The Future of Marketing
How to increase loyalty with new generation of customers
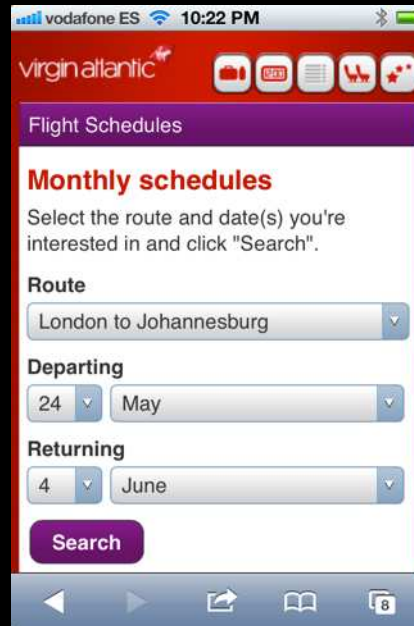
Semír Aldabagh

Enterprise Marketing Management

IBM Central and South East Europe

We are Mobile

We Are Social

We Are Conducting Life Online

Social is empowering customers to own the brand

Customers now have unlimited access to information and can **instantly share** it with the world

Social networking and mobile commerce have dramatically changed **the dynamic between buyer and seller.**

Customer **expectations** of service, price and delivery are soaring.

Get it now or go elsewhere!
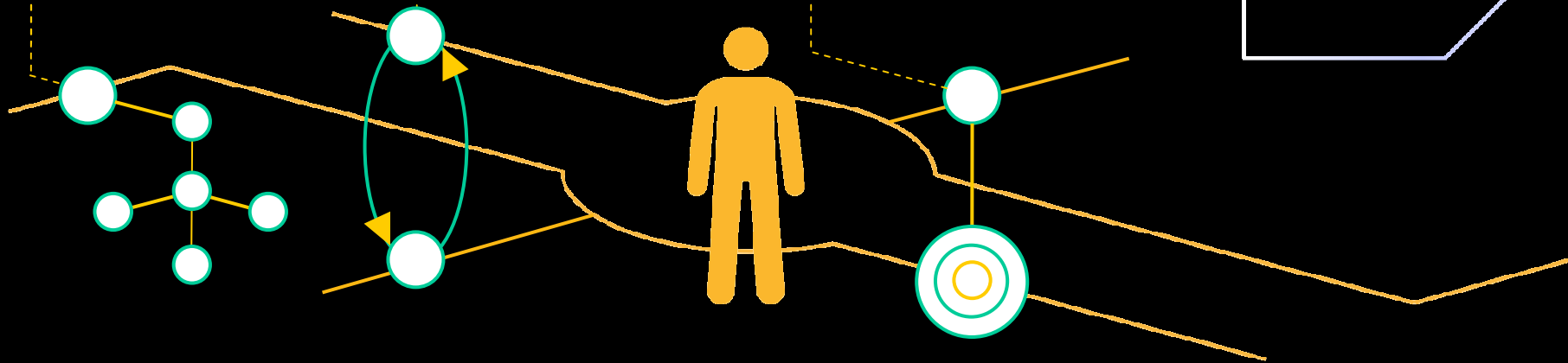
4 in 10 Smartphone users search for an item in a store

70% of online consumers trust peer recommendations

155 million Number of tweets sent each day

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Today's customers expect a consistent and relevant experience across multiple channels

