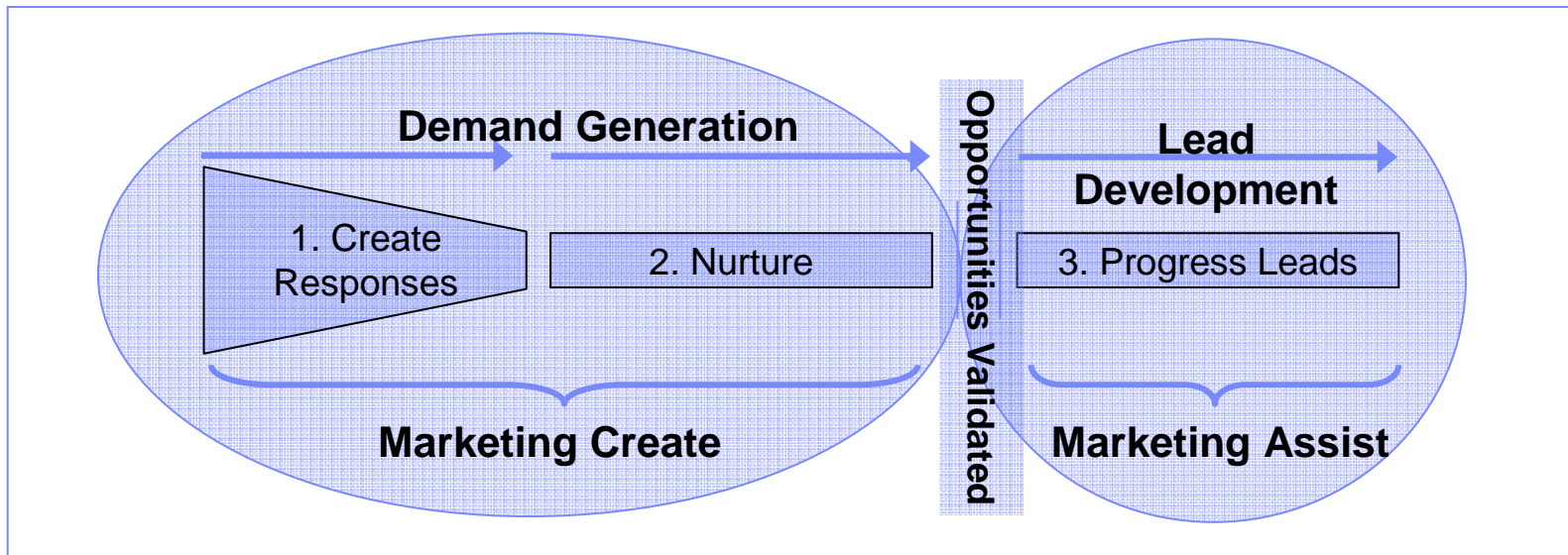# Transforming Marketing & Demand Generation
# An IBM Case Study

Gabriella Pacso, Software Group Marketing Manager,
IBM Central and Eastern Europe

