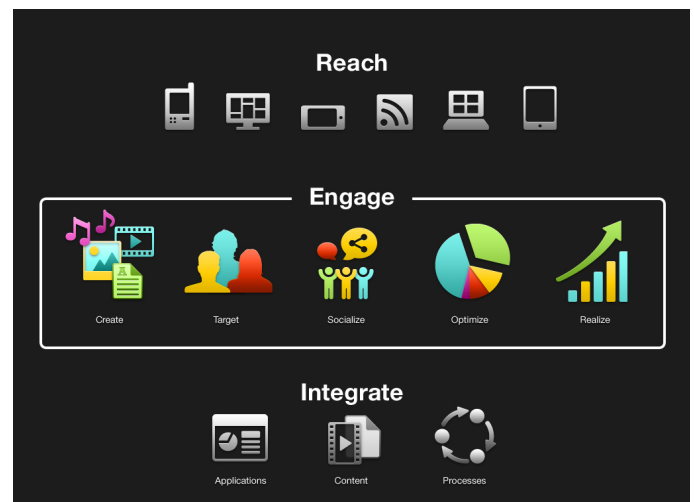
telecommunications, industrial, and travel & transportation. To learn more about the industry templates, please visit <http://www-01.ibm.com/software/websphere/portal/industry/>.

The final element of the IBM Project Northstar vision is services and support. While some companies have the experience and in-house skills required to build an exceptional web experience, most are lacking some key capabilities. With IBM Project Northstar, you don’t have to resort to on the job training and trial and error. IBM has a worldwide team of experienced technical, web design, and industry experts that know how to use the IBM Project Northstar technologies to provide outstanding customer experience and business results.

IBM Customer Experience Suite – Capabilities Overview

Let’s take a closer look at the capabilities included in the IBM Customer Experience Suite (graphically depicted in figure 3.)

Figure 3: Customer Experience Suite



Create dynamic, engaging web experiences that “Wow” your customers



In the year 2000, no one leveraged the web to watch videos, read blogs, or provide ratings. Fast forward to today, and there is a dramatic shift in online behavior. Users now expect online experiences to be media-rich and engaging.

To help our customers deliver the most dynamic, engaging web experiences, IBM Customer Experience Suite contains a rich set of functions that allow you to create experiences that “wow” your customers.

With IBM Customer Experience Suite you can:

- **Increase responsiveness by empowering business owners** to manage the creation and delivery of dynamic web content, entirely new websites or micro-sites, mashups of content applications, and rich media & other documents.
- **Leverage existing skillsets and familiar tools** to control the web sites’ look & feel (e.g, Adobe Dreamweaver) or create content (Microsoft Word, Lotus Symphony).
- **Improve site consistency, quality, and accuracy** with a configurable and re-useable workflow capability for ensuring the content lifecycle follows existing business processes and approvals before going live.
- **Reduce the cost of web operations** with robust tools for easing site management, including browser-based tools for deploying specific pages or entire sites to different servers.
- **Speed time to market** with a rich set of pre-built templates (e.g., news, events, jobs offers FAQs, training announcements, etc.) that can easily be customized to fit your exact needs.

Target the Right Experience to the Right User via the Right Channel at the Right Time



- Personalized experiences can drive big business benefits. Consider these statistics:
- Personalization can increase conversion rates by 70%¹⁶
- “The majority of marketers who have implemented strategic personalized marketing techniques have seen decidedly greater success over traditional mass marketing approaches” CMO Council
- 66% of shoppers report purchasing additional products based on merchant recommendations at least once in a while, with 21% doing so most or all of the time.¹⁷ Emarketing and Commerce

To help customers capture these big business benefits, IBM Customer Experience Suite provides capabilities that allow you to target the right experience to the right user via the right channel at the right time. With IBM Customer Experience Suite you can:

- **Deliver highly personalized, memorable experiences** that adapt to a user’s preferences, behaviors, location, relationships, device, sentiment, or even time of day.
- **Enhance cross-sell and up-sell** by providing tailored **recommendations** based on users’ similarity to like-minded folks.
- **Keep online experiences dynamic and relevant** by leveraging **campaign** management tools to drive automated, personalized email and web campaigns
- **Increase customer engagement** by allowing users to tailor their own web experiences through drag and drop.

- **Appeal to a global audience** by delivering globalized and localized sites.

