

# IBM Digital Marketing Optimization Solution

*Turning online prospects into repeat customers and loyal advocates*



## Highlights

- Ensure your digital presence meets the needs of your customers by understanding in real time how visitors are interacting with your brand's digital presence and identifying opportunities to continuously optimize their online experience
- Effectively allocate interactive marketing spend by understanding the relative performance of each online channel and how changes to the marketing mix affect conversions and outcomes
- Maximize the impact of your marketing programs by using advanced segmentation to gain insights into what motivates customers at each stage of their digital lifecycles
- Improve marketing efficiency by automating personalized marketing programs and content across email, display advertising, search, mobile devices and social media

## Executive summary

When web analytics first appeared in the early 2000s, marketers were focused on fairly simple metrics in regards to their web presence: page views, clickstreams and page-centric analyses. Online marketing was more reactive and internal facing. The more popular a page or certain clickstream navigation, the more time and effort was invested into showcasing those pages with the assumption that visitors would then flock to their web sites.

With the growth of online marketing, marketers began looking instead at outcome-based insights: conversions, campaigns and online marketing ROI. They became more strategic and external facing as they learned they could make data-driven campaign decisions and begin to justify online marketing spend to proactively capture visitors through online channels.



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Today, CMOs and their marketing teams are wrestling with data explosion, the rise of social channels and shifting consumer demographics. Web behaviors have changed as multiple sites, channels and sessions have become the norm on the way to converting. Marketers now have to look at optimization-based metrics: predictive analytics, influence of campaigns and customer-centric behavior. Coupled with all of the devices and channels through which customers now interact with a brand's digital presence, marketers are racing to harness this unprecedented explosion of technology, transparency and social interactions.

The IBM Digital Marketing Optimization (DMO) solution enables marketers to capitalize on the opportunity presented by the growing digital age. Through the fusion of customer profiles, digital analytics and digital marketing execution, the DMO solution (formerly IBM Coremetrics) empowers marketers to turn site visitors into repeat customers and loyal advocates by orchestrating a compelling experience throughout each customer's digital lifecycle.

To achieve this, IBM tracks customers and prospects as they interact with a business' online presence, providing marketers with a comprehensive view into how consumers are interacting with their brands online over time and across channels. This unique insight is used to automate real-time personalized recommendations, email targeting, display ad targeting across leading ad networks, and search engine bid management – delivered to customers through any digital vehicle including social, mobile and web.

## IBM Digital Marketing Optimization solution

The three facets of the DMO solution—customer profiles, digital analytics and digital marketing execution—comprise a number of features and functionality that are critical to the success of digital marketers. These capabilities are the building blocks that provide marketers with a fully enabled solution to measure, analyze and execute in the fast-paced, digital marketing world.

**Customer profiles:** Central to the DMO solution is IBM Digital Analytics Lifetime Individual Visitor Experience (LIVE) Profiles. LIVE Profiles captures all of the digital interactions of customers and prospects as they interact with your business online, across multiple ad networks or via email, video, affiliate sites, social media and more. It then integrates this data with offline information, providing a single comprehensive view of each visitor's behavior over time and across channels. This historical data is automatically incorporated across the entire platform, as well as into every DMO application. As the LIVE Profile of each visitor grows, the insights become stronger, enabling you to continually refine your marketing efforts.

**Digital analytics:** The analytic capabilities of DMO set themselves apart by providing marketers with not just data, but insights for increasing ROI. Available through two delivery models – on-premise and Software-as-a-Service (SaaS) – IBM DMO provides real-time insight into how individuals are interacting with a brand's digital presence.

The on-premise solution is designed to be deployed within a local environment with open data access to allow for integration with other marketing applications such as IBM Campaign, as well as business intelligence, predictive analytics and other similar products.

The SaaS analytics offering is a flexible solution with standard, out-of-the-box reporting that provides marketers with a complete picture of visitor and customer behavior. Through the SaaS solution, marketers also have the ability to view comparative benchmarks against peers and competitors for key performance indicators such as conversion rates, site-session metrics and others.