Paid Search

Searched for HDTV on Google

Mobile

Purchased out-of-stock blu-ray player after scanning QR code in-store

Email

Responded to newsletter TV clearance link

Display Ad

Returned via a display ad click; picked a product recommendation on site

Natural Search

Came to the site via Natural Search, entered discount code and purchased
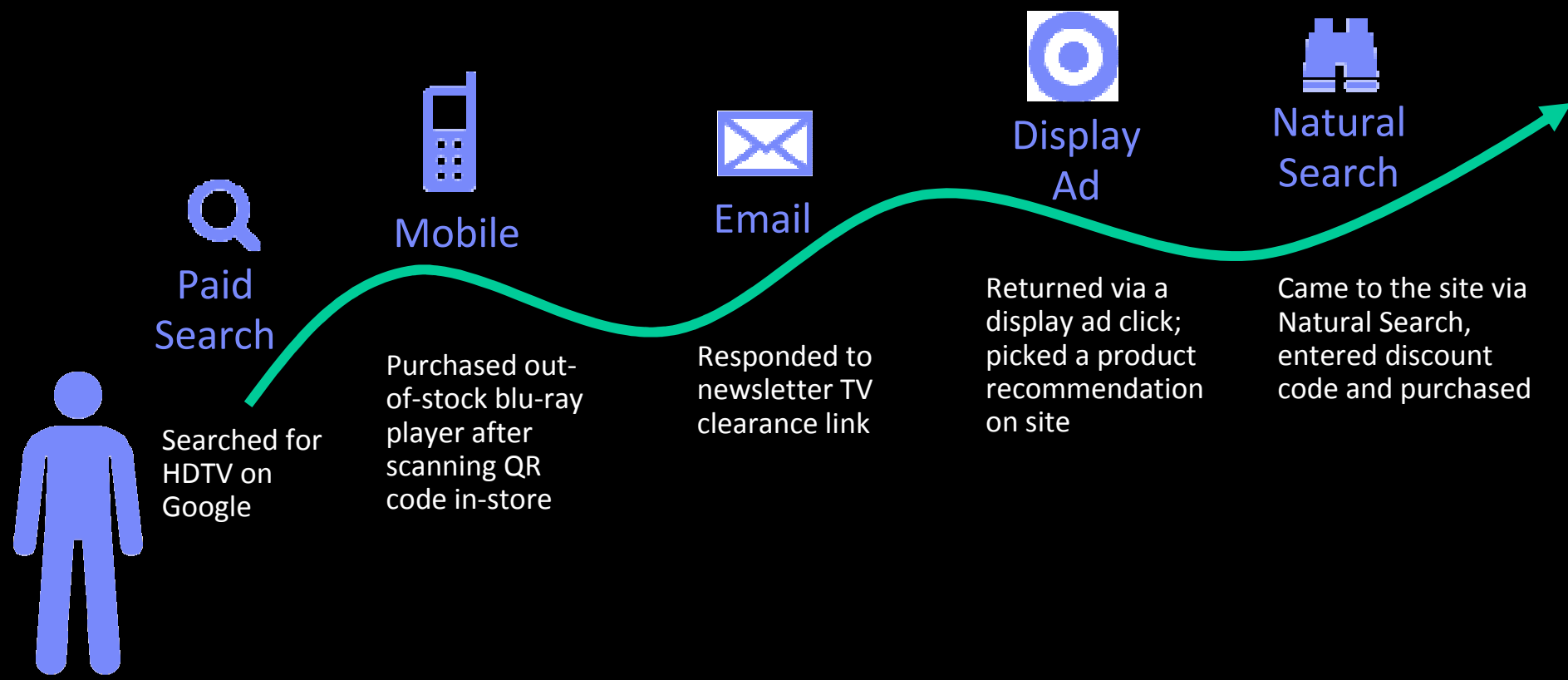
Marketers must integrate all aspects of marketing
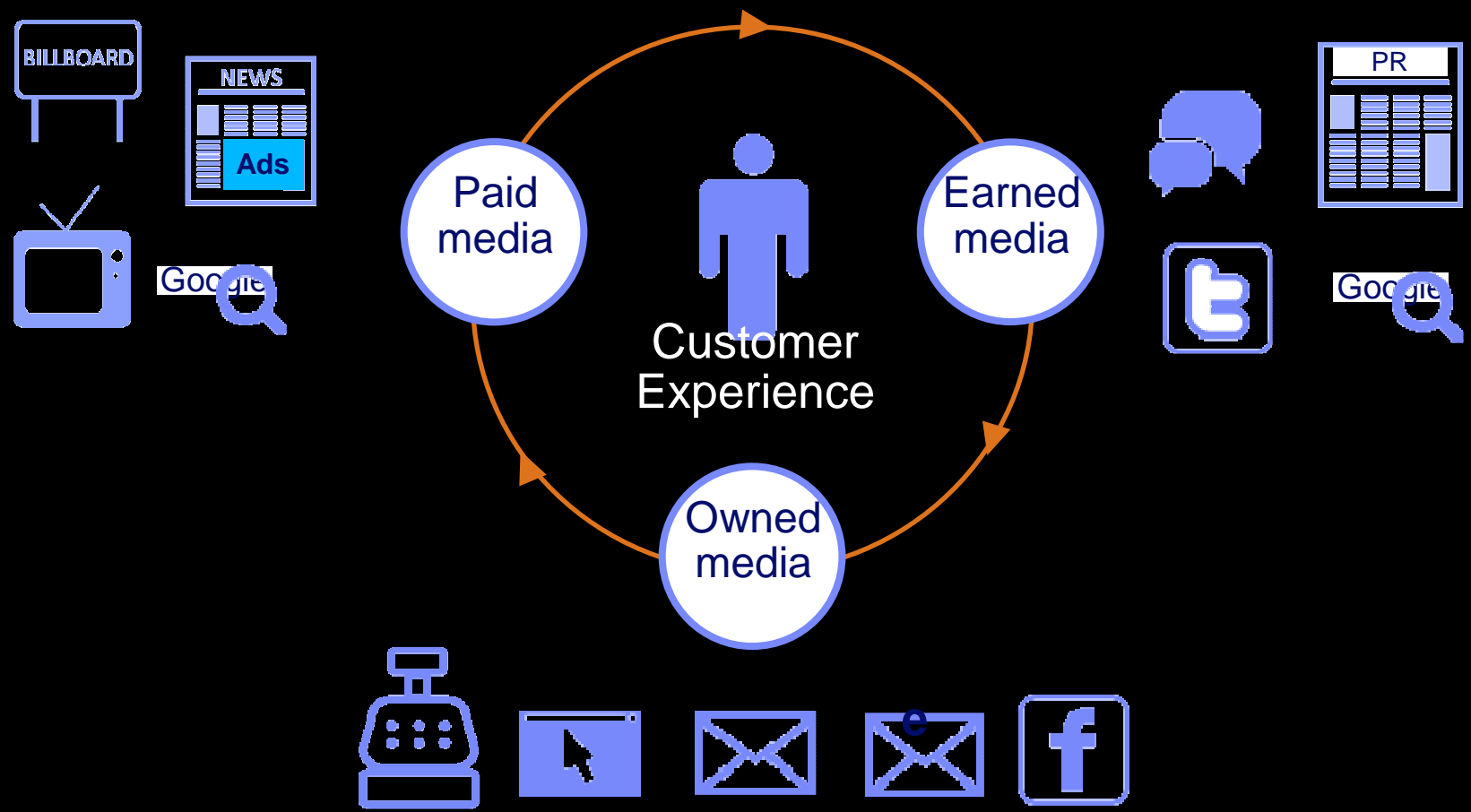
New generation marketing requires comprehensive platform

