Enterprise Marketing Management (EMM)

Today's empowered customer puts marketing to the test—Enterprise Marketing Management empowers marketers

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Enterprise Marketing Management, or EMM, is a software technology solution for marketing organizations that provides a comprehensive marketing platform for managing customer and prospect interactions throughout the customer lifecycle. Before introducing the IBM® Enterprise Marketing Management suite, here are some recent observations about today's marketing environment that set the context in which IBM is seeking to meet the needs of marketers.

44% of companies use crowd sourcing from customers	4 in 10 smartphone users search for an item in a store	80% of CEOs think they deliver a superior customer experience 8% of their customers agree	86% use multiple channels	4-5x more than average is spent by multi-channel buyers	45% check with a friend before buying	78% of consumers trust peer recommen-dations

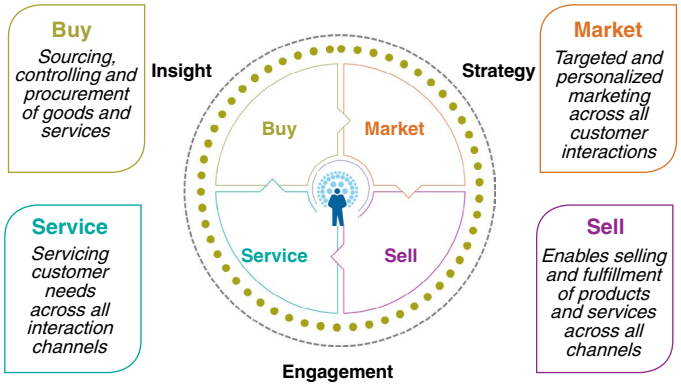
The practice of marketing is challenging these days because of the rise of the "empowered customer." Today's customers are well-informed, use other people as their primary information source, interact with companies through multiple channels, touch points and media, and want (but rarely get) a superior customer experience—and have outlets for venting frustration when they don't get what they want.

Your customers are truly empowered. To serve these empowered customers, marketers must—now more than ever—put customers at the center of everything they do.

Businesses rise to the challenge with EMM

IBM is committed to helping marketers be successful despite these challenges. IBM's commitment to meet the needs of marketers is part of a larger concept that IBM calls Smarter Commerce™. Smarter Commerce embraces the rise of the empowered customer and suggests that key business processes—primarily buying goods to sell, marketing them, selling them and servicing those who bought them—all need to be better connected to the customer, and as a result, better connected to each other.

Marketing is a key part of this approach.

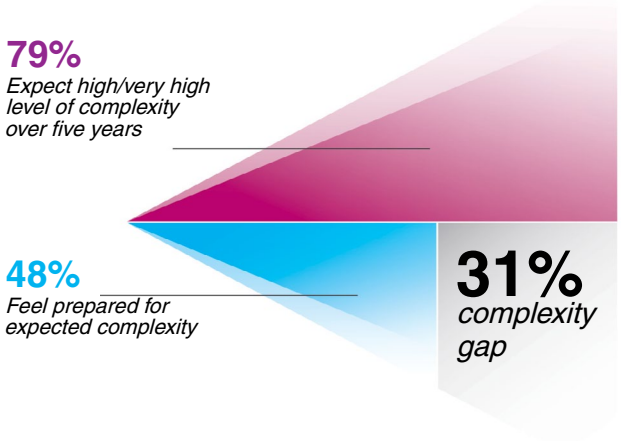


Marketing's role has expanded over time, beyond its traditional boundaries. Today, marketing also contributes to the business processes of buying, selling and servicing. It's natural that any business process a company is trying to make more customer-centric will require deeper connections to marketing.

