



# Today's Agenda

- **Keynote: The Future Practice of Marketing** – *Matt Friedman, Vice President Software Market Development*
- **Understanding Each Customer as an Individual** – *Tony Hocevar, Business Analytics, Marketing Executive*
- **Creating Value at Every Touch** – *Vince Leat, Business Unit Executive, Marketing Solutions*
- **Unlocking the full value of your Customer** – *Jens Niedzielski, MD, OgilvyOne*





# IBM LeadershipConnect

Driving Transformation for Greater Value

## The Future Practice of Marketing

Matt Friedman

VP Market Development, Growth Markets Unit



# Agenda

- **The changing profession**
- **Introduction to the three imperatives**
- **Making the three imperatives a reality**

# The changing profession



*“If we wanted to figure out if a customer is pregnant, even if she didn’t want us to know, can you do that?”*

NATE SILVER ON WHAT OBAMA SHOULD DO NEXT, P. 44    DON'T MOCK THE ARTISANAL PICKLE MAKERS, P. 14    A NANNY'S VIEW OF THE WORLD, P. 47    MANAGEMENT TIPS FROM 'DOWNTON ABBEY,' P. 52    GREECE CONFRONTS ITS SPARTAN FUTURE, P. 38    *It's the real thing! What's going on? News & analysis, P. 32*

## The New York Times Magazine

February 19, 2012

How your shopping habits reveal even the most personal information. By Charles Duhigg

# The timeless responsibilities of our marketing profession



**Marketers have always been responsible for knowing the customer.**



**Marketers have always been responsible for defining what to market, and how to market.**



**Marketers have always protected the brand promise.**

*Today, these fundamental responsibilities provide the foundation for the three imperatives of a new profession...*

# Re imagining marketing ...the three imperatives

1. Understanding each customer as an individual.

2. Creating a system of engagement that maximizes value creation at every touch.

3. Designing your culture and brand so they are authentically one.



# Re imagining the path to marketing transformation

## Imperative #1 Understanding Each Customer As An Individual

Instrument all the key touchpoints to gather the right data on each customer

Interconnect social media data, other forms of digital data, and transaction data to paint a more vivid picture of each customer

Run the analytics at the right time on the right customer to generate new ideas on whom to serve and how best to serve that individual

Generate insights in real time that are predictive, not just historical

Build the capability to do this at massive scale

## L' OCCITANE uses optimized customer segmentation to maximize value at every touch.

# 1,700%

increase in conversation to sale



**Business problem:** saw the signs of customer email overload, but still wished it could promote all of the same specials via email that customers would see during a visit to one of its brick-and-mortar boutiques.

**Solution:** cloud-delivered analytics solution that captures and analyzes customer behavioral data and compiles it with customer-submitted profile data to create optimized segmentation information.

*“By segmenting visitors based on behavior and tailoring email content accordingly, we are able to deliver highly personalized messages that generate much higher open rates, conversion rates and revenue per email.”—L' OCCITANE en Provence*



# Re imagining the path to marketing transformation

## Imperative #2

Creating a “System of Engagement” that maximizes value at every touch

Design the full customer journey

Based on individual customer analytics, offer the right products, content, and experiences

Design tailored experiences that connect, channels, and like-minded customers

Use customer insight to provide exceptional service at the right touch points

Create & automate in real time a system to deliver these interactions at massive scale

Use analytics to guide the development of tomorrow's portfolio

**wehkamp.nl created a system of engagement that offers online shoppers more relevant experiences.**

**271%**

higher sales-per-send ratio for marketing emails



**Business problem:** find a means to draw back customers after they had left its website, abandoning the cart without purchase and viewing similar offerings from a competitor's page.

**Solution:** customized retargeting campaign that develops unique sales offers for consumers in real time. Comparing their behaviors against established models, the company can offer unique discounts and product recommendations through targeted banner ads and email campaigns.

*“Everyone knows that targeted marketing is how we should be interacting with our customers, but so few online retailers are doing it yet. With this new system, we can track a shopper's interest in real time and deliver personalized discounts and incentives.”*

Re imagining the path to marketing transformation

## Imperative #3 Designing your culture and brand to authentically be one

Develop an acute understanding of the company's reputation by actively listening and engaging in social media

Systemically close the gaps between the company's unique character and reality – in all critical interactions

Align the organization around a social business platforms to enable employees to delight customers

Ensure systems are in place to manage the risks of being a social business

**BBVA ensures that its brand and its culture are authentically aligned by continually monitoring and assessing reputational risk.**

**100%**

increase in the notoriety of the brand in one year



**Business problem:** detect, assess and respond to threats to its reputation before they could become a significant problem for the bank.

**Solution:** automated consumer insight solution to monitor and measure the impact of Internet sentiment about the brand to detect possible risks to its reputation. The bank can now listen to the voice of its clients and what they think about the bank's services, new products, customer service and president's statements, from a totally new viewpoint.

**“Knowing what our customers think about us is essential to implementing effective customer service strategies, new products and strategic goals.” *Banco Bilbao Vizcaya Argentaria***

## We are eating our own cooking...

### Challenge

- Digital mix increased 3X from 2008 to 2011
- Push to pull – focus on client experience
- Reactive to proactive demand management
- Role re-design from siloed tactical execution to a demand system

### Solution

- Define and deploy marketing strategy centered on client experience
- Implement marketing automation suite
  - Campaign
  - eMessage
  - Collaborate
  - Web analytics
  - Social Media Analytics

### Results

- Shared vision of client experience
- More disciplined planning and design of our campaigns
- Up to 6-fold improvements in response rates
- Up to 30-fold faster campaign time-to-execution

Delivering on the imperatives for a new profession will require **closer collaboration between marketing and IT**. IBM can help.

Understanding each customer as an individual.

Creating a system of engagement that maximizes value creation at every touch.

Designing your culture and brand so they are authentically one.

 **Marketing strategy and transformation** 

**Customer analytics**

**Marketing performance & optimization**

**Customer experience & engagement**

**Social marketing & collaboration**

# The three imperatives

1. Understanding each customer as an individual.

2. Creating a system of engagement that maximizes value creation at every touch.

3. Designing your culture and brand so they are authentically one.



*A starting point for the future practice of marketing.*



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# Here's to the future