INTERVIEW WITH ELANA ANDERSON

Eric Green:
Hello and welcome to a new podcast series from IBM software that explores the challenges IT managers and business professionals are facing today. I'm Eric Green and I'll be talking with a range of experts to discover new perspectives, approaches and examples that can help meet these challenges and introduce you to the capabilities of smarter software from IBM. So let's get started.

Welcome to our next episode, focusing on enterprise marketing management. Organizations have spent great efforts, time and money over the years trying to reach the right audience with the right message through their various marketing efforts. The complexity of this messaging increased with the speed new technologies and products were able to get to market. And how, of course, consumers bought such products continued to change, as well, through the evolution of e-commerce. This is of course, old news. In fact, in this market, news from last month, less yet five years ago, is old news.

So how do organizations maximize visibility into their consumers to develop cutting-edge marketing management to meet, or better yet, exceed customer expectations and needs? Here to discuss this and much more is Elana Anderson, Director of Product Management and IBM's Enterprise Marketing Management Group. Elana came from Unica, which was acquired by IBM in 2010, where she was VP of Products. As a point of interest, prior to that, she was Research Director for Forrester Research's marketing practice area. Thanks so much for joining us today, Elana.

Elana Anderson:
Thanks very much, Eric.

Eric Green:
So Elana, how has marketing been changing over the last few years?

Elana Anderson:
Well that's a very interesting point and you kind of said it in your intro. It used to be change over months and years and now you're literally talking about change happening on an incredibly frequent basis. If we look at marketing over the last many years, we've seen a tremendous proliferation of channels, specifically the number of channels or the number of avenues that marketers have to interact with individuals. We've also seen tremendous evolution of the internet. And one way to think about that through the evolution of social media, is the internet used to be really a

network of content. And now the tremendous opportunity that marketers have is to tap into a network of people on the internet. Of course, with social media brings challenge for marketers, because they're no longer in control. The consumer, the buyer, has much more control and is taking much more control away from the institutions that marketers used to be able truly control their message.

And then the other key issue that marketers are faced with is again that overall acceleration of the pace of change. If you go back through all of the kind of major shifts that have happened in our world over the past many decades, it took probably a decade and a half for TVs to be in every single home. And now if you just compare that to how Facebook has grown, just in a couple of years, or how tablet PCs, or the iPad, for example, has just proliferated incredibly rapidly.

So you take that what used to be a number of decades for adoption of new channels, and today that's down to one or two years for some of these new technologies. So that gives marketers a lot of headaches, but it also gives marketers a tremendous opportunity. Because what's interesting about all of these channels is that they're also addressable. And what addressability means is that marketers can establish a one to one interaction with an individual. So there's a huge amount of opportunity there. At the same time, it's challenging for marketers to leverage that opportunity to engage one to one with an individual. It requires a lot more information. How do I get the right message? If I have an opportunity to engage with you, I only have one chance to impress you, and if that's with a completely irrelevant, erroneous message, or if I'm in your face with my big bullhorn, telling you what I think you need to do, then that's not going to be well received by the buyer, by your audience. And so marketers really need to think differently in today's world about how they engage, interact, with their buyers, with their audience.

Eric Green: So it sounds like you're saying that marketers really understand, or need to understand individual needs. Can you give some sort of quick type of examples of what that really means in the real world?

Elana Anderson: Yeah, sure. So if I come to your website, right, and I'm engaged – maybe let's say it's a banking website. And we all kind of have this experience, most of us use our – go and check our accounts and research various information from our banking site. And so, how many of have had the experience that when I log into my

banking website, you know, immediately as I'm trying to get to my account, boom, up pops this 'Hey, we have some offers for you.' You know, 'If you don't want to hear about these offers now, click no thanks.' That is intrusive to me. It's annoying! Because really what I'm trying to do is check my balance.