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Through either analytics solution, marketers gain visibility into their visitors' digital behaviors over time enabling them to go from insight to personalized marketing action. An analytics solution from the IBM can provide:

- Intuitive and visual real-time digital analytics reporting that fuels optimization across all marketing channels while providing analyses and programmatic insights

- A unified infrastructure to help reduce implementation and maintenance costs
- Aggregated and anonymous competitive data for industry-specific, best practice key performance indicators
- Powerful mobile marketing and reporting capabilities that allow for closer segmentation and visibility into mobile engagement than ever before
- Social media ROI analyses and reporting to understand brand engagement across social channels and campaigns
- Superior analytical power for answering marketers' questions on their customers' digital journeys over marketing touch points and channels
- Unique, event-driven customer segments and digital lifecycle reporting to cultivate high-value customers
- Integration of offline information to provide a single comprehensive view of each visitor's behavior over time and across online and offline channels
- Enhanced privacy-sensitive features that allow marketers to accommodate customer and regulatory needs for confidentiality

**Digital marketing execution:** With the need to respond quickly and effectively to capture and retain the attention of customers, marketers need the tools that enable them to easily execute and automate marketing efforts – not just at scale, but also at a one-to-one level to provide relevant content and offerings. The digital marketing execution component of IBM

DMO seamlessly integrates the data and insights garnered from customer profiles and web analytics into applications designed to easily execute display advertising, search campaigns, email marketing, and personalized site content and recommendations through online, social and mobile channels. With digital marketing execution applications from IBM DMO, marketers benefit from:

- A platform that supports all digital marketing channels and campaigns thereby decreasing the complexities associated with integrating multiple vendors
- A data syndication and online marketing application that enables personalization and optimization of display advertising campaigns
- The industry's most sophisticated recommendation engine to automatically generate personalized product and content recommendations
- A closed-loop email marketing system that links online profiles of visitor and customer activity with your email vendor to execute highly targeted email campaigns
- Data-driven, streamlined search marketing tools to improve top-line business results, reduce operational costs, and demonstrate returns on Pay-Per-Click (PPC) investments

Marketing optimization is a continuous process. To that end, all of the digital marketing execution applications of the IBM DMO solution are built such that the results of any campaign you execute are automatically measured and fed back into your customer profiles and digital analytics for optimal learning and performance.

## End-to-end marketing

The DMO solution provides marketers with complete end-to-end offerings for digital channels. Additionally, the out-of-box integration with the IBM Cross-Channel Marketing Optimization solution enables marketers to continue the dialog with their customers across online and offline channels. Use cases that are addressed include:

**Actionable digital analytics:** Customers are exposed to countless sources of information on a daily basis. As a marketer, if you don't have a complete picture of your customer—who they are and the marketing influences that impact their journey to conversion—your digital marketing efforts may not realize their full potential. Understanding and leveraging this full picture and journey of your customer enables you to effectively optimize the digital presence of your brands.

IBM helps you turn behavioral data into actionable digital analytics by building a comprehensive understanding of individuals across channels. This approach includes:

- Linking online and offline behavior
- Understanding website and marketing program performance and customer profiles
- Measuring Social ROI relative to other digital marketing efforts
- Benchmarking performance against industry peers and competitors
- Gaining a more complete understanding of the downstream impact of marketing programs
- Tracking and segmenting customer behavior over time

**Effective retargeting:** With so much information and so many choices available to customers online, marketers are struggling to keep them loyal and engaged. By staying top of mind and presenting relevant offerings, IBM DMO enables marketers to recapture visitors who have abandoned their site, acquire new visitors and continuously retarget visitors as they evolve in their digital lifecycles.

With options for native marketing execution capabilities as well as an integrated, robust network of Email Service Providers (ESPs) and display advertisers built on an industry-leading web analytics and attribution model, the DMO solution enables marketers looking to recapture high-opportunity segments with:

- Extensive segmentation and analytic capabilities for superior performance measurement
- In-depth visitor profiles to determine whom to target and with what content and offers
- Unique, event-driven customer segmentation and digital lifecycle reporting to track customer progression and present relevant content and offers at each stage in the customer journey
- Seamless integration with email and display advertising to quickly and effectively recapture site abandoners and target high-value segments
- Industry-leading attribution measurement to prove the relative influence each marketing touch has on conversion

**Accountable advertising:** Success in online advertising requires marketing departments to work together to appropriately credit conversions back to each contributing marketing program in order to correctly allocate spend among channels. As consideration cycles lengthen, the complexity of attributing credit increases greatly—as customers continue to interact with more and more channels on the way to conversion.

IBM gives marketers powerful tools to automate paid search and targeted display advertising—while proving the relative influence these and other marketing touches have on a conversion.

