"People at Work"

The Cognitive Marketer

Marketing has changed.

The internet has revolutionised the way people research, buy and share brand experiences. Customer experience has always been a key determinant of brand loyalty and is now almost entirely dependent on the quality of their digital interactions with a company.

Company executives are focused heavily on improving their customer experience journeys, not only to increase revenues, but also as a hedge against disruption from within, or from outside, their industry.

This is a challenge that is, or will be, owned by marketing. A recent study by *The Economist* found that within five years 86% of customer experiences will be owned by the CMO.

With digital business came the promise of a more direct and personal experience between the people creating a brand and those they serve.

Companies that meet or exceed those expectations regularly outperform their peers, earning higher margins and disrupting their competition.

However, digital business has also created a dramatic increase in the amount of data to analyse and decisions to make in the course of selecting audiences, channels, content formats, creatives and offers. And it has increased accountability for those choices.

So, while data abounds, it is difficult to extract meaningful conclusions from that data in time to impact performance or uncover new opportunities.

So let's take a deeper look at the types of data – both structured and unstructured – that can help drive insights and improve our marketing and customer experiences.

We have traditional structured data including things like transaction history, content consumption, demographics and firmographics, and this can be enhanced with cookie data, search preferences and history, location and time stamps.
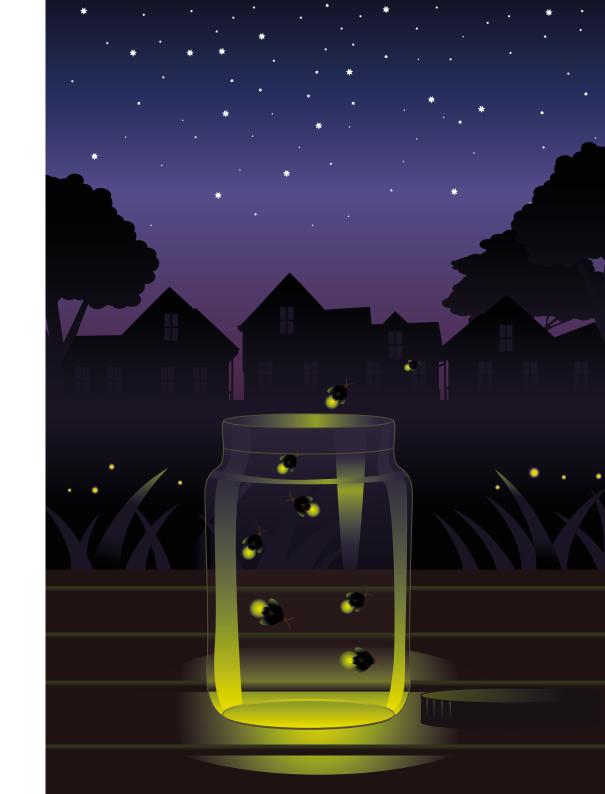
But by far the most interesting, and untapped data sources are unstructured data elements, such as images, video, audio and text. This represents over 80% of data that is created every day, and can reveal customer emotion, attitude and tone. These elements could really improve the marketing insights we have about our buyers but are not in a format that can be analysed by traditional computing techniques.

Gartner defines dark data as "information assets that organisations collect, process and store in the course of their regular business activity, but generally fail to use for other purposes."

While dark data certainly includes the unstructured data that is typically not ingested and used today, it also relates to the structured data that lives in other systems both inside and outside of our enterprises but is not exploited for marketing purposes today. This includes information from open data sources such as weather reports, public transport, news, census returns, stock prices and geographic maps.

But while this dark data holds huge promise for helping to improve our customer experiences and business results, we have to acknowledge that most marketers aren't able to process the vast pools of data they already possess. Marketers need a new kind of system: a cognitive system.

The four basic elements that make a system cognitive are:

The **ability to understand at scale** – to make sense of previously untouchable data such as speech, text and images, combined with the mass of structured data that is often overlooked.

The **ability to reason** – cognitive systems can draw conclusions from an array of data – both structured and dark – and unlike conventional programmatic computing systems, cognitive systems won't tell you "the answer", but instead propose a conclusion and then support that with rationale.

The **ability to learn** – by definition, cognitive systems get smarter and smarter – and more accurate in their conclusions – each time they perform a task or work on a problem.

Finally, because a cognitive system **understands human language** it can interact with us and with our customers in a more natural way.