Marketers face a "complexity gap"

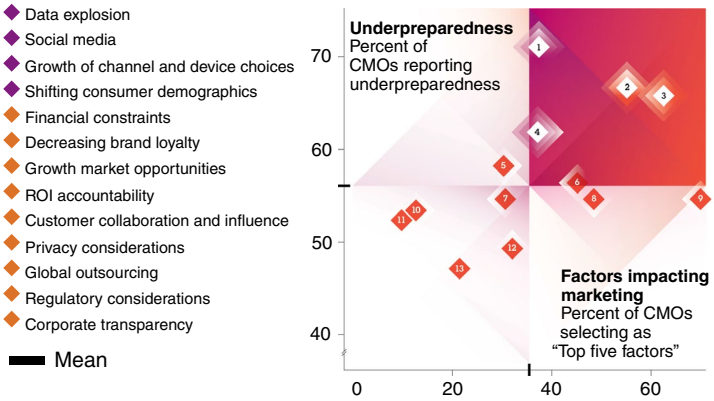
The results of IBM's groundbreaking Chief Marketing Officer (CMO) study, released in 2011, reinforce the observation that marketing is a challenging practice these days. IBM interviewed over 1,700 CMOs from around the world to create this study. The data highlighted here reveals some of the most important challenges facing CMOs and their marketing organizations today.

In the study, CMOs talked about being challenged by the growing complexity of marketing. Seventy-nine percent of CMOs expect a high or very high level of complexity in their work as marketers in the next five years. But only 48 percent of CMOs feel prepared for the complexity they expect. This creates what IBM calls a 31 percent "complexity gap," meaning CMOs need help dealing with this complexity.



But what does "complexity" mean, exactly? Some additional data helps to answer that question.

IBM asked CMOs to rate specific marketing-related challenges, both in terms of how significantly these challenges can impact marketing success—the x-axis of the chart on the right—and in terms of how underprepared they are to deal with these challenges—the y-axis of the chart.



The biggest headaches The four most prominent challenges for CMOs are data explosion, social media, proliferation of channels and devices, and shifting consumer demographics.

Challenges that appear in the upper right quadrant of the chart represent those that are both high-impact and which CMOs are the most unprepared for. In other words, these are the most difficult challenges facing marketing organizations today.

The top four challenges are data explosion, social media, growth of channel and device choices, and shifting consumer demographics. It's easy to see why CMOs are facing a "complexity gap," because all of these challenges make marketing much more complicated today that it has ever been before. And it's only going to get more complicated in the future.

You might think this "underpreparedness" exists only at companies that are underperforming, in terms of their overall business performance. But in fact, the problem is universal. Even marketers who work for the most successful organizations—the "outperformers"—are struggling. IBM's CMO study shows that outperforming organizations are slightly better prepared to manage the most critical challenges—but only slightly. And less than half of these outperformers feel completely ready. Those in underperforming organizations are even more uncertain of their ability to cope.

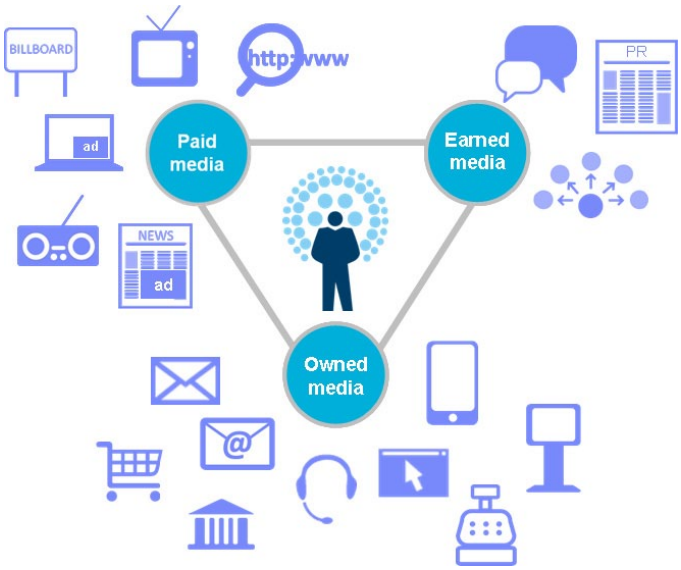
The Solution: Integrate marketing across all channels, touch points and media with EMM

Marketers need to respond to all these challenges by better integrating all their marketing efforts, across all media types,

into one cohesive, coordinated marketing program. Marketing effectively to empowered customers requires building one relationship between customers and the companies that serve them, no matter what media, communication channel or touch point the customers are using at a given moment to interact with that company.

