IBM Enterprise Marketing Management
Bringing Science to the Art of Marketing

Johann Bracun, Solutions Consulting Manager EMM

Ruben Bru, Sales Director EMM

What We Do

IBM's **Enterprise Marketing Management** solutions offers proven web and customer analytics, event detection, cross-channel campaign management, interaction management, online optimization, email marketing , and marketing resource management.

Customer and Partner Success

- **Over 2,500 organizations worldwide**
- **Tens of thousands of total users**
- **Extensive service offerings**
- **Local Serbian partners**

orange™

ebaY

ERSTE BANK

O2

Raiffeisen BANK

Deutsche Bank

vodafone

upc

KB

Product Leadership

- **Meeting the needs of:**
  - Cross-channel marketers
  - Online marketers
  - Marketing services

unica An IBM Company

Coremetrics An IBM Company

Gartner

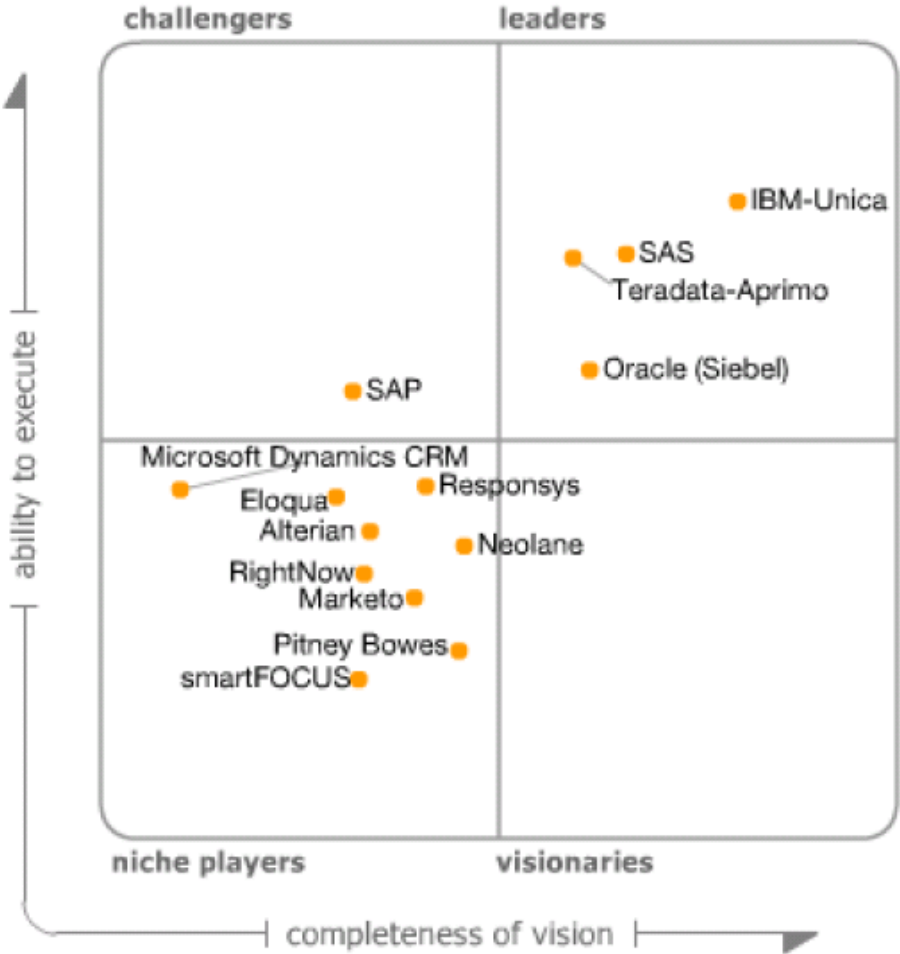FORRESTER

Web Analytics DEMYSTIFIED

- The **recognized leader** in marketing software solutions

Our Mission

To power the success of every marketing organization with innovative technology solutions

10 Year Market Leader

Figure 1. Magic Quadrant for CRM Multichannel Campaign Management

Table of Contents

Businesses are challenge by rapidly changing environments

Only 2 of the year 2000's list of the worlds 10 largest companies are on that list today

Supplier lead time is **62% faster** than just 2 years ago

Today's online business cycles are **3 - 7 times shorter**

Years to reach 50M users:

Radio — 38 Yrs → TV — 13 Yrs → Internet — 4 Yrs → Facebook — 2 Yrs
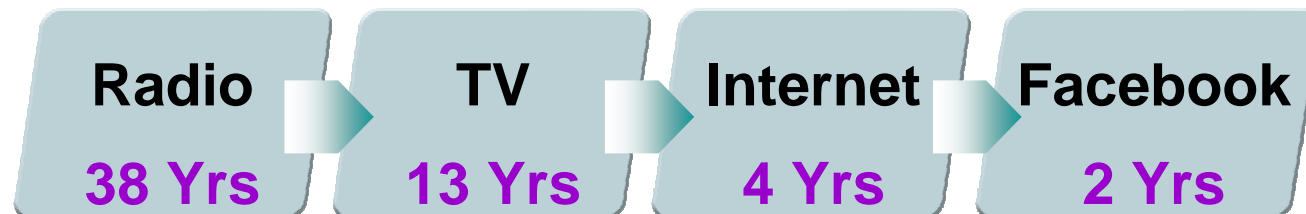
As a result, the marketing landscape has changed.