What if you had a system that could…

- discover and target audiences within minutes?

- activate the right message and deliver to the right individuals at the right time through real-time personalisation rules?

- engage digitally with customers in a more human way to personalise service and increase conversion throughout their relationship?

- predict whether a campaign is likely to fall short of its goal, so the marketing team can course-correct in flight and deliver for the business?

- analyse all of your content, and that of your key competitors, and then assess your "tone" and theirs and guide your team to create better content?

- find and select images and other content to use in your next marketing campaign based on alignment with your message?

We've been working with clients to enable real-time personalisation at scale.

Clients like ING Direct use the IBM Interact real-time offer engine to ingest data and then apply predictive models to automatically learn and improve offer selection over time.

This system executes more than 100 contextual triggers per day to share relevant, personalised messages to over one million customers each month via email, web, ATMs and call centre staff.

In the past, a medium-sized campaign took around five to six days to build and test. Today, they can roll out an entire campaign in just three days. And, because the offers are timely and relevant, they also convert at a higher rate.

Red Bull is an energy drink company. They've embraced extreme sports for their high-energy lifestyle brand and brought on a number of athletes as spokespeople.

Red Bull used Watson's Speech-to-text Personality Insights to analyse the athletes' social posts and video interviews to help them understand how they and the Red Bull brand were being perceived by their fans.
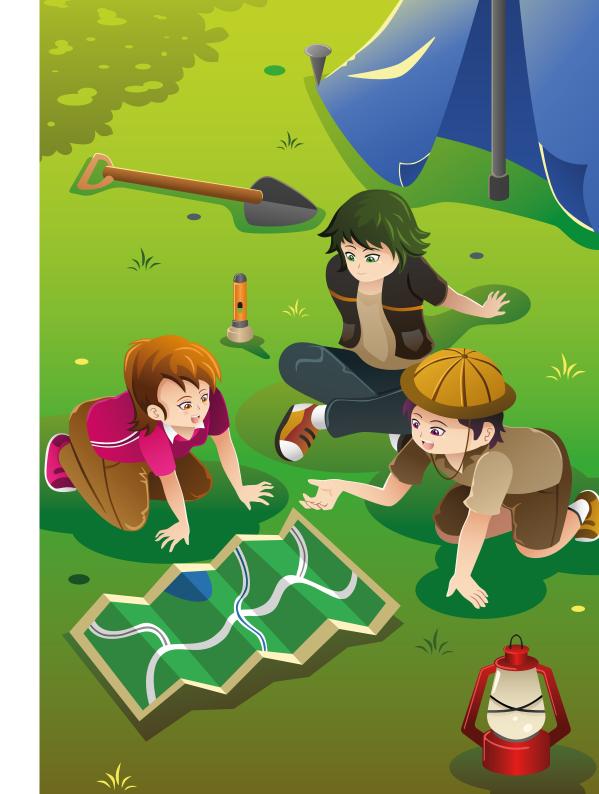
This has helped the athletes to become more self-aware about the images they were projecting, without dictating what they say.

So the spirit of the brand is reinforced, but not at the cost of authenticity. Individuals learn over time how to keep their voices strong while telling their version of the brand story.

There are four ways marketers can immediately access cognitive-infused solutions:

- IBM Marketing solutions: We are embedding cognitive expertise, advice and recommendations inside solutions like IBM Marketing Cloud & **IBM Customer Experience Analytics**.

- IBM BlueMix developer platform: Leverage data from across applications using powerful tools within Watson services.

- IBM Interactive Experience (iX) services: IBM iX can help you discover, prototype and run bespoke customer and employee digital experiences, utilising IBM Design thinking frameworks, co-located sprints and cross-industry expertise.

- Through our ecosystem service and solution partners: we know every marketer needs to work with solutions from a variety of vendors. That's why we've continued IBM's open systems approach that makes it possible for our partners to be a part of cognitive.

It's critical to understand the potential – and power – of cognitive, and to step back from your day-to-day business pressures and think through the implications and potential for your business.

Why not assess how cognitive might help solve data challenges, or expose more insights by opening up the world of dark data including customer emotion, tone, and sentiment?

Try it. And leverage the learnings and knowledge from your trials to truly transform the way you think – and do – marketing. The way you think about and craft customer experiences. The way that you analyse and gain insights from your data.

Welcome to the Cognitive era.

For more information, visit ibm.com/cxanalytics

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