Analyze
to indentify opportunities and predict outcomes

Decide
on the best action, offer, content and/or channel

Collect
data that augments each customer profile

Deliver
relevant pricing, engaging messages, and capture reactions

Manage
marketing processes and measure results
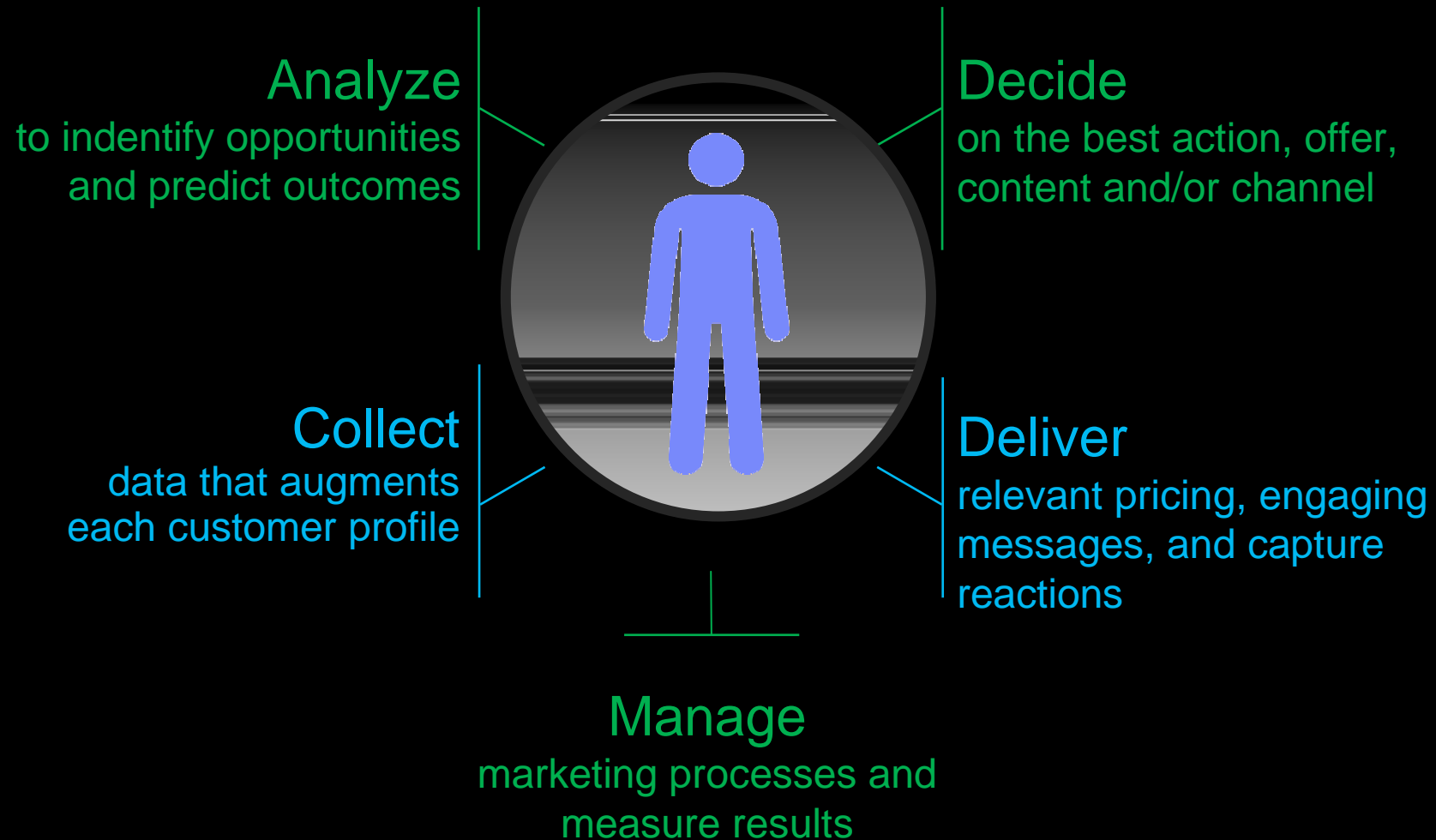
Develop deep insights into customers' interests and lifetime interactions