75%

of people don't believe that companies tell the truth in advertisements

88%

of CEOs picked "getting closer

to the customer" as their top priority

75%

of marketers plan to reorganize by the end of 2011

The future of marketing is also changing…

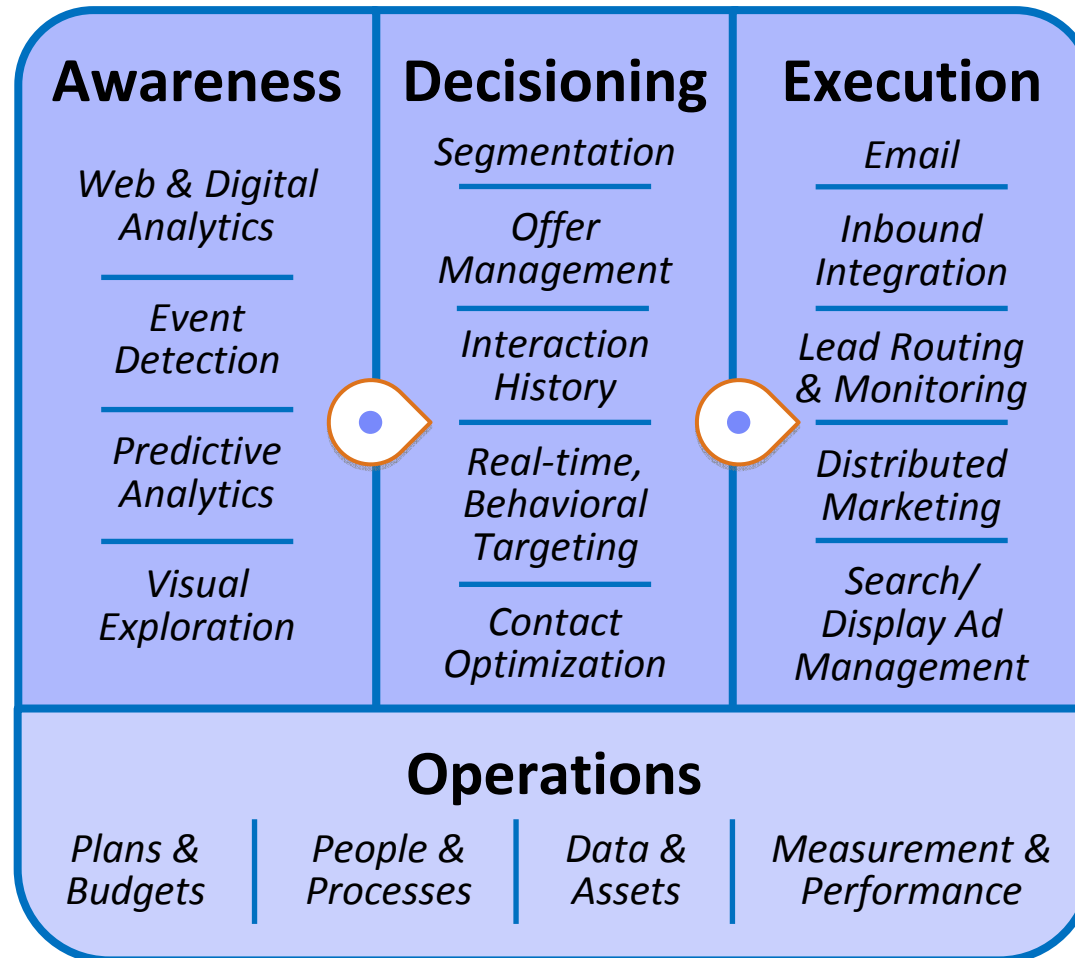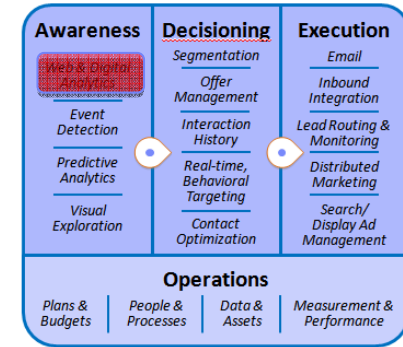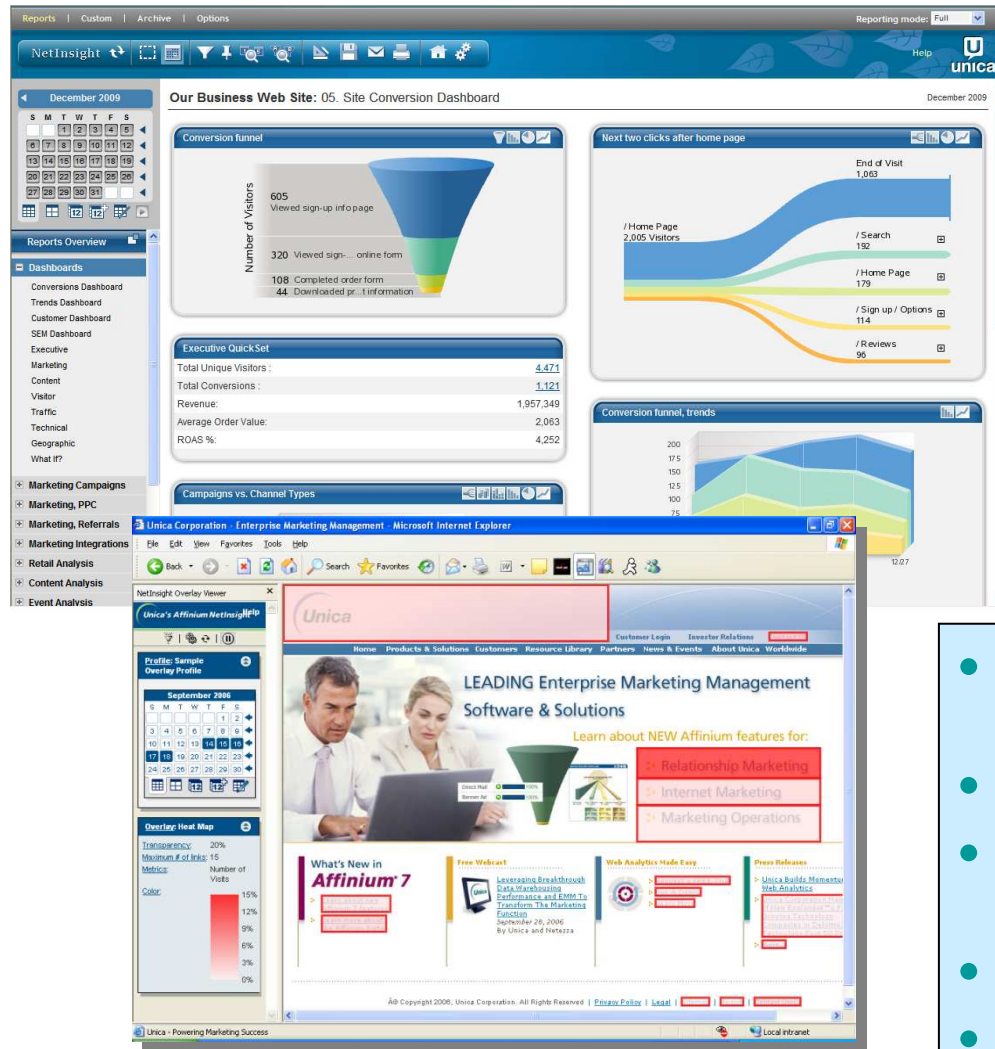| "Traditional" Marketing	Transformational Marketing
"Offline"	Online & Offline
Single channel	Multi-channel; 24/7
Silo'ed	Coordinated & deliberate
Mass media blasts	Personalized 1:1 dialogue
Company Brand	Customers contribute to brand
Selling	Anticipating & servicing
Intuition driven	Data driven
Static	Agile, dynamic
Product-Centric	Customer experience-centric
Reactive	Predictive
One-way	Interactive

Table of Contents

1. Marketing Trends

2. Interactive Marketing

3. Industry Cases

4. Demonstration

IBM's Enterprise Marketing Management
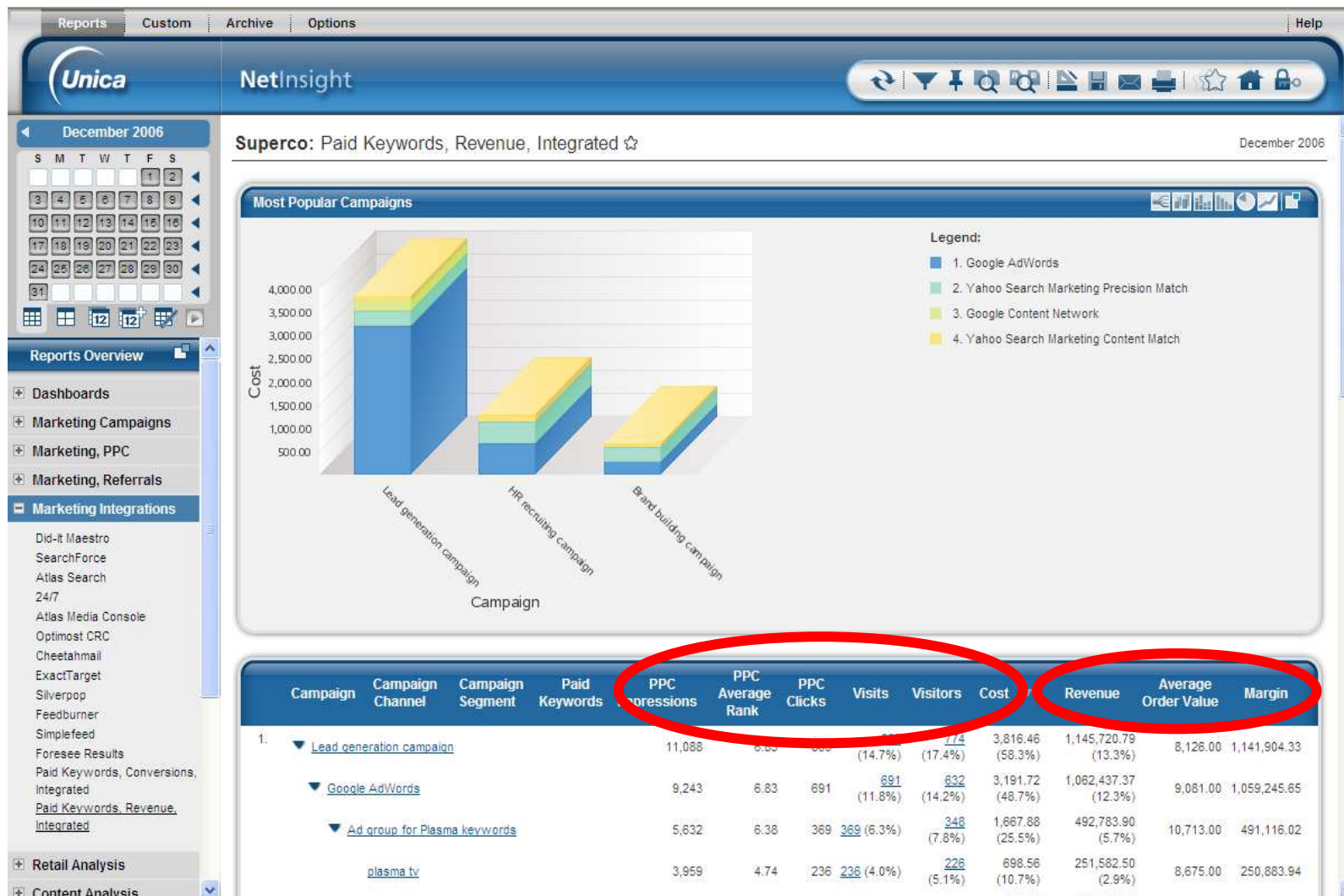# Comprehensive Suite of Marketing Management Capabilities