Now, think about the alternative approach. If I am on the site and maybe I am researching 529 plans because I have, you know, a child in elementary school and it's time for me to start thinking about college. And in that process, if I'm served up information in forms of banner ads and that sort of thing as part of my experience on the site, that are relevant to what I'm trying to do, that makes a lot more sense. It's not intrusive. It's helpful to me, it's almost as a service. And then to think about as I progress, if I go into the branch, or if I call customer service on the phone, if the customer service folks are aware that I have been researching 529 plans online on the site, they can then be prepared to help reinforce or share additional information. In that way, marketing is less in-your-face and obtrusive to me, and it's much more helpful. It's almost like a service to me.

Eric Green: That's excellent. And so in that message with technology changing and us being able to grasp more information, how is marketing efficiency changing? I mean, is everyone becoming a direct marketer of sorts in the modern world?

Elana Anderson: Yeah, well that's actually a pretty perceptive way to think about it. Because as I as a marketer need to leverage these addressable channels – what addressability means. Now I might not know your name. I certainly can, if you're interacting with me in a site experience, I don't need to know your name. But I can capture information, or nuggets of information about you that give me some idea of what you're trying to accomplish, what your intent is. And then I need to leverage that information to drive the right message back to you. So that is very much like direct marketing.

Direct marketing gets a bad name in some respects because most people think about direct marketing and they think about the oodles and oodles of direct mail pieces and catalogs that land in their mailbox and they think about all those annoying telemarketing calls that they get. But direct marketing has fundamentally changed too as more and more channels become addressable. And so we need to think about how do we leverage direct marketing techniques like capturing rich information about an individual, like segmenting and modeling that information

about the individual. And then using that information to drive very relevant, targeted message back to the individual.

One of the other major changes, though, to direct marketing is that in the old days, and this is where the efficiency factor comes in – in the old days, we used to have lots of time. You know, we'd have our six major catalog mailings on an annual basis, and we'd have months to plan out our campaigns. In today's world, if you're thinking about driving and delivering, interacting with an individual in a real time web session, online session or mobile device or on the phone with an individual, the direct marketing process needs to be much, much, much faster, real time.

So your ability to capture information, process information, understand the historical context of the individual, but then also take in the real time contextual information and process that, in real time, is very critical. So while direct marketing tactics absolutely are fundamental to thinking about how to drive relevant messaging in today's channels, we also need to do it on a much, much more frequent basis, and we need to have a lot more content to support our effort. And that requires marketers to do much, much more than they have historically done. So technologies that help us manage our process, capture information in real time, process information in real time, become very critical to helping marketers succeed in that endeavor.

Eric Green: That's fascinating. I remember, you know, the old days not so long ago of marketing and pooling our, I guess, customer pool and trying to get some sort of primary research and surveys. I mean now, that is just built in, you know, how we interact with our customers on your real time comments there. So that's really interesting. Can you address some of the, sort of the real tangible benefits with enterprise marketing management?

Elana Anderson: Yeah. So what enterprise marketing management aims to do is really help marketers manage their entire marketing process as well as interactions with the individual. So essentially what we've been discussing in more business terms at this point. And so the technology – when I think about the technology, I kind of – we create a framework that consists of four critical categories. One is, the technology needs to help me develop a deep understanding of my customer. So, most organizations put an awful lot of work into building a customer data infrastructure, but the technologies that can help me monitor and understand customer behavior, identify intent, identify a need, and then push that to marketing, and say,

'Hey, you've got to do something about this.' That's what we're talking about. How do I develop a keen understanding of my customer, their desires, their intent, their need.

The next category, the next key requirement category is what we call centralized decisioning. So how can we take our understanding of the individual, and based upon everything we know, decide what is the right message? What is the right cadence of those messages? And when a customer comes to us through an inbound channel, how occupationally disabled we respond? So centralized decisioning helps us capture and create, really, the dialogue that we've been talking about with the customer. It helps us understand when the customer sees a message from me, and then how do they respond or not respond to that message. And that helps me drive, well what am I going to do next?

The third category is execution. So once we've decided what's the right message, how do we execute the message, plug into whatever channel the message is being delivered from. And then supporting all of that, so the fourth category is really about effectively managing the marketing operation. Because doing all of these things that we've talked about requires a lot of coordination, a lot of management, and so technologies that help me manage that overall process, manage the resources associated with that process, are critical.