# Our Business at Hand & Changing Dynamics
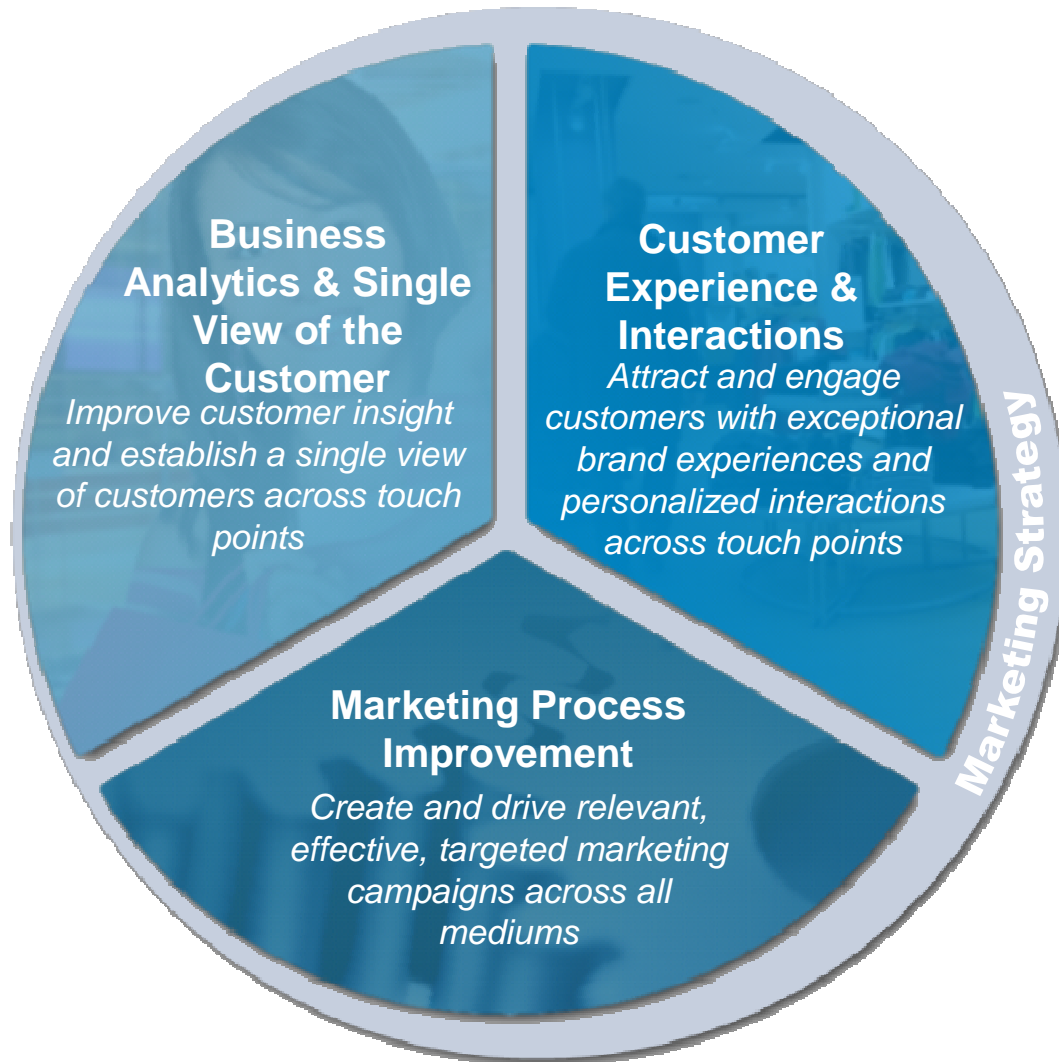
**The Role of Marketing**



Demand Generation

Opportunities Validated

Lead Development

1. Create Responses

2. Nurture

3. Progress Leads

**Marketing Create**

**Marketing Assist**

**Mission:**

- Deliver on expectation and contribute to IBM's 2015 earnings roadmap

**KPIs:**

- Responses & conversion rates
- Response & lead follow up (lead development)
- Marketing lead creations (Validated leads and lead revenue)
- Sales accept rate
- Win revenue
- E/R

2

IBM

# Marketing Must Develop Key Transformational Capabilities

**Business Analytics & Single View of the Customer**
*Improve customer insight and establish a single view of customers across touch points*

**Customer Experience & Interactions**
*Attract and engage customers with exceptional brand experiences and personalized interactions across touch points*

**Marketing Process Improvement**
*Create and drive relevant, effective, targeted marketing campaigns across all mediums*