Awareness

Web & Digital Analytics

Event Detection

Predictive Analytics

Visual Exploration

Decisioning

Segmentation

Offer Management

Interaction History

Real-time, Behavioral Targeting

Contact Optimization

Execution

Email

Inbound Integration

Lead Routing & Monitoring

Distributed Marketing

Search/ Display Ad Management

Operations

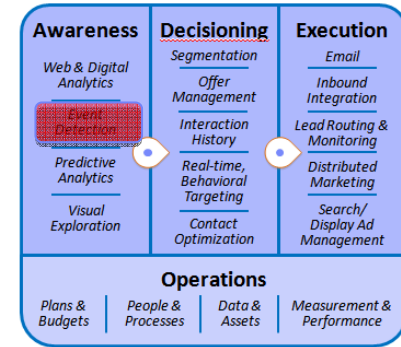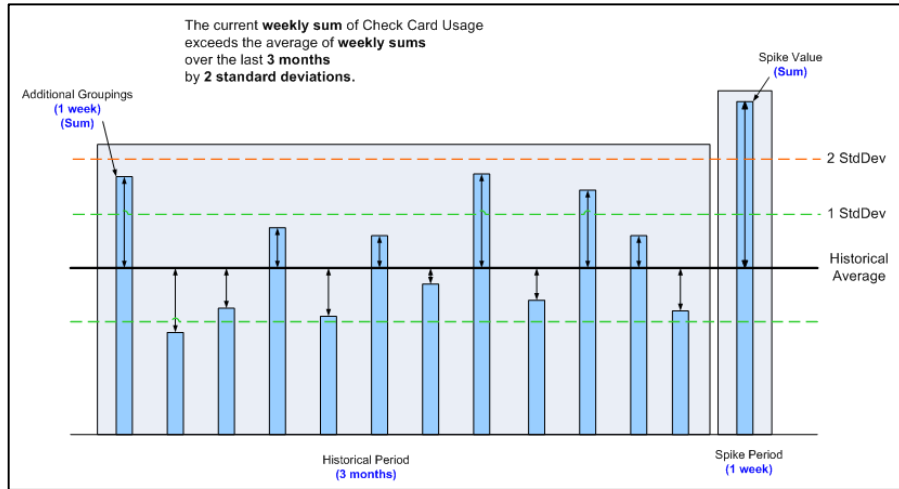| Plans & Budgets | People & Processes | Data & Assets | Measurement & Performance |

Web Analytics

- Instant insight: explorative power to slice & dice any metric
- Open data warehouse backend
- Enables "insight to action" via Unica suite integration
- On-premise deployment
- Social Media Monitoring

Web Analytics: ROI Analysis on SEM

Event Detection

The current **weekly sum** of Check Card Usage exceeds the average of **weekly sums** over the last **3 months** by **2 standard deviations**.

Additional Groupings
(1 week)
(Sum)

Spike Value
(Sum)

2 StdDev

1 StdDev

Historical Average

Historical Period
(3 months)

Spike Period
(1 week)

Forward Looking Inactivity

EMAIL   HELP   FEEDBACK   EXIT

Components | Properties

Forward Looking Inactivity Details

Initial Event
If this event occurs...
Event Type: pattern
Event Name: 6 Payroll DD in 12 Weeks
☑ Each occurrence reinitializes

Inactivity Time Interval
Type: ⦿ From time of Initial Event
        ○ Until a Specified Time
Time Quantity: 19
Time Unit: Day

Tracked Event (optional)
☑ Look for Inactivity of Tracked Event
Without the occurrence of...
Event Type: simple
Event Name: ACH Payroll Deposit

Set Parameters   Refresh Events

Current Workspace : fin

The Current Inactivity:

If 6 Payroll DD in 12 Weeks occurs

and a time span of 19 Day passes

without the occurrence of this event:
ACH Payroll Deposit

then: Overdue Payroll Direct Deposit

where:
Each occurence of the initial event reinitializes the time span

Awareness
- Web & Digital Analytics
- Event Detection
- Predictive Analytics
- Visual Exploration

Decisioning
- Segmentation
- Offer Management
- Interaction History
- Real-time, Behavioral Targeting
- Contact Optimization

Execution
- Email
- Inbound Integration
- Lead Routing & Monitoring
- Distributed Marketing
- Search/ Display Ad Management

Operations
- Plans & Budgets
- People & Processes
- Data & Assets
- Measurement & Performance

- Patented, state-based detection of simple events and complex behaviors
- Detect individually significant changes in customer behavior
- Easy creation of business rules

Event-Based Marketing - Telco Trigger Library

- Competitor Terminated Call
  – Customer has called competitor

- Competitor Originated Call
  – Customer has received telesales call from competitor

- Calls to Customer Service
  – Excessive number of calls to customer care

- At Risk
  – Tracks minutes used by unlocked accounts

- Prepaid Inactivity
  – Detects recharge inactivity

- Unusual Customer Activity
  – Detects spikes and drops in call behavior

- IMEI Change
  – Detects new IMEI events

- Increase in Roaming behavior

- Upward trend in minutes used

- Indication of need for SMS Plan Upgrade

- Land line plan with no land line usage

- Account with pattern of repurchase in jeopardy

- Repeated call volume beyond plan limit

- Drop in SMS Call Volume

- No calls to My Favorite numbers

- Unusually high international call volume

- Decreasing SMS On-net/Off-net ratio

- SMS usage reduction after calling call center

- Spike in SMS Usage prompting new plan

- Shift in Value Segment

- Decreasing call volume for long time customer

Partial "Off the Shelf" Retail Banking EBM Trigger List

Unusually large transaction

- Check Paid
- ACH Debit
- ACH Credit
- Deposit

Unusually high transaction volumes

- Outgoing Wire Transfer
- Incoming Wire Transfer
- Withdrawal

Unusually large aggregate transaction amounts

- Aggregate Deposit Amount
- Aggregate Credit Card Purchase Amount
- Aggregate Debit Card Purchase Amount
- Aggregate Bill Payment Amount

