IBM Enterprise Marketing Management

*Bringing Science to the Art of Marketing*

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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

Product Leadership

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

- The recognized leader in marketing software solutions

Our Mission

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

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Table of Contents

1. Marketing Trends
2. Interactive Marketing
3. Industry Cases
4. Demonstration
Businesses are challenged by rapidly changing environments.

Only 2 of the year 2000’s list of the world’s 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

Sources:
• Yankelovich,
• 2010 IBM CEO Study
• January 2009 “Marketing Technology Adoption 2009”, Forrester Research
The web has moved from a network of content to a network of people who shape your brand is perceived.

I have 10,000 followers and can convince them all that your product is terrible.

I received a compelling competitive offer and am about to defect.

I always post positive reviews when I'm satisfied with products and service.

I expect your promotions to be relevant to me – not for things I never buy.
The future of marketing is also changing…

**“Traditional” Marketing**

- “Offline”
- Single channel
- Silo’ed
- Mass media blasts
- Company Brand
- Selling
- Intuition driven
- Static
- Product-Centric
- Reactive
- One-way

**Transformational Marketing**

- Online & Offline
- Multi-channel; 24/7
- Coordinated & deliberate
- Personalized 1:1 dialogue
- Customers contribute to brand
- Anticipating & servicing
- Data driven
- Agile, dynamic
- Customer experience-centric
- Predictive
- 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

- 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
Companies need to engage Customers at all stages of the Lifecycle

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Real Time Targeting

Intelligent personalization for real-time channels

- 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
Real Time Targeting – Call Center Dialog

Towne Bank

Customer Information

<table>
<thead>
<tr>
<th>Customer ID</th>
<th>Phone</th>
<th>Job Title</th>
<th>Customer Since</th>
</tr>
</thead>
<tbody>
<tr>
<td>201</td>
<td>(219) 759-5178</td>
<td>Accountant</td>
<td>9/95</td>
</tr>
</tbody>
</table>

Address:

1131 Shadesmont

City: Birmingham

State: AL

Zip: 35226

Customer Activity

<table>
<thead>
<tr>
<th>Card Type</th>
<th>Loan Type</th>
<th>Product</th>
<th>Call Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Personal Banker</td>
<td>Close Account</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Personal Banker Ext</td>
<td>x69234</td>
</tr>
</tbody>
</table>

Region: Central

Recent Offers

<table>
<thead>
<tr>
<th>New</th>
<th>Offer Date</th>
<th>Offer Code</th>
<th>Description</th>
<th>Priority Status</th>
<th>Accept</th>
<th>Reject</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1/25/11</td>
<td>310000</td>
<td>Training</td>
<td>1 Available</td>
<td>Accept</td>
<td>Reject</td>
</tr>
<tr>
<td>Yes</td>
<td>12/3/10</td>
<td>71</td>
<td>New Phone For Email</td>
<td>2 Available</td>
<td>Accept</td>
<td>Reject</td>
</tr>
<tr>
<td>Yes</td>
<td>12/3/10</td>
<td>50022</td>
<td>New Phone Existing</td>
<td>3 Available</td>
<td>Accept</td>
<td>Reject</td>
</tr>
</tbody>
</table>
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
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Execution
- Email
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Operations
- Plans & Budgets
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- Data & Assets
- Measurement & Performance
Table of Contents

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2. Interactive Marketing
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10 Year Market Leader

Figure 1. Magic Quadrant for CRM Multichannel Campaign Management

- IBM-Unica
- SAS
- Teradata-Aprimo
- Oracle (Siebel)
- SAP
- Microsoft Dynamics CRM
- Eloqua
- Alterian
- RightNow
- Marketo
- Pitney Bowes
- smartFOCUS
- Responsys
- Neolane
More than 2500 Organizations Worldwide Depend on IBM’s EMM Solutions

Financial
- KB
- E*TRADE FINANCIAL
- HBOS plc
- CSOB
- BMO Bank of Montreal
- BBVA
- Capital One
- SunTrust
- WELLS FARGO
- CUNA MUTUAL GROUP
- Scotiabank
- Sainsbury's Bank