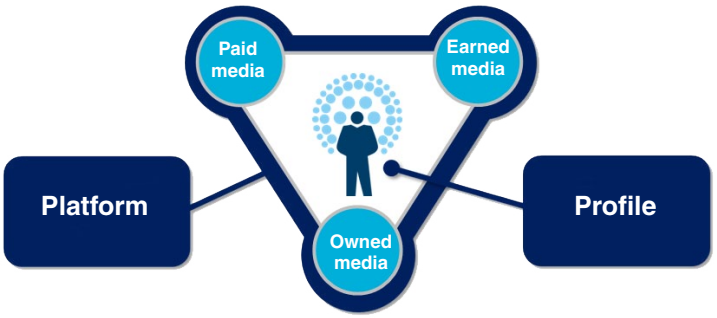
The problem is that most marketing organizations still have their marketing efforts siloed by media type. Some groups manage "paid" media—the advertising that is bought externally. Other groups manage "owned" media—that is, the

Marketers need to bring together all their marketing efforts across all these channels, touch points and media



company's own website, emails, direct mails and other owned touch points such as call centers, stores, and branches. Yet other groups manage "earned media," which today is thought of mostly as social media, that powerful force which is impacting all marketing, but which also includes things such as PR.

Most marketers lack:



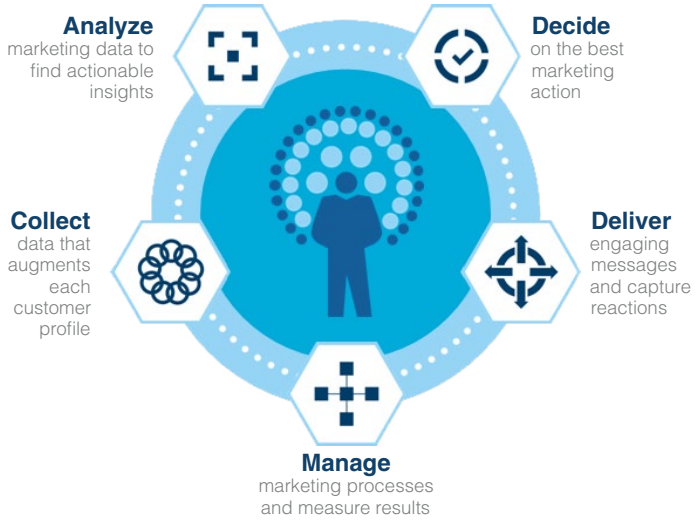
In addition to organizational siloes, marketers lack two things:

First, they lack a platform to manage all of marketing, to help them coordinate and integrate everything that is going on in marketing. There are more moving parts than ever in today's marketing organizations, and managing all marketing efforts in a cohesive way is nearly impossible without the help of software automation.

Second, most marketing organizations can't even get close to creating a complete profile of their customers that captures each customer's interactions with all marketing efforts across all media types. What messages has each customer been presented with? How did they respond? Which touch points has each customer interacted with? What happened during those interactions? Which marketing efforts were really responsible for making a customer do something, such as make a purchase or raise their hand to express interest in a product or service? These questions are nearly impossible for most marketing organizations to answer. IBM's Enterprise Marketing Management suite can help marketers in both of these areas.

The IBM Enterprise Marketing Management suite serves as the marketing optimization platform marketers need to unite marketing across paid, earned and owned media. EMM does this by supporting five key marketing processes across all media types:

EMM: a comprehensive suite integrating five critical marketing processes



EMM helps marketers COLLECT data that enriches and augments what they already know about their customers and prospects. This doesn't mean EMM serves as the customer data warehouse, or that it cleans up existing data. Instead, this means that EMM can help marketers understand their customers better by putting new data in marketers' hands that completes the picture of each customer and prospect—data such as what each customer has done on the company's digital properties, and also the history of interactions with each customer (what messages they have been presented with and what their responses were.)

EMM helps marketers ANALYZE all their customer and prospect data, to find new, actionable insights into their customer base and marketplace that can increase the effectiveness of all their marketing efforts.

EMM enables marketers to increase the relevance of all their marketing by automating the process by which they DECIDE on the next marketing actions to take with each customer and prospect. Think of this as the center of the marketing machine, where the wheels spin continuously, deciding what should come next in the dialogue with each customer and prospect—no matter how many thousands or millions of customers the company has. Should they be part of your next campaign? Should you present a personalized message in the next moment during their web visit? Should you write on their Facebook wall, or send them a tweet or a mobile message?