Inactivity

- Interruption of regular Direct Deposit of payroll
- Interruption of regular Social Security deposit (SSI)
- Interruption of regular Social Security Disability deposit (SSDI)
- New checking opened, no deposit activity
- Enrolled in bill payment, no bill pay activity

Channel use changes

- Drop in bill pay
- Drop in branch
- Drop in credit card
- Drop in total ATM
- Increase in VRU inquiries
- Drop in check volume

Partial "Off the Shelf" Retail Banking EBM Trigger List

Combo Triggers

– Large deposit followed by large withdrawal, repeatedly

– Draw on HELOC in concert with exercising Overdraft Line

– Shift in Bank-owned ATM Usage to non-Bank-owned ATM usage with significantly decreased balance

– For frequent OTC depositors, drop in OTC deposits and significantly decreased balance

– For high value customer, large outgoing wire transfer where customer has not had outgoing wire in previous X months

– High value customer has NSF item for first time in X months

– Combined product threshold - X consecutive months of deposit balances within Y% of required minimum balance for service charge waiver or product upgrade

Campaign Management
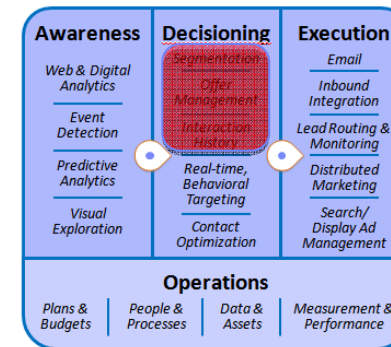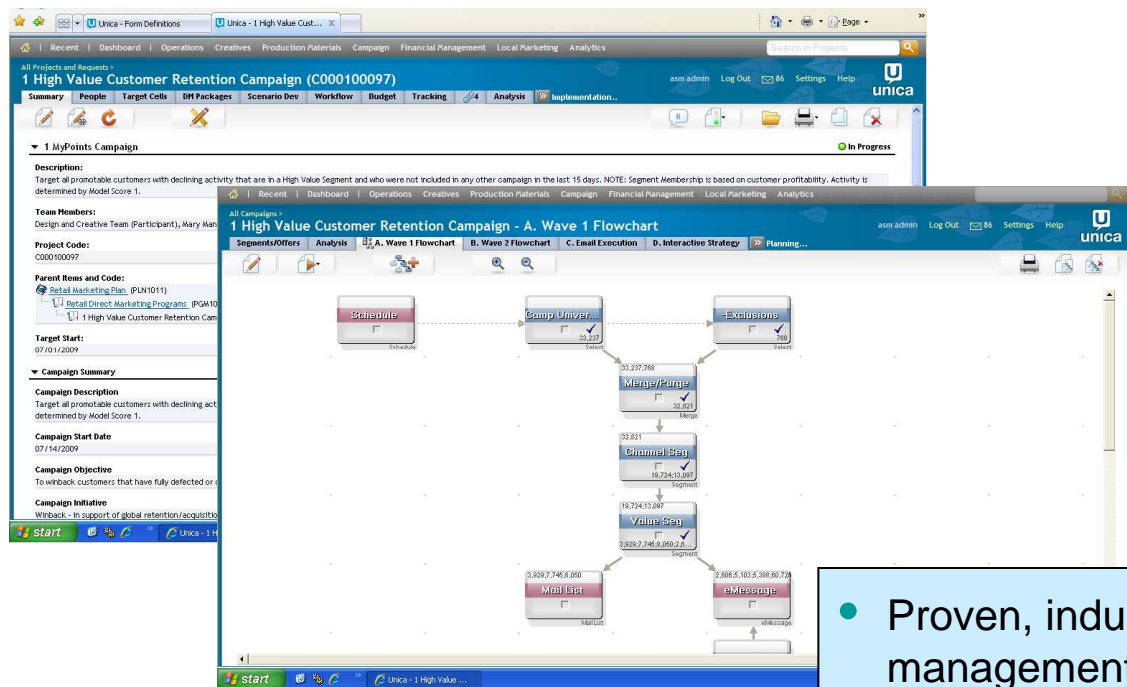
- Proven, industry-leading campaign management software

- Best-in-class functionality

- Unmatched scalability

- Flexibility to fit with existing infrastructure, utilize changing information sources

Dialogue Across Customer Life Cycle
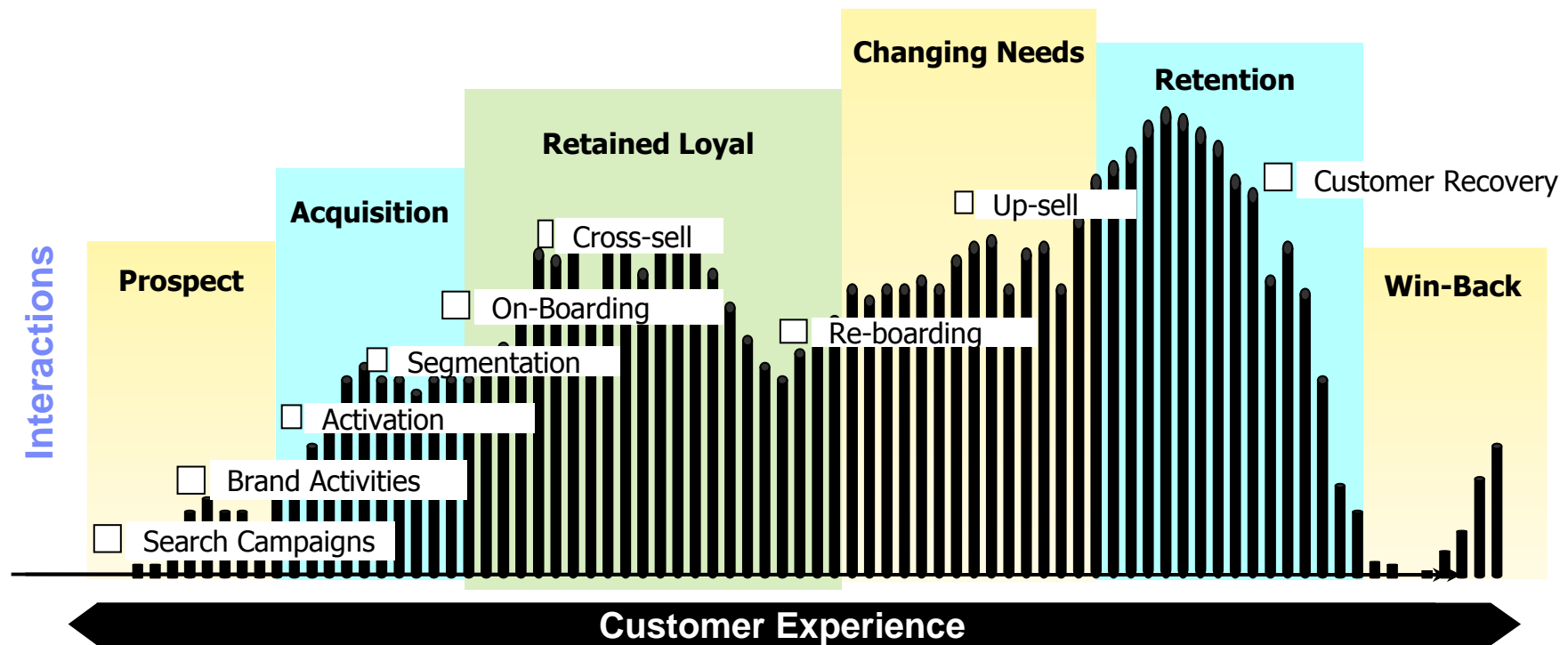
Companies need to engage Customers at all stages
of the Lifecycle