**Marketing Strategy**

**Potential key challenges**
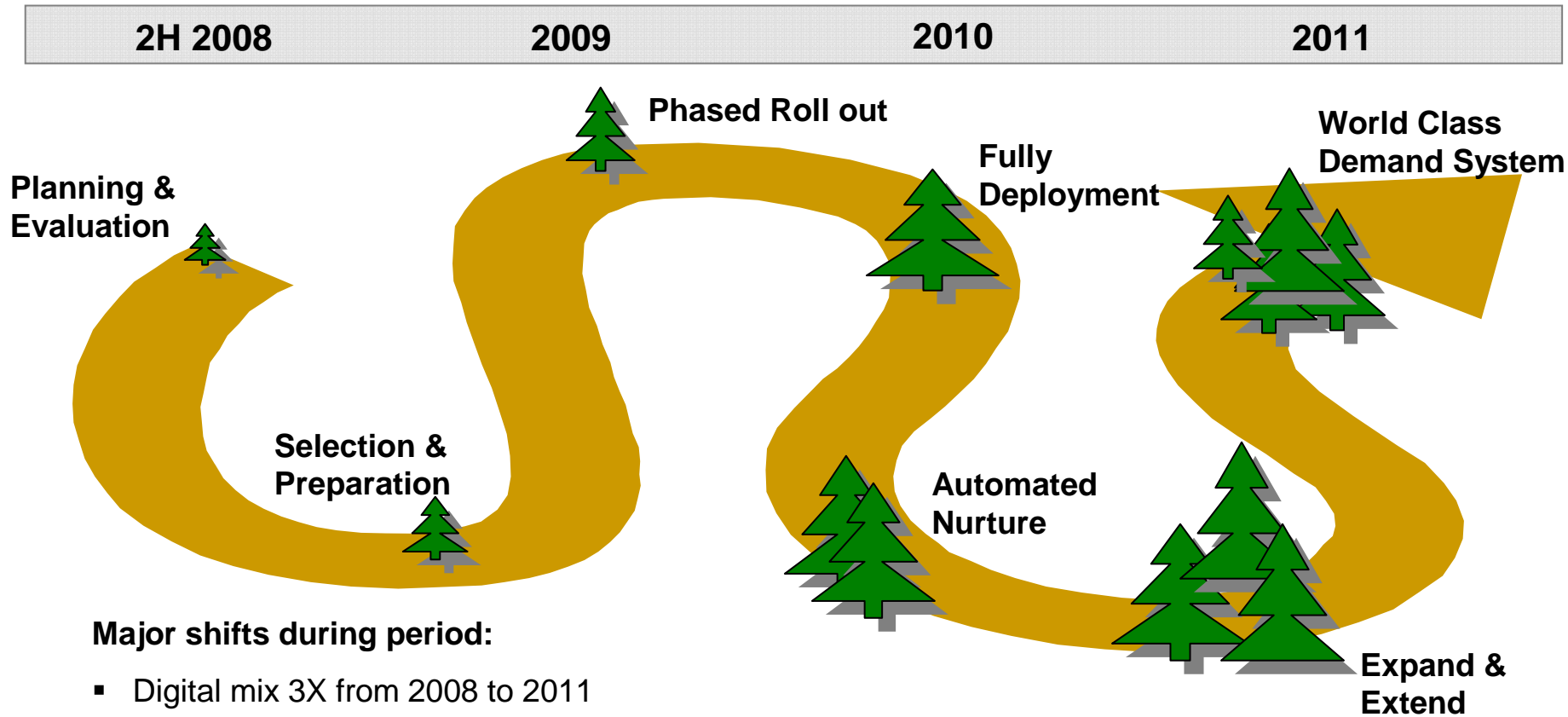
Effecting culture and mindset

Building new skills sets and talent

Dedicating investment and resources

Installing management systems

Improving data capture and storage

# NA Marketing Transformation Journey

| 2H 2008 | 2009 | 2010 | 2011 |
|---------|------|------|------|

**Phased Roll out**

**World Class Demand System**

**Fully Deployment**

**Planning & Evaluation**

**Selection & Preparation**

**Automated