Once decisions are made about what marketing action should come next, EMM makes it easy for marketers to DELIVER the message, and capture any response. Those responses in turn can influence future messages, ensuring the customer dialogue remains interactive. EMM can send the email, or pass the message to another delivery service, or integrate with customer touch points such as a website, call center, mobile app or almost anything else.

Collecting, Analyzing, Deciding and Delivering are naturally customer-centric capabilities. But EMM also helps marketers MANAGE what's going on within their own organization, streamlining internal processes and improving marketing decisions by measuring results, tracking performance and guiding future marketing investment decisions.

By putting EMM capabilities in place to support these five marketing processes, marketers give themselves the management platform they need to unify and manage their marketing efforts across all media types.

IBM EMM addresses the needs of specific marketing teams

Of course, most marketing organizations won't—and shouldn't—adopt the full set of EMM capabilities all at once. Doing so isn't impossible, but it's more common to see marketing organizations start with EMM by choosing the needs of a particular group or team within the larger marketing organization to focus on first. To support this approach, IBM's EMM suite is designed to be adopted as individual solutions for particular user groups.

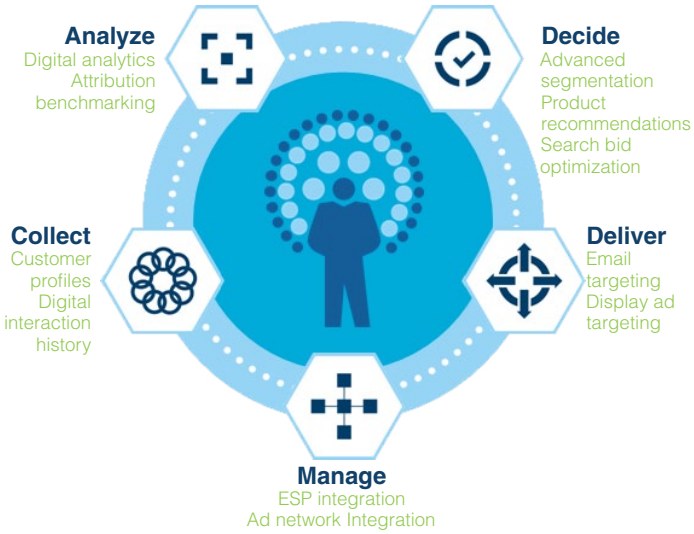
Today, IBM's EMM suite is made up of three specific solutions—with more to come—which have been designed for user groups with roles that align with typical/best practice marketing organizational structures:

- Digital marketing groups typically have responsibility for all things digital, such as the website, mobile web and mobile apps, search marketing, online display ads, email and mobile messaging, and social media marketing. These digital marketing channels span all three media types—paid, earned and owned. These digital marketers need to turn online prospects into repeat customers and loyal advocates. The EMM solution for them is **Digital Marketing Optimization**.
- Customer relationship marketing groups use customer data for targeted marketing intended to build relationships, increase customer loyalty, reduce churn and grow customer lifetime value. These marketers need to engage each customer and prospect in a one-to-one dialogue across communications channels. They typically use the owned media types, such as email, direct mail, and increasingly live customer touch points such as websites, call center, kiosks, and in-store or in-branch personnel. The EMM solution for them is **Interaction Optimization**.
- Marketing leaders, planners and decision-makers are less concerned about marketing through specific channels than they are about measuring overall marketing performance, creating marketing plans and budgets, and making decisions about marketing investments. People in these roles need to improve overall marketing operations, and in particular the planning process, to reduce costs and increase results to maximize marketing ROI. The EMM solution for them is **Marketing Performance Optimization**.

Digital Marketing Optimization: Turn site visitors into repeat, loyal customers

Marketers are racing to harness the unprecedented explosion of technology, transparency, channels and social interactions that their customers are adopting. The Digital Marketing Optimization (DMO) solution enables marketers to capitalize on this opportunity. Through the fusion of customer profiles, web analytics and marketing execution, this solution empowers marketers to turn site visitors into repeat customers and loyal advocates by orchestrating a compelling experience throughout each customer's digital lifecycle.