Real Time Targeting

Intelligent personalization for real-time channels

Call Center

Kiosk, POS

Awareness	Decisioning	Execution
Web & Digital Analytics	Segmentation	Email
Event Detection	Offer Management	Inbound Integration
Predictive Analytics	Interaction History	Lead Routing & Monitoring
Visual Exploration	Real-time Behavioral Targeting	Distributed Marketing
	Contact Optimization	Search/ Display Ad Management

Operations

Plans & Budgets	People & Processes	Data & Assets	Measurement & Performance
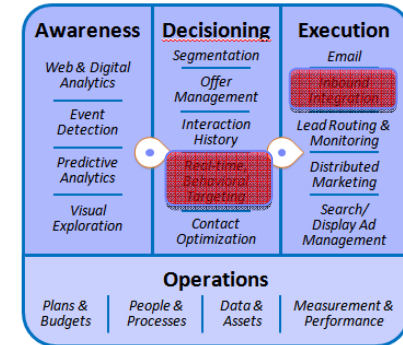
- Extend existing segmentation, offers and campaigns for a consistent cross-channel experience and greater productivity
- Connect to real-time touch points via web services and other standards
- Social Sharing

19

Real Time Targeting – Call Center Dialog
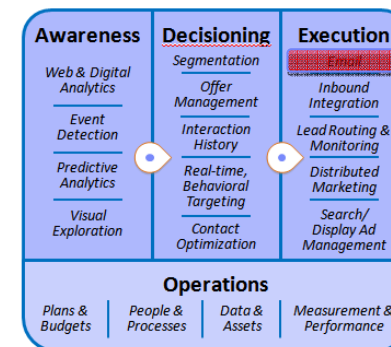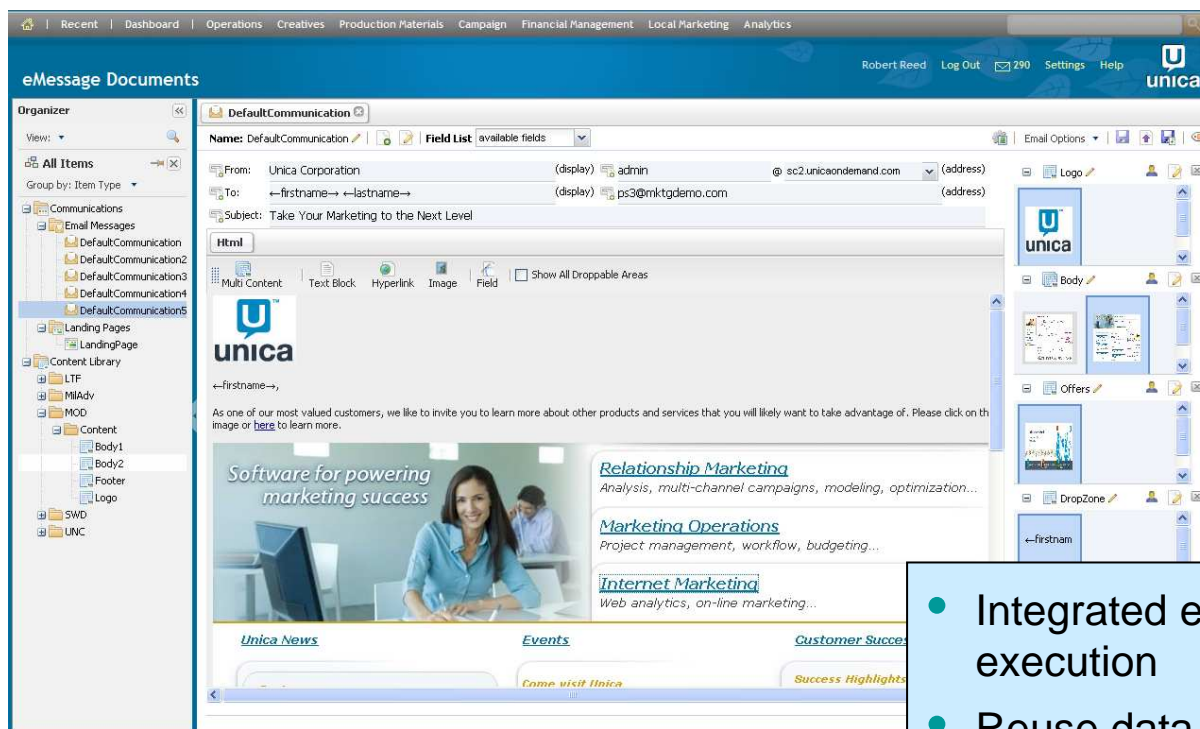
Contact & Offer Optimization

Determines best interaction strategy:

- For each customer

- Across campaigns, channels, products and offers

- Within business rules and constraints

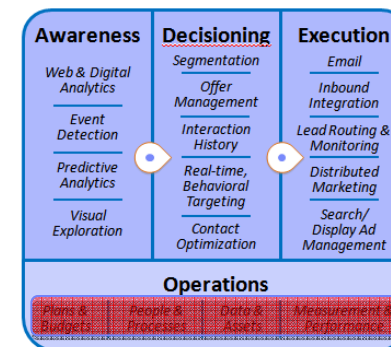- Tightly integrated with Unica Campaign
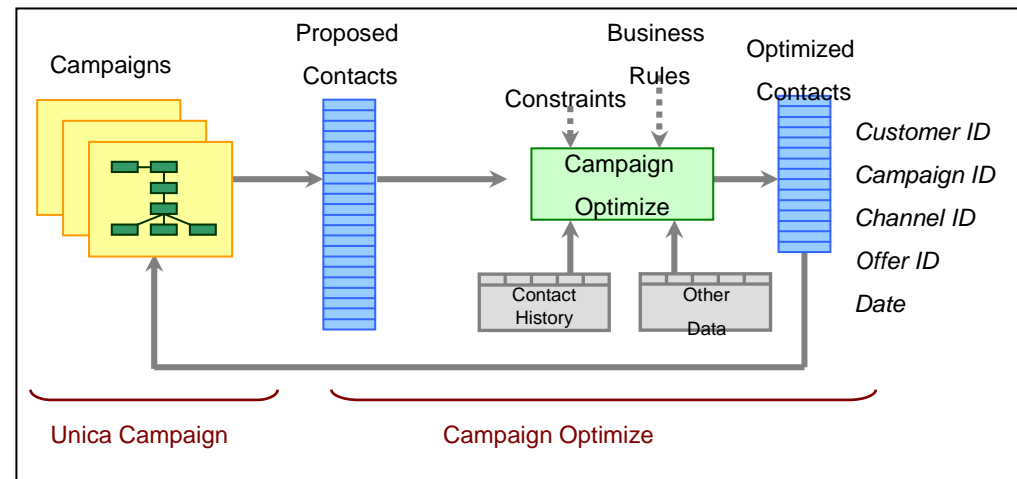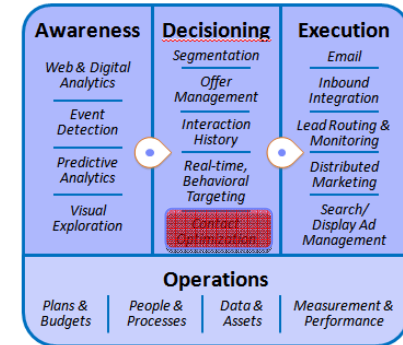
End-to-End Email Campaigning