Telecom
- comcast
- orange
- mobile
- U.S. Cellular
- vodafone
- Qwest
- AIS

Retail / Catalog
- L.L.Bean
- BEST BUY
- LANDS’END
- KOHL’S
- ORVIS
- NORDSTROM
- STAPLES
- JCPenney
- eBay
- Sears

Travel / Hospitality
- virgin atlantic
- U A L
- Marriott
- Choice Hotels International
- Cathay Pacific
- STARWOOD HOTELS & RESORTS WORLDWIDE, INC.
- Hilton
- Harrah's

Healthcare & Insurance
- medco
- Amica
- MÉDÉRIC COMPLÉMENTAIRE
- CATHAY PACIFIC
- HUMANA
- AstraZeneca
- AAA Life Insurance Company

B2B / High Tech
- monster
- EMC2
- MARSH
- GRAINGER
- IBM
- AARP Life Insurance Program
- STAPLES
- Corporate Express
- CDW

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**Typical Benefits**

- **10-50% increase**
  - Increase response rates
  - Increase productivity/campaign volume

- **5-15% improvement**
  - Improve customer retention, loyalty & value
  - Reduce cycle time & increase efficiency

- **20-75% reduction**
  - Lower customer acquisition costs
  - Reduce campaign & marketing costs

**Over 100 concurrent campaigns a month**

- **113% lift in email open rates**
- **285% lift in banner response rates**

- **Reward Zone membership doubled in 3 months**
- **Campaign prep time reduced from 3 weeks to 1 week**

- **Cost-per-conversion decreased nearly 80%**
- **Marketing staff costs reduced 35%**

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Leading Financial Institutions Rely on IBM EMM
Delivering personalized offers across channels in real time

turns inbound interactions into profitable communications

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

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

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 offer list will be sorted based on the expected value.

Payments: P3, P2
Savings: S2
Mortgages: M1, P3

Filter

For every channel only the suitable offers will be selected.

Payments: P3, S2, P2
Savings: S2, P2
Mortgages: P3, S2, P2
Next Best Action (NBA) Machine

Value of the proposition for ING

Propositions
common features
rules (build in UNICA Campaign)

Probability of response (model)

NBA Machine

List of NBA’s per customer
1.
2.
3.
4.
5.
6.

Dashboard

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)
Table of Contents

1. Marketing Trends
2. Interactive Marketing
3. Industry Cases
4. Demonstration
Unica is the Proven Solution for Telecommunications Companies
Telco Marketing Priorities

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

Acquire → Retain, cross-sell

Saturation

Mobile Penetration

China → Canada → Thailand → US → Japan → France → Germany → UK → Italy

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Markets Are Converging

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

Customers expect organisations to deliver a unified experience whenever and on whatever channel they choose.
Results in Telecom

- 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
Strong Portfolio of Retail Customers
More than 150 and Growing
Key Retail Marketing Trends

- Leading retailers are focusing on cross-channel experience
  - By 2014, one-third of in-store sales – or $1 trillion – will be influenced by the web
  - Two-thirds of online shoppers engage in some form of cross-channel shopping behavior
  - Only 13% of retail web owners consider driving store sales a top priority.

- Email is the most popular marketing tactic followed by paid search
  - Search drives acquisition with SEM and organic search delivering more than half of new customers
  - Email drives relationship marketing – 93% of retailers said email was more important in 2011 (gaining in importance every year)

- Lots of interest in mobile and social media but still limited action
  - Mobile technology is one of the top marketing technologies (#2) that marketers say they plan to use (site optimization is #1)
  - Marketers are more bullish that the effectiveness of mobile marketing will increase compared to most other channels (except social media and SEM)
  - Lots of early stage participation in social media but efforts remain largely silod

- Field marketing is gaining in popularity
  - Campaigns executed by store managers
  - In-store events

- Investment in planning applications to support production management processes
  - Facilitate time to market

Sources: Forrester Research, Shop.org
Increasing purchases with a focus on customer loyalty

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
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So don’t miss the train, call us!