Digital Marketing Optimization turns online prospects into repeat customers and loyal advocates



The Digital Marketing Optimization solution COLLECTS **customer profiles** by capturing the actions of customers and prospects as they interact with your business online, across multiple ad networks or via email, video, affiliate sites and social media. By integrating this data with offline information, you gain a single comprehensive view of each visitor's behavior over time and across channels. As the customer profile grows, the insights become stronger, enabling you to continually refine your marketing efforts.

The capabilities of the Digital Marketing Optimization solution also allow marketers to ANALYZE their **digital data**. Marketers can drive **personalized marketing action** with better visibility into the performance of their digital marketing campaigns, and drive better ROI by getting insight into how individuals are interacting with their brand's digital presence, instead of just data. Included in these insights are such tools as **impression-based attribution**, customer lifecycle reporting, **social ROI analytics** and multichannel importing for

analyzing digital data alongside offline data sources. In addition to these tools, the Digital Marketing Optimization solution provides marketers with **performance benchmarks** which compare their brand against peers and competitors in their respective industries.

The Digital Marketing Optimization solution seamlessly **integrates the data and insights** garnered from customer profiles and web analytics into applications designed to easily execute display advertising, search campaigns, email and personalized recommendations through online, social and mobile channels. These applications help marketers DECIDE on what content, offer or products to present to customers and DELIVER automated and personalized digital marketing campaigns to retarget customers, acquire new prospects and continuously engage visitors as they evolve in their digital lifecycles.

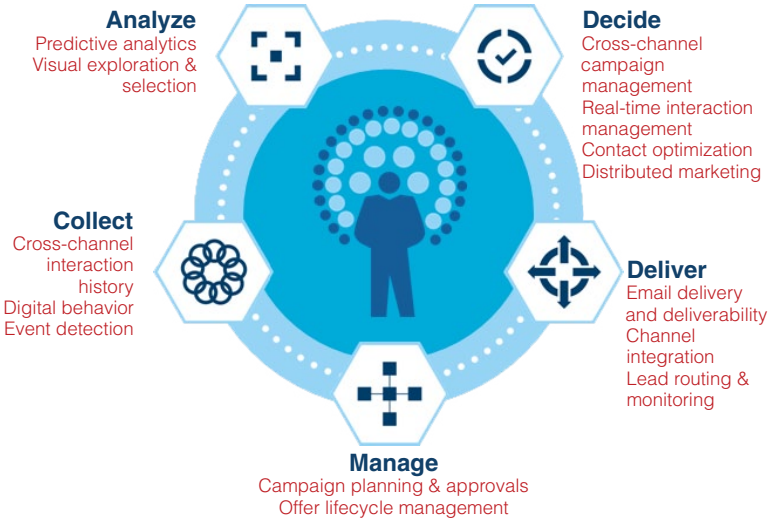
In collecting, analyzing and executing these campaigns, marketers also need the tools to help them MANAGE their marketing performance, vendor relationships and resources across the organization. With the Digital Marketing Optimization solution, marketers can decrease the complexities associated with integrating multiple vendors and measuring their performance across channels.

Interaction Optimization: Engage each customer in a one-to-one dialogue

The Interaction Optimization solution within EMM enables marketers to engage each customer and prospect in a one-to-one dialogue across communications channels. This solution is for customer relationship marketers who primarily use owned media to target customers with personalized messages and build a dialogue over time and across channels.

This solution includes capabilities that are part of each of the five major marketing processes. The Interaction Optimization solution COLLECTS the **cross-channel interaction history** for each customer: what messages has each customer and prospect received, and what their response (or lack thereof) has been. This information helps move the dialogue forward. The solution also captures **digital behavior**, that is, data that profile

Interaction Optimization engages each customer and prospect in a one-to-one dialogue across communications channels



what each customer and prospect has done on the company's digital properties, such as websites, mobile sites, mobile apps and social media pages, which can greatly improve the relevance of personalized messages. The solution can also monitor detailed transactional data to look for patterns that indicate a key **event** in the customer's experience that calls for a marketing response.