- Integrated email and SMS authoring and execution
- Reuse data, strategies, and segments, for cross-channel consistency, efficiency
- Track, report response across all channels
- WYSIWYG email composing
- Deliverability Monitoring

Marketing Operations

- Planning and budgeting
- Financial and operational management
- Digital asset management
- Ensure alignment across marketing
- Visibility into status, budgets, resources
- Enterprise solution (UMO) or on-demand (MarketingCentral)

All Processes of Marketing Organizations:
Inbound & Outbound & Online & Offline
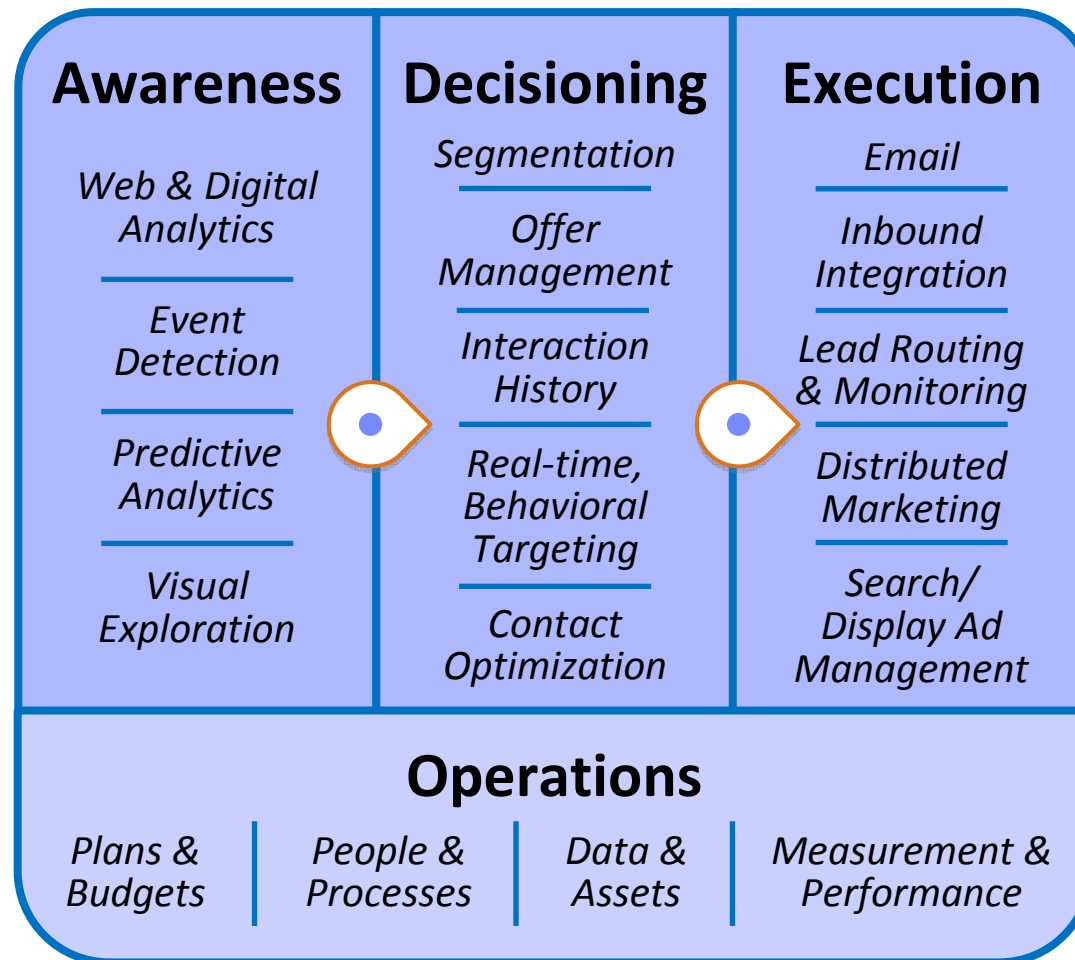
Awareness

Web & Digital Analytics

Event Detection

Predictive Analytics

Visual Exploration

Decisioning

Segmentation

Offer Management

Interaction History

Real-time, Behavioral Targeting

Contact Optimization

Execution

Email

Inbound Integration

Lead Routing & Monitoring

Distributed Marketing

Search/ Display Ad Management

Operations

| Plans & Budgets | People & Processes | Data & Assets | Measurement & Performance |

Table of Contents

1. Marketing Trends

2. Interactive Marketing

3. Industry Cases

4. Demonstration

IBM

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

Typical Benefits

10-50% increase	Increase response rates	Increase productivity/ campaign volume	**50-300% increase**
5-15% improvement	Improve customer retention, loyalty & value	Reduce cycle time & increase efficiency	**40-80% reduction**
20-75% reduction	Lower customer acquisition costs	Reduce campaign & marketing costs	**20-40% reduction**

eBay® — 113% lift in email open rates
285% lift in banner response rates

GM — Over 100 concurrent campaigns a month

BEST BUY — Reward Zone membership doubled in 3 months

ARVAL A BNP PARIBAS company — Campaign prep time reduced from 3 weeks to 1 week

CITRIX® — Cost-per-conversion decreased nearly 80%

ING — Marketing staff costs reduced 35%

Leading Financial Institutions Rely on IBM EMM

Delivering personalized offers across channels in real time

ING

turns inbound interactions into profitable communications

Inbound contacts

Outbound response
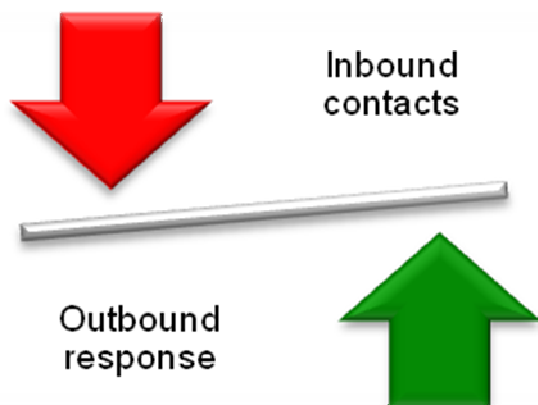
Business Need

- Outbound campaigns were ineffective – not taking advantage of customer initiated interactions

- Needed to create a single, cross-channel, relationship with each customer

- Disparate teams managed customer dialogs

- Needed to reduce marketing costs

Real Results

- Relevant, real-time campaigns drive higher response rates

- 85M targeted offers served each day across 5 channels – direct mail, email, web, call center, and branches

- €20M increase in earnings expected

- Lowered direct marketing cost 35%

- Faster campaign cycle times: from 26 weeks per campaign to just 4 weeks

NBA for Internet

Homepage Mijn ING

Evelien Oosten

- 41 years
- Payment customer
- For 4 years she has a mortgage with ING
- Active saver
- Last month we saw withdrawal in Germany

NBA in branches

Branches application with customer view

Erik de Boer

- 44 years, 2 children, one of them turned 12 last week
- Owns his own home – no mortgages with ING
- Payment customer
- Saves automatically with ING
- Filled out a form for car insurance on the Internet, but he didn't finish it.

Inbound expected value optimisation

For every product segment several offers are developed. Every customer is selected for at least one offer in every product segment

Payments

| P1 | P2 | P3 | ... |

Savings

| S1 | S2 | S3 | ... |

Mortgages

| M1 | M2 | M3 | ... |

Select

A customer will only be selected for the offers suitable for him / her.