Combined with powerful analytics data about user behavior specific to each marketing touch point, the industry's most advanced digital attribution system reports the value of each channel and program in the overall marketing mix. Marketers can easily execute and continuously adjust advertising campaigns and spend for maximum results, while allowing for easy oversight and management. With the DMO solution, marketers looking to improve their online advertising efforts can:

- Spend marketing dollars smarter by maximizing the impact across advertising channels
- Stretch marketing budget by efficiently recapturing non-converting and high-value customers
- Optimize customer value through engagement at multiple touch points
- Save time by automating management of complex campaigns
- Additionally, interaction data can be shared automatically with the IBM Marketing Performance Optimization solution for a statistical, cross-channel perspective on marketing attribution



**Compelling personalization:** With more options than ever before, today's consumers respond best to one-to-one marketing—personalized product and content recommendations have shown to significantly improve customer engagement and conversion rates. However, to deliver a personalized conversation across digital channels, marketers need deep insight into each customer's interests and interactions—as well as the automation required to scale.

Through the combination of deep segmentation and lifetime behavioral data with the tools necessary to take action and reach customers on the web, in email, via site personalization, email marketing, a display ad, mobile application, or an offer on a social network, IBM provides a single solution for executing compelling digital marketing campaigns.

Reaching customers with relevant offers in their chosen channel enhances the one-to-one customer conversation and creates opportunities for conversion, higher lifetime value and greater retention over the full customer lifecycle. The DMO solution enables marketers looking to personalize their online efforts with the ability to:

- Enhance your one-to-one conversation with each online customer by understanding their unique needs and past behaviors
- Design personalized content for website and email using built-in WYSIWYG editors
- Orchestrate and execute personalized marketing with fine grains of control using built-in campaign management capabilities
- Use deep insight into each customer's interests and lifetime interactions with your brand to deliver highly personalized offers, including content and product recommendations to each customer in their preferred digital channel
- Ensure only business-beneficial communications and offers are made to customers via intuitive marketer-driven rules and controls
- Understand the impact of personalization programs on conversions with native reporting



**Optimizing mobile marketing:** The emergence of mobile as a marketing channel has been accompanied by confusion and skepticism about its viability. Trends are continuing to show that visitors coming through mobile devices behave differently than those through traditional online channels. For example, the bounce rate for site visits from a mobile device is nearly 10 percent higher on average versus the bounce rate of a typical online site visit.

As marketers continue to explore the mobile space and adoption rates of smartphones grow, the need for a reliable analytics and marketing automation platform to take advantage of this growth channel is imperative. Through the DMO solution, marketers have the ability to:

- Track how visitors from mobile devices interact with mobile applications and sites and combine that mobile visitor information with online visitor behavior to further enhance your customer profiles
- Analyze the mobile visitor base by device type, operating system, screen size, etc. in order to refine mobile website compatibility
- See which sequence and combination of devices are used by visitors going from research to completing their purchase over the course of multiple sessions
- Measure the volume of mobile traffic compared to peers and competitors to identify potential areas of improvement or opportunity
- Tailor and execute search and display advertising campaigns specific to a mobile audience

**Harnessing social media:** Social media marketing is rapidly becoming a critical mechanism to influence and drive key business objectives. Interactive marketers who know the secrets to engaging prospects and customers on social sites and analyzing return on investment can improve their business-impacting metrics, such as website visits, conversions and sales. The DMO solution is unique in that it helps marketers venturing into social media by enabling them to:

- Attribute relative credit to social media investments for influencing customer acquisition, persuasion, and conversion
- Compare the direct traffic generated by social media to direct traffic from campaigns of mainstream online channels
- Understand the total impact that social media investments have on the business from both direct traffic (click-through) and indirect traffic (view-through) perspectives
- Compare the view-through/click-through performance of social networking websites against other impression-based campaigns, such as syndicated video, blogs, microsites and display ads
- Leverage social media analytics to continually refine and improve initiatives

## Services and support

While you reallocate your marketing budget from the traditional media to online media, it is also essential that your investments be spent intelligently. IBM Digital Analytics Software Services empowers you with the best practices and insight to realize optimal value from your digital marketing investments. We provide consultation to support your in-house analytics team and actionable outsourcing on the entire portfolio of your digital marketing vehicles. Our unique approach has made IBM a trusted business partner, delivering value to more than 2,100 industry leaders in the financial services, media, retail and travel industries.

**IBM EMM Software Services for SaaS** delivers proactive, cost-reducing, and productivity-enhancing advisory consulting offerings. The program pairs you with resources who build an understanding of your unique business needs, creating a trusted partnership. Ultimately, EMM Software Services for SaaS enables clients to derive maximum business value from their successfully deployed EMM SaaS solutions with proven, quantifiable results. These support offerings are targeted for customers desiring a long-term and ongoing support program.