Improve Customer Loyalty By Enabling Users to Socialize



Long gone are the days when your organization can put up a web experience that is nothing more than a “brochure site” and expect customers to be happy and satisfied with the experience. Given years of interacting with socially-infused consumer-facing dot com sites, your customers today are expecting much, much more. They expect to be able to participate in the web experience, expressing their feedback by commenting, rating, or participating in forums and communities.

Infusing your online experience with social capabilities also makes a great deal of business sense for organizations. Consider the following data points:

- You can save costs by shifting to lower cost support channels. Lenovo did just that, realizing a 20% reduction in call-center activity in the United States over 6 months because approximately 50,000 customers went to its community website for information about laptops rather than calling for help.¹⁸
- You are better off supporting feedback and customer suggestions than worrying about negative comments that may appear. According to a recent Nielsen survey, negative reviews posted on a website had less negative impact than having no user reviews posted at all¹⁹.
- You can improve spend by customer by fostering communities. Customers who visit MyFICO’s community website are spending 41% more than other customers²⁰. Ebay Participants in online communities spend 54% more than non-community users²¹.

IBM Customer Experience Suite helps you deliver rich, socially-infused web experiences that:

- **Support conversations and information sharing** with and between users with capabilities such as wikis, blogs, forums, communities, ratings, commenting, tagging, shared bookmarks & files, and activities for organizing work & ideas. By providing these social tools, your customers can help each other, saving your organization time.
- **Allow users to find the right people** by leveraging user managed, online profiles. With profiles, your customers can find other customers with similar interests, or discover your employees with the specific skills or responsibilities they are looking for.
- **Enable customers to get problems resolved quickly** with click-to-chat functions. This simple and seamless safety net ensures that your web channel remains the first place your customers will go for answers.
- **Improve SEO and brand awareness** by syndicating content across the web, into other online properties, such as Facebook

Optimize the Customer Experience to Maximize Your Results



The better you understand your customers, the better you can tailor the online experience to meet their needs, and the better off your organization will be, with happier, more loyal, and more successful customers!

The easiest way to understand your customer needs and then optimize the customer experience to maximize your results is by leveraging analytics. With analytics software, you can:

- **Keep your customers more engaged** by fine tuning your customer experience.
- Measure the **effectiveness** of your site or any page, article, or offer on your site. Understand what is driving your customers to success and what is driving them away.
- Intelligently manage your marketing resources by tracking which online investments and campaigns are the most profitable and successful.
- **Make better decisions faster** by using the insights uncovered with analytics.

To help you optimize your customer experiences, IBM Customer Experience Suite supports:

- **Out-of-the-box integration to the leading analytic providers:** Coremetrics, WebTrends, Unica, & Omniture.
- **Personalization rules and campaign management** that allow you to test different rules and content (commonly known as A/B testing) and determine the best combinations.
- **Ability to create sites optimized for search engines**, and also much deeper searching of your site and other content systems once your customers arrive.

Realize Your Business Goals

IBM Customer Experience Suite can help you realize your business goals. With the Experience Suite, you can:

- **Improve self-service** by leveraging robust tooling and integration capabilities to deliver rich, intuitive web applications that support business transactions.
- **Scale to meet the demands** of new campaigns, events, & announcements.
- **Capture new leads** by easily publishing dynamic, compelling offers and content.
- And much more!

In addition, you can enhance your results with value-added features:

- **Further improve efficiency and reduce costs** by automating paper-based processes with Lotus Forms.
- **Improve profits** by converting visitors into buyers with seamless integration of WebSphere Commerce functions such as product catalog and shopping cart

Reach Customers Across Multiple Channels – Mobile, Web, Kiosk, Email...

Pundits are estimating that in 2012, the number of smartphones will exceed the total number of personal computer shipments. If your organization is not already feeling the pressure to support smartphones and other mobile devices as first-class citizens, then it is only a matter of time!

Given the importance of supporting mobile devices, IBM Customer Experience Suite enables you to:

- Utilize built-in support for **client detection** to return the appropriate pages and content depending upon the device
- Leverage one common theme to deliver content through the browser to desktop + mobile
- Leverage out-of-the-box tooling to create a single application that can support both smartphones and full-sized desktop browsers.