Payments

| P2 | P3 |

Savings

| S2 |

Mortgages

| M1 |

Prioritise

For every offer the expected value will be calculated. The offerlist will be sorted based on the expected value.

| 1 | 2 | 3 | 4 |
| M1 | P3 | S2 | P2 |

Filter

For every channel only the suitable offers will be selected.

| 1 | 2 | 3 |
| P3 | S2 | P2 |

Next Best Action (NBA) Machine
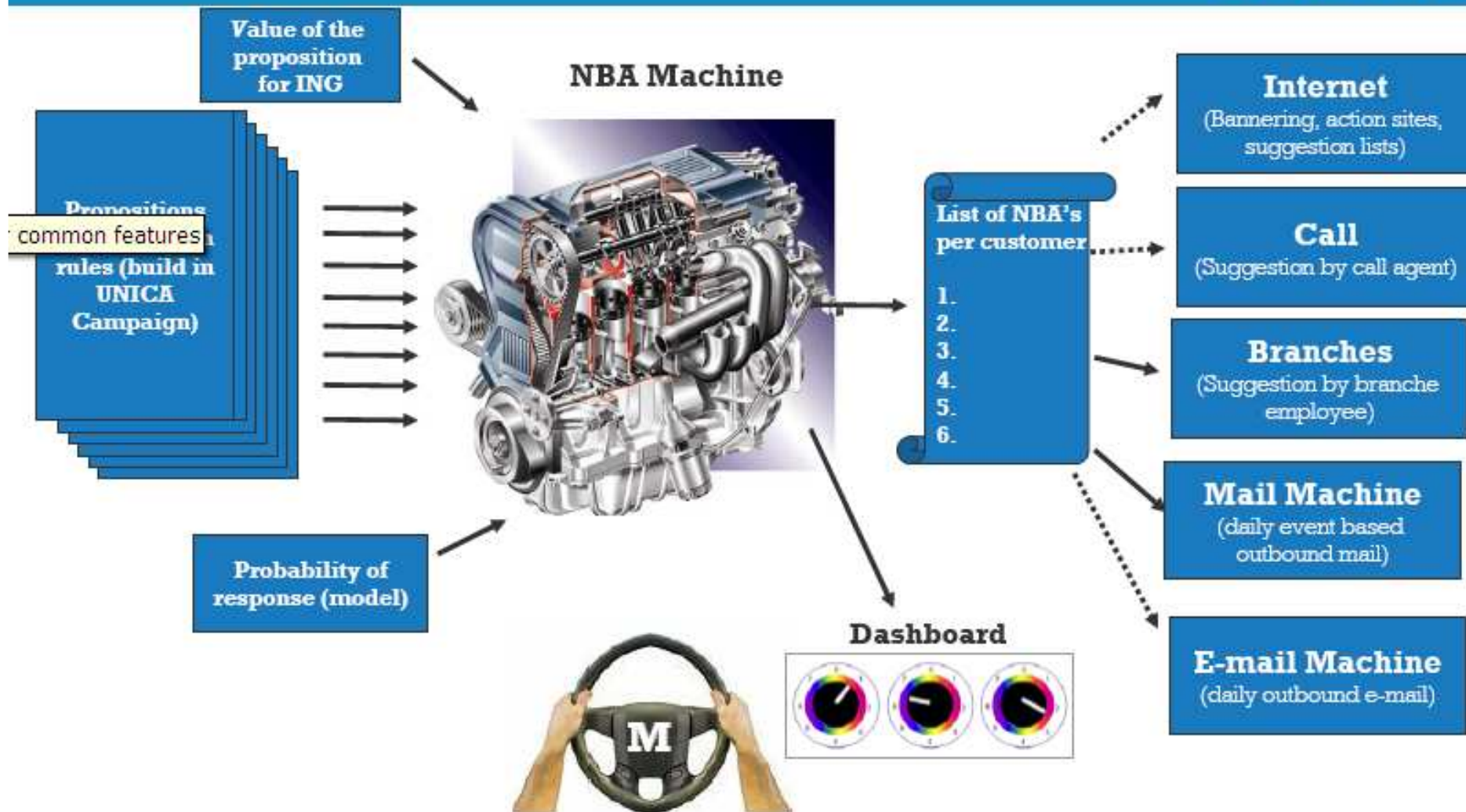
Value of the proposition for ING

NBA Machine

Propositions

common features

rules (build in UNICA Campaign)

Probability of response (model)

List of NBA's per customer

1.
2.
3.
4.
5.
6.

Internet
(Bannering, action sites, suggestion lists)

Call
(Suggestion by call agent)

Branches
(Suggestion by branche employee)

Mail Machine
(daily event based outbound mail)

E-mail Machine
(daily outbound e-mail)

Dashboard

Table of Contents

Unica is the Proven Solution
for Telecommunications Companies

Vodafone — Spain

vtr

TIME WARNER CABLE

orange — Belgium

Qwest

O2 — UK

comcast

vivo — Germany

O2

Sogecable

at&t

vodafone — Germany

CHINA MOBILE 中国移动通信

Virgin mobile

U.S. Cellular

TELUS

Charter COMMUNICATIONS — A Wired World Company

BCE

FOXTEL

orange — UK

TDC

vodafone — Netherlands

orange — Switzerland

AIS

orange — Poland

BEZEQ

SingTel

SFR

suddenlink — Life Connected

O2 — Slovakia

Sprint

upc

alltel wireless

vodafone — Ireland

belgacom

SKY

DIRECTV

HOT

O2 — Ireland

NTT

Telefonica

SIRIUS | (XM) SATELLITE RADIO

vodafone — UK

orange — France

COX COMMUNICATIONS

Cebridge connections

vodafone — New Zealand

Telco Marketing Priorities

Awareness → Consideration → Initial Purchase → On-Boarding → Cross- & Up-Sell → Retention & Win-Back

Acquire

Retain, cross-sell

Saturation

Mobile Penetration

140%
120%
100%
80%
60%
40%
20%
0%

China Canada Thailand US Japan France German UK Italy

Markets Are Converging

- New competitors
- More consumer choice
- More applications
- More usage
- Lower prices