The Interaction Optimization solution helps marketers ANALYZE customer data in several ways, such as by applying data mining algorithms to **predict** future activity, and also by giving marketers a **visual** workspace to explore customer data on their own and **select** interesting segments and customer groups for action.

The Interaction Optimization solution can DECIDE, using automated processes, what should happen next with each customer and prospect. This may mean including a customer in a **campaign** that's about to run or presenting the customer with a message selected in **real time** during a live **interaction**. All marketing messages can be run through a **contact optimization** process to choose the right message and avoid customer fatigue. Some of the power of making these decisions

can be **distributed** out to field marketers, to allow them to take advantage of their local knowledge.

Once the best next message has been decided on, the Interaction Optimization solution can DELIVER the message to the customer, and capture their response to maintain an interactive dialogue. The solution can completely handle **email delivery and deliverability**. For other channels, the solution can **integrate with the channel** that will deliver the message and hand it off cleanly. In cases where the message needs to be delivered by a person, the solution can **route a lead** to a salesperson or someone else in the field, and monitor to make sure the lead is handled properly.

In addition to all these customer-centric processes, the Interaction Optimization solution can also improve how marketers MANAGE back-office processes, such as **planning campaigns** and obtaining the approvals necessary to execute them. The solution can also improve the **offer management** process, creating a central point of oversight where offers can be created, approved, deployed, changed and retired.

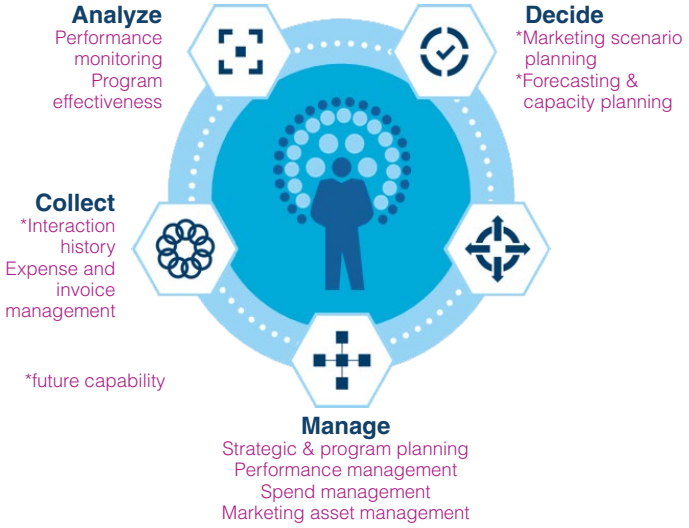
There are many capabilities in this solution, all of them designed to significantly improve one-to-one dialogues with customers and prospects.

Marketing Performance Optimization: Maximize marketing efficiency and effectiveness

Marketing Performance Optimization (MPO) is the heartbeat of the marketing organization. By delivering optimized marketing, you can maximize operational **efficiencies** within marketing, and deliver more **effective** marketing to your customers and prospects.

In particular, Marketing Performance Optimization helps marketers MANAGE the strategic plans and programs that are critical for driving marketing success and monitor the performance of marketing so you can optimize marketing effectiveness. In addition, Marketing Performance Optimization reveals insights about marketing spend, from individual projects to the financial plan for the quarter or year. Marketing Performance Optimization also facilitates storing and organizing marketing assets for use across all marketing

Marketing Performance Optimization improves marketing operations and planning to maximize marketing ROI



programs, making them more readily available for repurposing across the organization.

Marketing Performance Optimizationhelps marketers ANALYZE the performance of marketing programs and campaigns. This helps drive more effective planning for future plans, such as marketing mix planning. By analyzing the effectiveness of the program strategy, Marketing Performance Optimization can identify whether individual marketing programs drove the conversions marketers expected and had the greatest impact on marketing ROI. Marketing Performance Optimization does this through modeling and attributing marketing program outreaches that drove results.

Marketing Performance Optimization will soon help marketers DECIDE how to maximize precious marketing spend through scenario planning focused on achieving revenue and cost goals, making the most of marketing resources, and determining how and when to distribute capacity to match the demands of marketing. (These are future capabilities.)

Marketing Performance Optimization can help marketers COLLECT campaign outreaches (stimuli) and responses in one centralized, cross-channel repository that will drive the understanding of marketing performance. This is a future

capability. In addition, Marketing Performance Optimization can associate the invoices and line item expenses that are critical for understanding whether the program financials are on target or not.