- **Dedicated Digital Marketing Optimization** offers access to dedicated consultants who can provide web analytics expertise, digital marketing support and industry-relevant recommendations for your business on a contract basis. We can help you enhance your existing marketing processes by identifying performance issues and opportunities, conducting targeted analysis (including conversion optimization) and deploying improvement programs. Our consultants are experts in the IBM Digital Marketing Optimization solution.



- **Digital Marketing Optimization** consultants are available when internal resources are insufficient or unavailable. Our consultants act as an extension of your team. These services include a range of time-tested programs to supplement your in-house analytics team and help you derive optimum value from your digital marketing investments. Our consultants possess the knowledge and acumen to contribute at any point along the spectrum, from tactical to strategic, and convey a level of objectivity to engagements that only a third-party can provide.

**IBM EMM Software Services for SaaS** delivers best practices consultations and outsourcing on the entire portfolio of IBM Digital Marketing Optimization Platform solutions to improve sales and leads. IBM consultants enable superior returns by employing proprietary web analytics-based techniques to allow you to reap maximum value from applications including IBM Product Recommendations, IBM LIVEmail, IBM Search Marketing, and IBM AdTarget.

- **Digital Marketing Services** consultants optimize, manage and measure the profitability of paid, owned and earned digital media including: SEM, display advertising, mobile, SEO, email and social media. Disciplined A/B testing delivers the learning required to generate superior Return On Ad Spend (ROAS) and Cost Per Acquisition (CPA) results.

**Managed Services for SaaS:** A successful web analytics strategy must start with accurate, meaningful and insightful reporting. Ensuring the DMO solution is implemented correctly and in a timely fashion requires implementation services and support provided by our dedicated team of experts. Our IBM EMM Managed Services for SaaS offerings have received notable recognition from leading industry experts, and, most importantly, from our clients. These offerings are what differentiate us and help us to ensure customer satisfaction and loyalty. EMM's team of Software Services implementation consultants will provide guidance throughout the on-boarding process.

- **IBM EMM Standard On-boarding Services for SaaS** begins with the framing of a schedule, and basic alignment of reporting best practices and business objectives. From there, we move through to assisting with the tagging logic, data validation, and configuration of other data components.
- **IBM EMM Premium Enablement Services for SaaS** utilize an expert consultant to co-manage the optimization of IBM applications including Product Recommendations, LIVEmail, Search Marketing, and AdTarget. Consultants work with clients at both a strategic and tactical level to ensure the optimal business goals are established and can be met. Best Practices processes are personalized and documented to meet each client's business goals and needs.

**IBM EMM SaaS Support** consists of an online customer support center and several analyst teams. IBM builds an investigative intensive environment to provide the answers you need to quickly resolve issues. SaaS Support deepens your knowledge of the IBM DMO solution through web-based training, best practices webinars and white papers. Additional support channels available to customers include the support center website, phone, email and live chat. There is no limit on the number of times people from your team can contact IBM EMM SaaS Support for assistance.

- **Best practices analysts:** Advice related to reporting or industry expertise will be routed to the EMM Best Practices for SaaS team. This team consists of thought leaders in the industry who have developed the online Guide Me documentation found in the IBM Digital Analytics user interface and whose members host the monthly Best Practices webinars.
- **Technical support analysts:** Technical questions, an error message, or confirming data will be handled by our technical support team. The technical support team consists of product experts that work closely with our operations and development teams to help resolve any technical issues you may encounter

## IBM Digital Marketing Optimization solution in action

The DMO solution has enabled marketers across industries and channels to achieve their digital marketing goals. Detailed below are a few examples of customers who have leveraged IBM to address a range of business challenges faced by many marketing departments.

**PETCO**, the leading U.S. retailer of pet supplies, is in the vanguard of online merchants to address the limitations of last-click and same-session channel and campaign attribution. As PETCO recognized, understanding the influence of all channels and campaigns on conversion is crucial to optimizing the marketing mix and budgets for the greatest impact.

### Challenge

- Evolve beyond flawed and simplistic last-click and same-session attribution
- Understand the roles that multiple channels and campaigns have in online purchasing

### Solution

- Consolidate historical cross-channel activity data on hundreds of thousands of customers
- Analyze data for patterns of how shoppers interact with multiple channels and campaigns

### Results

- Breakthrough data visibility and sophisticated multichannel attribution models
- Improved cross-channel synergies and informed allocation of marketing dollars

**Seton Hall University**, a private educational institution, relies on tuition as its primary source of revenue. Prospective students consider degree programs, reputation, location, and many other factors as they “shop” for a college. The university’s online marketers sensed that social media—in particular, Facebook—would enable them to extend the Seton Hall experience to prospective students.