Mobile

Internet

Television

Telephony

Gaming

Video
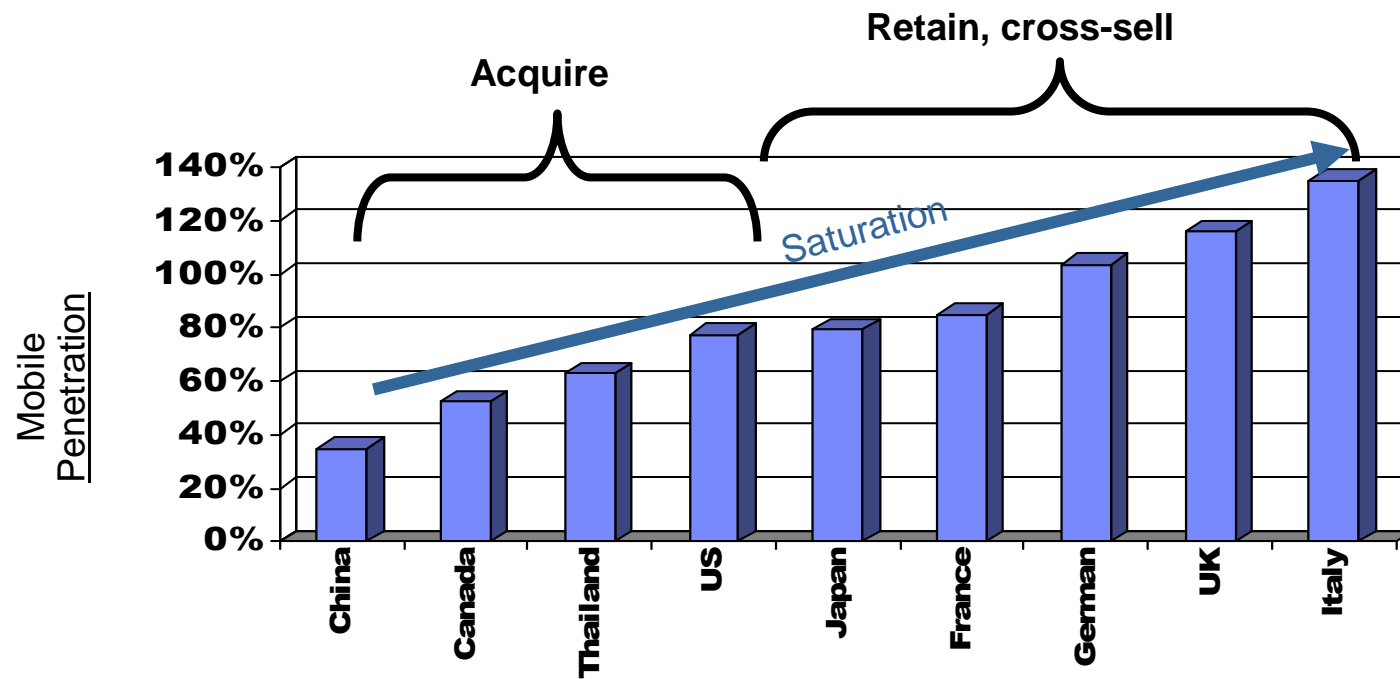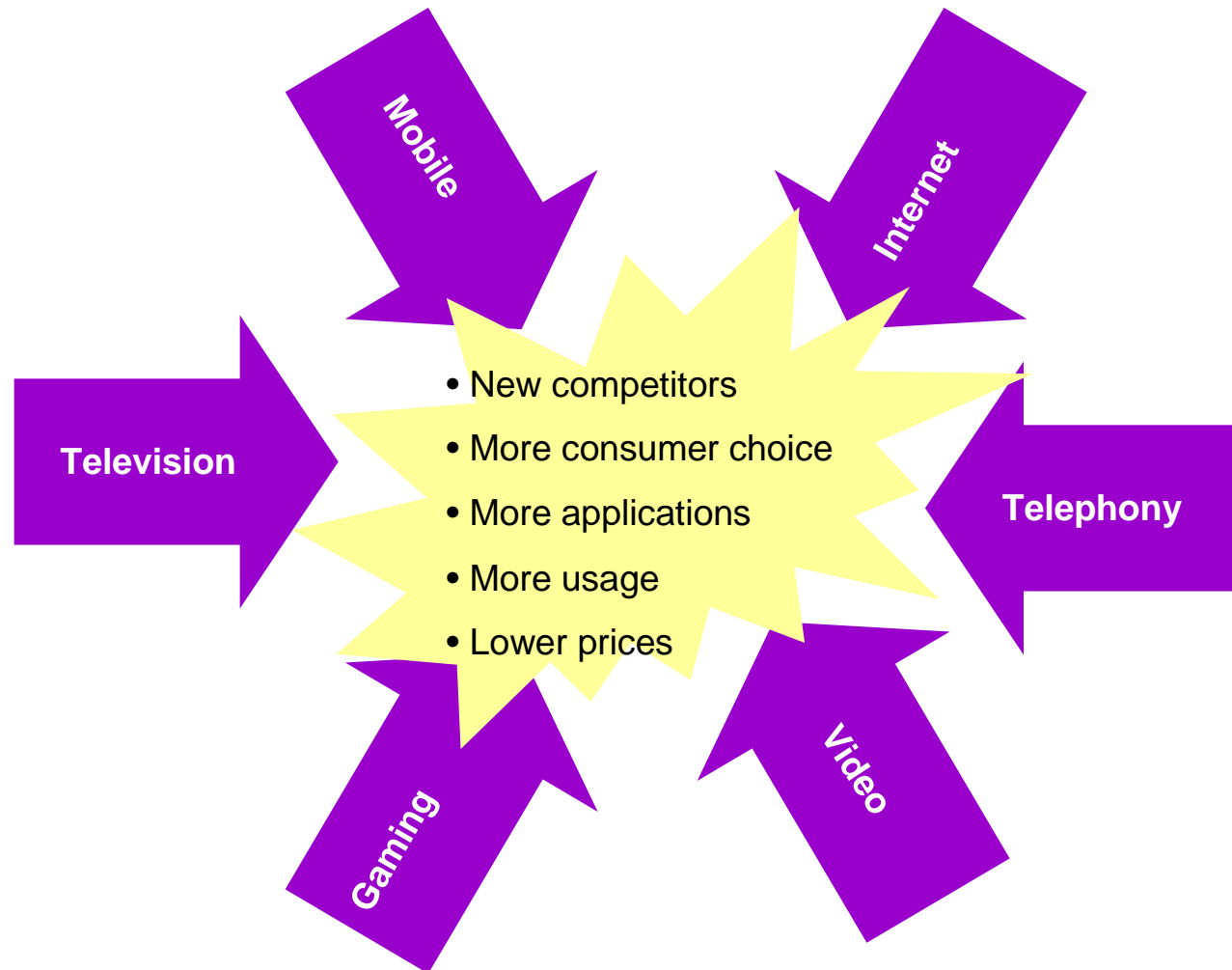
Customers expect organisations to deliver a unified experience whenever and on whatever channel they choose

Fixed Line Telco Business Drivers

- Incumbent telcos are slower and under pressure

- Fixed line revenues declining dramatically

- Reduce operating costs to maintain profitability

- Invest in new network technology to reduce costs, enable new services

- Expand consumer offerings to include broadband and TV ("triple play"), maybe wireless

- Big players (BT, DT, AT&T) focus on business customers

- Increased ARPU through more timely cross-sell and up-sell

- Improved customer loyalty and reduce churn

- Improved operating margin through better targeting of marketing spend

- Delivery of a compelling customer experience through a unified and relevant dialogue

- Maximise the commercial opportunity for mobile advertising

Proven ROI:

- Churn in highest value segments reduced by 50%

- Retention rates increased by 40%

- Time to market decreased by 50%

- Increased campaign volume by 25% whilst keeping the same level of resources

Dialog Across Customer Life Cycle

React to missed on-boarding activities

Notify customers about website for convenience thru call center

Use one-to-one dialogs to stimulate usage and gather feedback

Detect a pattern of reduced interest

Respond to competitive offers

Campaigns targeting anonymous visitors

Activities per Day

Customer Life Cycle Over Time

…Web Activity…

…Transactions…
(Purchases, Usage)

…Other Activity…
(Calls, IVR, Affiliates)

Increasing purchases with a focus on customer loyalty

automates marketing to increase relevance of messaging, retain customers, and increase basket size and profits

Business Need

- Shift from customer acquisition to building loyalty with Reward Zone program

- Evolve marketing spend from mass to more personalized

- Campaigns based on timing, trends, and triggers

Real Results

- 17% increase in operating profit

- More Effective Campaigns = More, Bigger, Better Baskets

- 10% increase in trips to store

- 20% increase in shopping basket size

- 20% increase in margin

- Process Improvements

- 82% reduction in cycle time, 3x improvement in efficiency

From "batch" to real-time - revenue and relevance soar

Integrated web behavior, email, and rewards history for more effective communications and business results

Business Need

- Customers behaved in real time; IHG marketing focused on batch processing

- Customer expected a dynamic, relevant, multi-channel approach

- Large scale operations needed to support millions of customer interactions each day

Real Results

- 250% increase in clicks per day

- Revenue per impression rose from $0.18 per to $0.77 (400% increase)

- Moved oversight of transactional email from IT to Marketing

- One comprehensive marketing platform with integrated email and transactional data

- Full tracking and reporting with better deliverability, and centralized business ownership

Table of Contents

1. Marketing Trends

2. Interactive Marketing

3. Industry Cases

4. Demonstration