Cross-channel Profile
is a virtual customer profile, made up of:

- Your existing data, accessed by EMM
- Data from outside sources, captured by EMM
- New data, generated by EMM

Leveraged by all EMM solutions

The heart of EMM: The Cross-channel Profile

It's important to understand that each of these EMM solutions—Digital Marketing Optimization, Interaction Optimization and Marketing Performance Optimization—are deeply integrated, and not simply because they are part of the same suite and have many connection points. At the heart of each of the EMM solutions is what IBM calls the Cross-channel Profile.

The Cross-channel Profile is leveraged by all the EMM solutions to power marketing across media. It's what helps to unify all marketing efforts. The Cross-channel Profile is a complete view of each customer and their interactions with marketing efforts across channels, touch points and media, which can be used to inform decisions about what marketing should do next. It is, in short, everything the marketing organization needs to know about each customer to market better to them.

This is not to say that EMM provides a customer data mart or marketing data warehouse that requires data to be moved before being acted on. Instead, the Cross-channel Profile is a virtual customer profile, made up of three kinds of data:

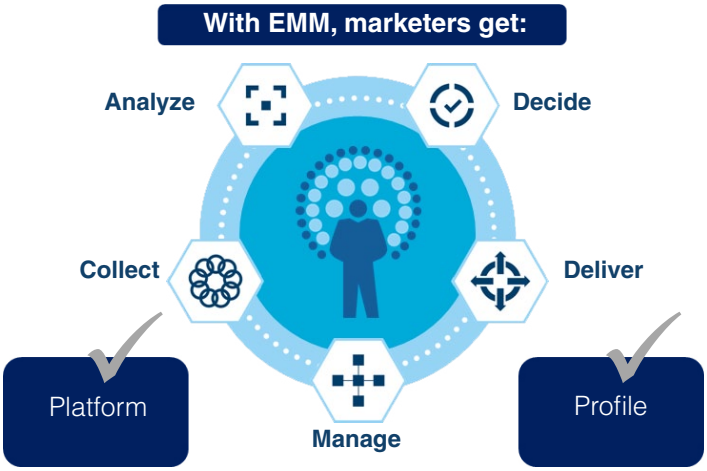
- First, there's the data your marketing organization already has, that already exists, and is sitting somewhere in the company's data stores, such as in the marketing data mart. This data can be accessed by the EMM suite wherever it is located now.
- This data is complemented by data that is captured by EMM from other sources and systems—for example, downloading data from Facebook and Twitter or capturing the behavior of your customers and prospects on your own digital properties. This data greatly enriches what marketing knows about its customers.
- Finally, there's new data which is generated by the EMM suite. EMM generates all sorts of information that is valuable for marketers to act upon, such as the interaction history—the contacts and responses—that is so critical to move a marketing dialogue forward.

The Cross-channel Profile is truly the heart of the EMM suite, and plays an essential role in bringing marketing across media types together into one coordinated effort.

IBM's market-leading EMM Suite empowers marketers and delivers measurable results

In summary, EMM empowers marketing with both the marketing platform upon which to manage marketing across media, and a complete view of customers and their interactions across all media types.

Companies that have adopted IBM's EMM suite have reported a tremendous positive impact on marketing results. Many have realized significant improvements in the effectiveness of their marketing efforts, including an increase in online marketing



ROI by a factor of 15-20, a 15-30% increase in campaign ROI, and a 10-50% increase in response rates. Customers also report impressive efficiency improvements, including the ability to execute 2-5 times more campaigns with the same resources, a 20-40% reduction in marketing costs, and a 25-75% reduction in customer acquisition costs.

IBM leads the market for marketing technology solutions, recently recognized by leading industry analysts Gartner and Forrester for its leadership in Integrated Marketing Management, Multi-Channel Campaign Management, Marketing Resource Management, Web Analytics, and Cross-channel Campaign Management.

For more information

To learn more about Enterprise Marketing Management, please contact your IBM marketing representative or IBM Business Partner, or visit the following website: **ibm.com/software/marketing-solutions**

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March 2012
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