So within those four categories, and that's the framework that we leverage for thinking about EMM, enterprise marketing management. But really, you know, to get back to your specific question – what are the key benefits – they really fall into these two categories. One is really about marketing effectiveness and the other is about marketing efficiency. So what is marketing effectiveness, specifically, how I increase my response rates, improving customer retention rates, increasing share of wallet, increasing customer loyalty and value – those are all very focused on improving the overall effectiveness of my marketing programs.

To give you a couple of examples, eBay, who is one of our customers, simply by targeting – very focused on targeting – their e-mail programs, they increased lift of their programs by over 113%. Similarly, by putting targeted messages – so when somebody logs into their eBay account, by putting targeted banners on the website experience, they were able to increase click through rates on those banners by over 300%. So by – depending upon what the banners were, somewhere between 200 and 400%

increase in click through rates. Those kinds of results are just tremendous.

The other types of key benefits at the top level are efficiency savings, efficiency benefits. So think about things like doing more with less, lower acquisition costs, reducing cycle times, those are all very focused on how do I make my marketing – how do I do more with less – how do I make my marketing process more efficient. And so customers like ING, ING Bank in the Netherlands, they have, leveraging EMM technology, reduced their marketing cost by over 30% through the use of the technology, strictly based on making the overall process more efficient. Similarly, they've reduced their cycle time – in other words, the time that it takes to get a program out the door from initial ideation to execution – they've reduced that by a factor of 4X. So some tremendous results that customers see by implementing EMM.

Eric Green: That's very interesting. So there's a list of benefits that are definitely out there across any industry that you can think of for how to benefit from a good enterprise marketing management plan. But – so our audience definitely likes to sort of walk away from this with something very tangible. Would you mind completing this by giving our listeners maybe what you would consider to be three best practices from your vast experience in this space?

Elana Anderson: Sure, so let's see. So I guess I'd start with – don't try to solve world hunger when you embark on an enterprise marketing managing initiative. I've been in the world of consulting and also with my background at Forrester, and also building products for Unica and now IBM, I've been around this marketing technology space for … forever at this point. My hair is very gray. And I continue to see while it sounds like a very, you know, basic point – hey, don't try to solve world hunger, I continue to see companies that are trying to do just that. Too often, an enterprise marketing management initiative turns into a technology initiative implemented by IT. And I can tell you that if the business is not engaged, if the business is not a full-on, highly engaged sponsor, than the likelihood that initiative will fail grows tremendously. And also, I see that these initiatives turn into a technology initiative. They need to be a marketing initiative. And so what that means is figuring out – what am I trying to achieve with this phase of the project? What are my metrics? How am I going to measure results? That is simply critical. If that's not figured out then, you know, executives lose their appetite, they get focused on

other things, and the projects will fail. So tremendous results, if you are able to do these kinds of projects successfully.

My second recommendation would be around test and measurement. It's shocking to me as I talk across marketing organizations and even some of our customers where that basic test and measurement concept, which is a 101 concept for most direct marketers, is not applied holistically across the marketing organization. And so feeding off of – hey, if you've got an initiative and you're trying to improve marketing metrics, whether that's share of wallet, or whether that's increasing response rates and click through rates, whatever metrics are, you need to implement a test and measurement program. Otherwise, you won't be able to figure out what's working, and you won't be able to proselytize your results, and you won't be able to diagnose and drill into helping improve performance overall.

And then my third recommendation would be – be an internal marketer. Don't be afraid to self-promote. When you embark again on an initiative like this, people lose focus, and so you need to constantly be in there. I think marketers forget that they also need to market internally and proselytize – I said that word a minute ago – proselytize their results. So as you move forward, as you test and measure, as you hit improvements, it is critical to keep the energy up in these kinds of marketing transformation projects. And so you've gotta talk about, you've got to shout from the high hills about what you're doing, why you're doing it, and what the results are.

Eric Green: Well thank you very much for those great pointers, Elana, but I'm actually afraid we are out of time for this particular podcast. But thank you so much for joining us.

Elana Anderson: Thank you, I appreciate it.

Eric Green: Thanks for listening. Please do visit IBM.com/software to connect with our experts, continue the conversation, and to learn more about smarter software from IBM. Let's build a smarter planet.