In addition, you can add on the Mobile Module to **dynamically adapt content** to the unique display characteristics of the mobile device. With this offering, over 7,000 different mobile device types are supported today, including smartphones. In addition, XDIME 2 format is supported for multi-channel server rendering to mobile devices.

Integrate Across Heterogenous Systems to Deliver New Value



As discussed earlier in the paper, creating truly interactive, context-aware experiences typically requires leveraging and extending existing data sources such as customer relationship management systems, social media sites, and back-end applications, as well as the future products and cloud-based services you acquire.

IBM Customer Experience suite provides a rich set of integration capabilities that allows you to:

- Deliver more personalized, relevant web experiences by leveraging out-of-the-box connectors and restful services to integrate with data sources such as SAP, Excel, Siebel, Facebook, twitter, YouTube, databases, web services, widgets, portlets, analytics systems, and much more.
- **Aggregate disparate systems into a seamless, cohesive experience** by utilizing the built-in mashup and portal framework.

- **Facilitate sharing** of components (feeds, widgets, pages) and **speed time to market** with a social catalog.
- **Encourage reuse** by turning content and information into standards-based feeds and web services.
- Support the ability for your **customers to serve themselves** by providing in context, intuitive and seamless access to you backend applications and services.

Why IBM?

Why might you consider IBM for helping you to deliver exceptional online experiences? IBM is one of the few vendors with all of the technology, innovations and services needed to support a truly exceptional online experience. IBM delivers best-in-class, award-winning, proven, scalable, and agile software, including Portal software. Web content management tools. Social and real-time communication capabilities. Search. Personalization. Marketing tools. Integration capabilities. Mobile device support. Real-time and predictive analytics. And more. With our technology, integration expertise, and industry expertise—including industry templates—we can help you deliver gorgeous sites with the scalability, flexibility, and manageability needed for today's fast-changing planet. If you're ready to take your online experience to the next level—and keep it there—look no further than IBM.

For more information

To learn more about the Customer Experience Suite and IBM Project Northstar, please contact your IBM sales representative or IBM Business Partner, or visit the following website:

ibm.com/northstar

¹ <http://www.gartner.com/it/page.jsp?id=12544140>

² Gartner Research. “Gartner CEO and Senior Business Executive Survey, 2010: Anticipating the Post-Recession Landscape.” Mark Raskino, Jorge Lopez March 19, 201

³ IBID

⁴ Statistics summarized in CMO Council, “Business Gain From How You Retain: Addressing the Challenge of Customer Churn and Marketing Burn”. April 2008.

⁵ <http://www.destinationcrm.com/Articles/Web-Exclusives/Viewpoints/Listen-to-the-Voice-of-the-Customer-53239.aspx>

⁶ Statistics summarized in CMO Council, “Business Gain From How You Retain: Addressing the Challenge of Customer Churn and Marketing Burn”. April 2008.

⁷ IBID

⁸ Source: Bain and Company

⁹ Best Practices In User Experience (UX) Design, Forrester Research, Inc., September 4, 2009

¹⁰ http://www-01.ibm.com/software/success/cssdb.nsf/CS/LWIS-7JMQEX?OpenDocument&Site=software&cty=en_us

¹¹ 2009 Customer Experience Management Benchmark Study, Strativity Group

¹² Forrester Research, Inc. February 8, 2010. “The Online Customer Engagement Software Ecosystem.”

¹³ Forrester Research, Inc. June 1, 2009. “The Forrester Wave™: Web Content Management for External Sites, Q2 2009.”

¹⁴ http://blogs.hbr.org/cs/2010/07/why_your_customers_dont_want_t.html

¹⁵ “Selecting Online Customer Service Channels to Satisfy Customers and Reduce Costs.” Diane Clarkson. Forrester Research, Inc. June 25, 2010

¹⁶ <http://searchenginewatch.com/3634419>

¹⁷ <http://www.emarketingandcommerce.com/article/most-online-shoppers-purchase-additional-products-based-merchant-recommendations/1>

¹⁸ http://www.usatoday.com/tech/news/2009-08-27-social-networks-marketers_N.htm

¹⁹ Nielsen – Global Online Consumer Survey”. The Nielsen Company. July 2009.

²⁰ http://www.usatoday.com/tech/news/2009-08-27-social-networks-marketers_N.htm

²¹ http://www.readwriteweb.com/archives/social_media_roi_dells_3m_on_twitter_and_four_bett.php



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