Nurture**

**Expand & Extend**

**Major shifts during period:**

- Digital mix 3X from 2008 to 2011

- Unica deployment from concept to full deployment

- From push to pull – focus on buyers journey/experience

- Reactive to proactive real time management

- Role re-design from tactical execution to end-to-end demand programs and demand system
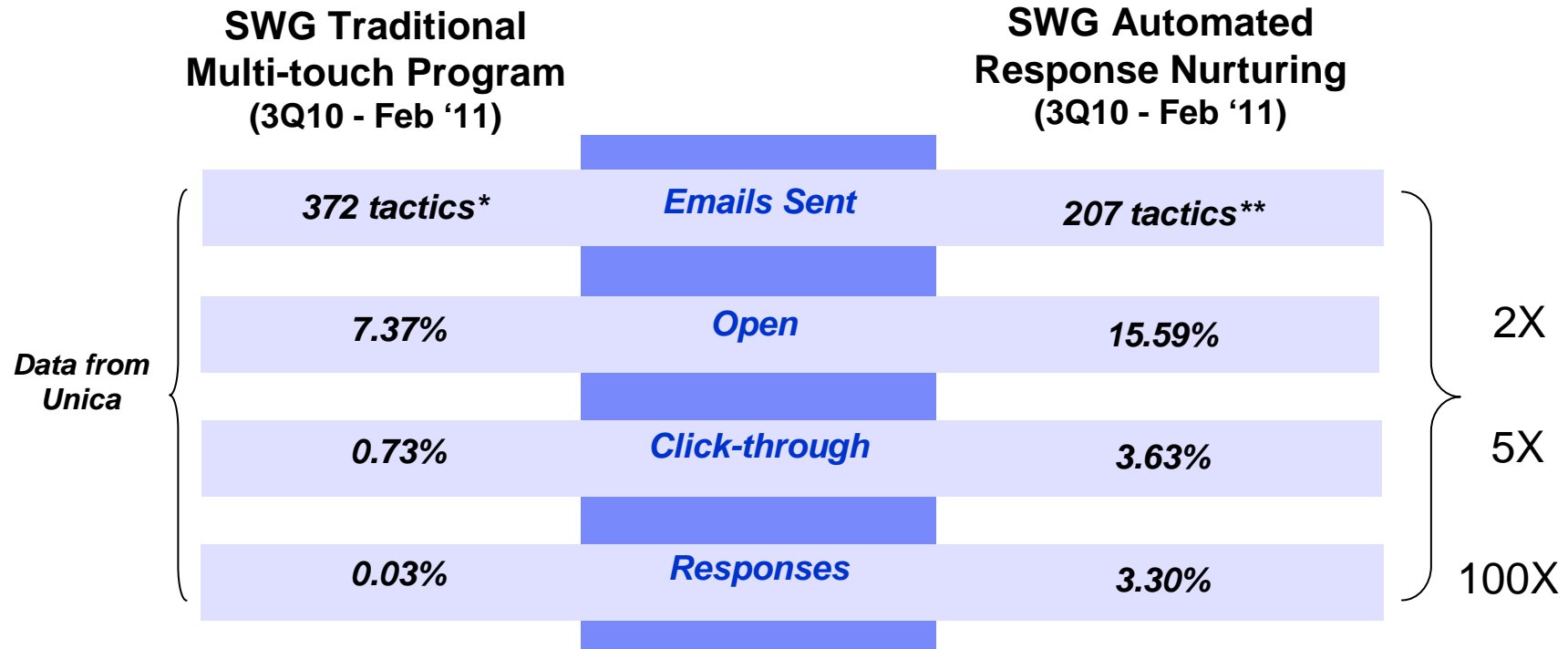
# IBM Marketing Transformation

- **<u>Results to Date</u>**

- 124% increase in response with 36% less touches YTY (as of 1Q 2011)