### Challenge

- Increase traffic through social media to entice prospects to visit the website through other channels such as search or direct load
- Measure the performance of social media efforts to understand the impact on-site traffic downstream

### Solution

- Identify and measure the behavior of visitors to [www.shu.edu](http://www.shu.edu) who had also interacted with Facebook
- Analyze and examine these behaviors to find ways to engage with prospects for the incoming class

### Results

- 25 percent deposit lift and 18 percent enrollment lift by midsummer—two months before classes were to begin
- By the end of the enrollment period, Seton Hall had its largest freshmen class in 30 years, accounting for an 18 percent increase in net present revenue

**L’OCCITANE EN PROVENCE**, a world-renown beauty product retailer, has used email for years to help build excitement about campaigns and entice customers with free shipping and gift-with-purchase offers. For retailers who market both online and through brick-and-mortar outlets, email is vital to customer retention and loyalty.

### Challenge

- Recreate the highly experiential environment of L'OCCITANE boutiques in email campaigns
- Increase the relevance of email with limited “shelf-space” and the risk of email overload on the part of consumers

### Solution

- Use behavioral digital analytics data to segment customers and deliver targeted messages based on product affinities
- Combine the power of online marketing and business optimization solutions to improve email campaign performance and customer engagement

### Results

- Overall key performance indicators for the targeted email messages were off the charts
- Conversion rates were 17 times higher and revenue per email was 25 times higher

**Rodale Inc.**, a global media company, knew that too much data is largely the same as having no data. The internal demand for information at Rodale was skyrocketing and the team was struggling to put the right information into the hands of the right people at the right time.

### Challenge

- Deliver useful information without inundating recipients with excessive data
- Provide both high-level, executive insights and granular level digital performance metrics to disparate audiences
- Because Rodale web sites are supported by ad revenue, increasing page views per session and attracting repeat visitors were key objectives

### Solution

- Use both base analytics with ad hoc reporting to speed the generation and distribution of custom reports—with minimal assistance from IT
- Automate the creation and distribution of key information throughout the organization

### Results

- Improved efficiency among content editors and subscription sales teams who now receive automated reporting with key performance metrics
- Increased visibility into cross-site promotions, which helps team members to quickly analyze their effectiveness and adjust them as necessary

### Summary

The IBM Digital Marketing Optimization solution enables marketers to capitalize on the opportunity presented by consumers adopting and responding to the proliferation of digital channels. Through the fusion of customer profiles, digital analytics and digital marketing execution, the DMO solution empowers marketers to turn site visitors into repeat customers and loyal advocates by orchestrating a personalized and compelling experience throughout each customer's digital lifecycle.

IBM DMO is the only end-to-end solution that allows marketers to:

- Ensure your digital presence meets the needs of your customers by understanding how visitors are interacting with your brand's digital presence and identifying opportunities to continuously optimize their online experience
- Monitor and optimize the performance of your digital marketing efforts with A/B testing, real-time reporting, and deep power-user analysis to uncover opportunities and take immediate action with a flexible, easy-to-use system
- Effectively allocate interactive marketing spend by understanding the incremental performance of each online channel and how changes to the marketing mix affect conversions and outcomes
- Uncover opportunities for growth and areas for improvement with competitive intelligence about the performance of your peers and competitors
- Improve marketing efficiency by automating personalized marketing programs and content across email, display advertising, search, mobile devices and social media
- Increase revenue by identifying and targeting new prospective customers across digital channels
- Improve customer engagement by reinforcing a consistent, personalized message across all digital channels
- Respond in real time when new opportunities arise or changes need to be made to digital campaigns with minimal effort and no IT involvement
- Maximize the impact of your marketing programs by using advanced segmentation to identify what motivates customers at each stage of their digital lifecycles
- Maximize the lifetime value of each customer by identifying and automating up sell, cross sell and retargeting programs
- Further extend the digital dialog and customer insights into all marketing channels by using the included out-of-box integration with the IBM Cross-Channel Marketing Optimization solution

## For more information

To learn more about the IBM Digital Marketing Optimization solution, please contact your IBM marketing representative or IBM Business Partner, or visit the following website: [ibm.com/software/marketing-solutions](http://ibm.com/software/marketing-solutions)



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