- Doubled overall response to lead conversion against baseline

- Lead creation from web up 137% from 2008 to 2011 to date

- Emails sent as part of a nurture stream outperforms proactive email by 100 times

- Campaigns in market from weeks to days/hours e.g. content syndication

- Campaign results visible to practitioners and business owners within hours

***Bringing Science to the Art of Marketing***

# Automated Nurture Accelerates Results – NA Software Programs

| SWG Traditional Multi-touch Program (3Q10 - Feb '11) | Emails Sent / Open / Click-through / Responses | SWG Automated Response Nurturing (3Q10 - Feb '11) | |
|---|---|---|---|
| 372 tactics* | Emails Sent | 207 tactics** | |
| 7.37% | Open | 15.59% | 2X |
| 0.73% | Click-through | 3.63% | 5X |
| 0.03% | Responses | 3.30% | 100X |

*Data from Unica*

Source:   IBM NA Demand Programs   March 2011

\*  Included 2.38 million emails sent
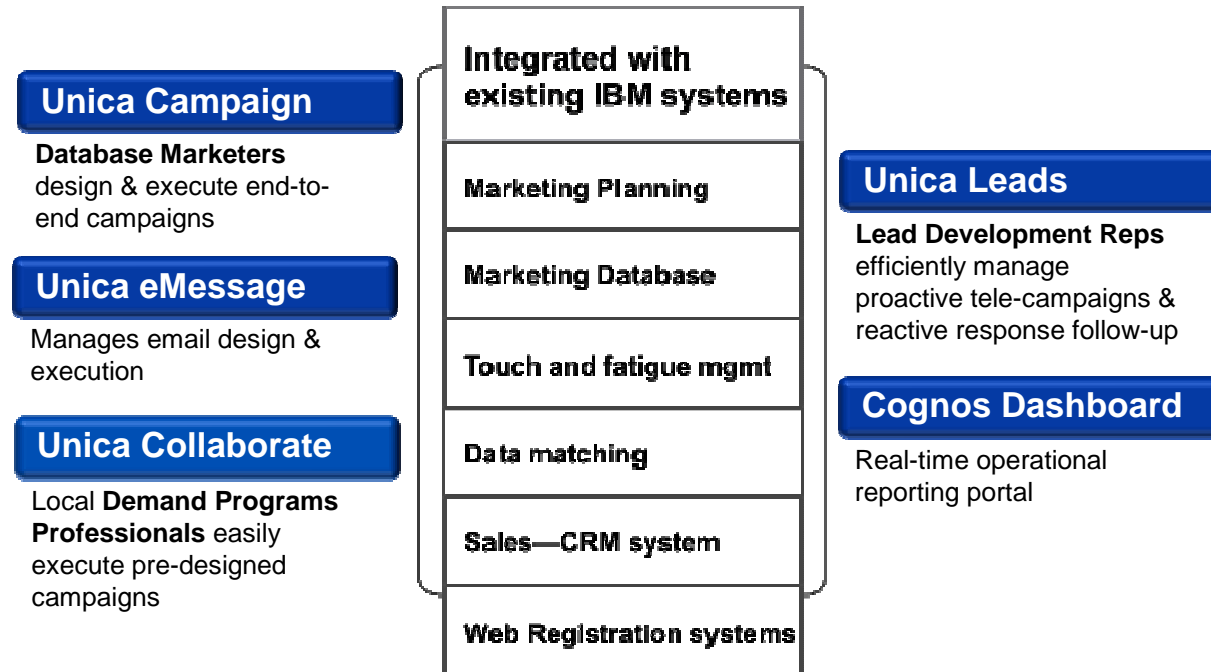\*\* Included 61,000 emails sent

# IBM Marketing Transformation

## Key Takeaways

- Digital/inbound marketing is a critical success factor – pull vs. push

- Marketing automation i.e. Unica is a key catalyst for marketing transformation

- Content is king – can't nurture without offers

- Start with the buyers' experience/journey

- Secure power users, champions and senior executive sponsors

- Act on business insights:  Design and demand actionable reporting and real time dashboards

- Results won't follow without collaboration with key stakeholders e.g. marketing, IT, sales, agencies

# IBM Case Study

**The need:** IBM identified the need to fundamentally transform the way it generates demand and manages customer responses and leads to accelerate its processes, improve visibility and increase response rates.

**Unica Campaign**

**Database Marketers** design & execute end-to-end campaigns

**Unica eMessage**

Manages email design & execution

**Unica Collaborate**

Local **Demand Programs Professionals** easily execute pre-designed campaigns

**Integrated with existing IBM systems**

Marketing Planning

Marketing Database

Touch and fatigue mgmt

Data matching

Sales—CRM system

Web Registration systems

**Unica Leads**

**Lead Development Reps** efficiently manage proactive tele-campaigns & reactive response follow-up

**Cognos Dashboard**

Real-time operational reporting portal

## The benefits:

- More disciplined planning and design of our campaigns
- Promotes complete transformation of IBM response and lead management
- Up to 6-fold improvements in response rates to nurtured email
- Up to 30-fold faster campaign time-to-execution

http://w3-01.ibm.com/sales/ssi/cgi-bin/ssialias?infotype=CR&subtype=NA&htmlfid=0CRDD-8FHKYW&appname=crmd

# IBM Marketing

http://w3-01.ibm.com/sales/ssi/cgi-bin/ssialias?infotype=CR&subtype=NA&htmlfid=0CRDD-8FHKYW&appname=crmd

**What if you knew your marketing campaign was going to work before it even began?**
IBM gains the ability to understand and anticipate its customers' needs when it transforms its own marketing response and lead management system using marketing analysis software, resulting in unprecedented response to campaigns.

## The Opportunity

According to the IBM 2010 Global CEO Study, 95 percent of top-performing organizations identified "getting closer to customers" as their most important strategic initiative. IBM recognized that it needed to transform the way it manages both responses and leads in order to get closer. Prolonged lead gathering, slow marketing campaign development and execution, and a lack of actionable insight were leading to uncertainty in marketing strategy and mediocre results.

## What Makes it Smarter

Sales and marketing communications are no longer a gamble; they're a sure thing. IBM has radically transformed its approach to the planning, development and execution of marketing campaigns by instituting a client-led strategy. Under its new plan, IBM now develops detailed, personalized "nurture streams" that align marketing touches with the unique expectations and interests of its clients. The creative and strategic processes are faster, enabling IBM to execute more of them with greater accuracy and higher response. In addition, these new streams are integrated with the organization's existing marketing database, making feedback virtually instantaneous, so marketers can analyze performance in real-time and change messages or offers midcampaign if necessary.

## Real Business Results

– Reduced campaign execution time from two to six weeks to one day, a more than 90 percent reduction
– Cut the time required for creating response handling and landing page URLs from 30 days to under two hours (less than 1 percent of previous levels)
– Generated up to a sixfold response improvement for nurtured email responses and increased the open rate by 50 percent

## Solution Components

- IBM System p®
- IBM System x®
- IBM Cognos® BI
- IBM DB2® for Linux®, UNIX® and Windows®
- IBM Rational® ClearQuest®

- IBM WebSphere® Application Server
- IBM WebSphere Business Modeler
- IBM Unica® Campaign
- Unica Distributed Marketing
- Unica eMessage
- Unica Leads

**"It truly is a transformational platform. It is helping us become not merely 'market-driven,' but 'individual driven' as we personalize messages for each particular responder. That's tremendously powerful."**

**—Zarina Lam Stanford, director, Software Group Demand Programs, North America, IBM**

# Questions

# Bringing Science to the Art of Marketing...



# Thank You!