Social & Mobile

Systems of Records

Traffic Sources

Off-line Interactions

Lifetime Website Behavior

Customer Attributes
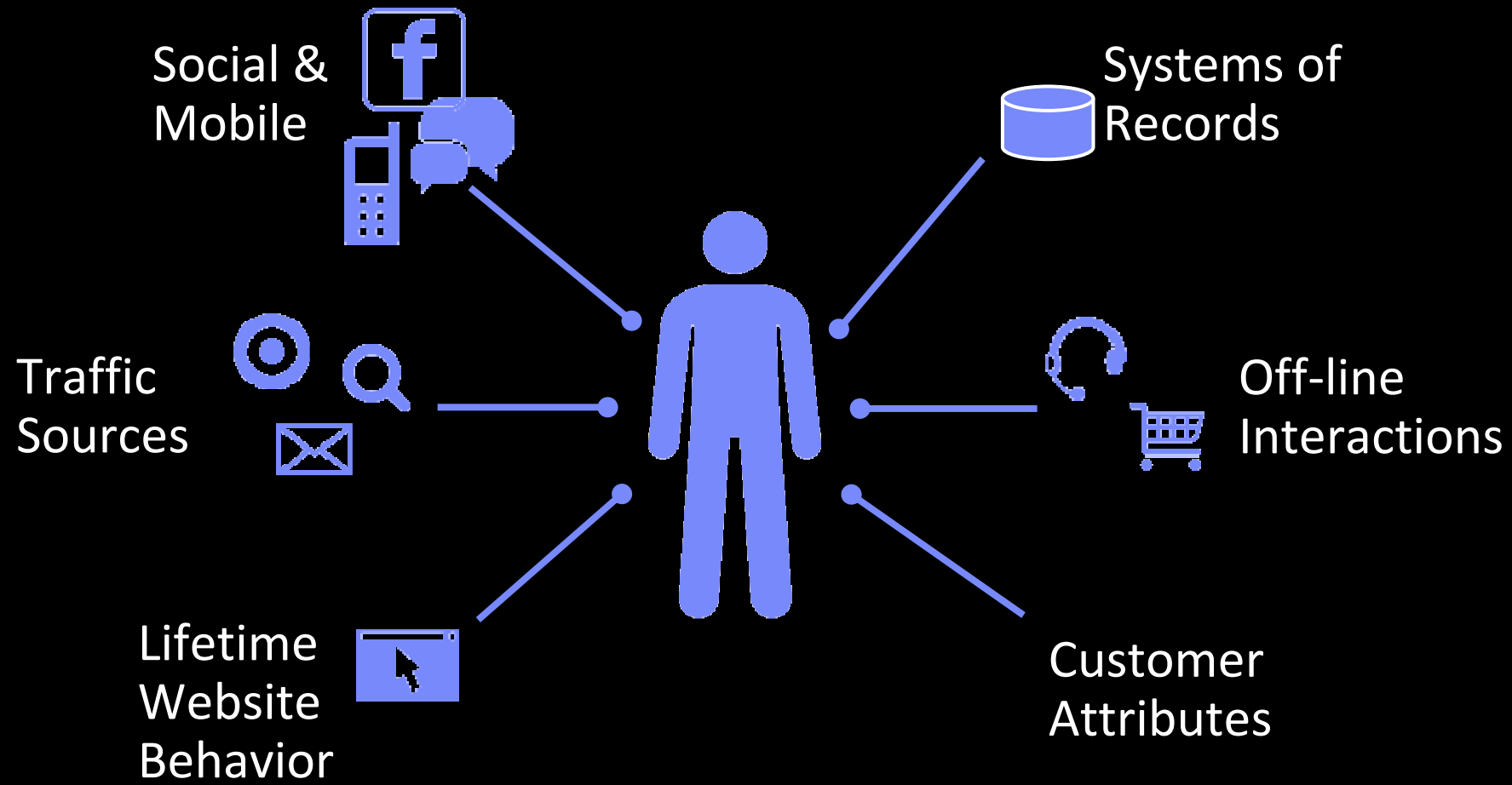
Leverage all opportunities during the lifetime of a customer

Interactions

Prospect

Acquisition

Retained Loyal

Changing Needs

Retention

Win-Back

Awareness → Consideration → Initial Purchase → On-Boarding → Cross- & Up-Sell → Retention & Win-Back

AWARENESS

Awareness → Consideration → Initial Purchase → On-Boarding → Cross- & Up-Sell → Retention & Win-Back

SETON HALL UNIVERSITY
1856
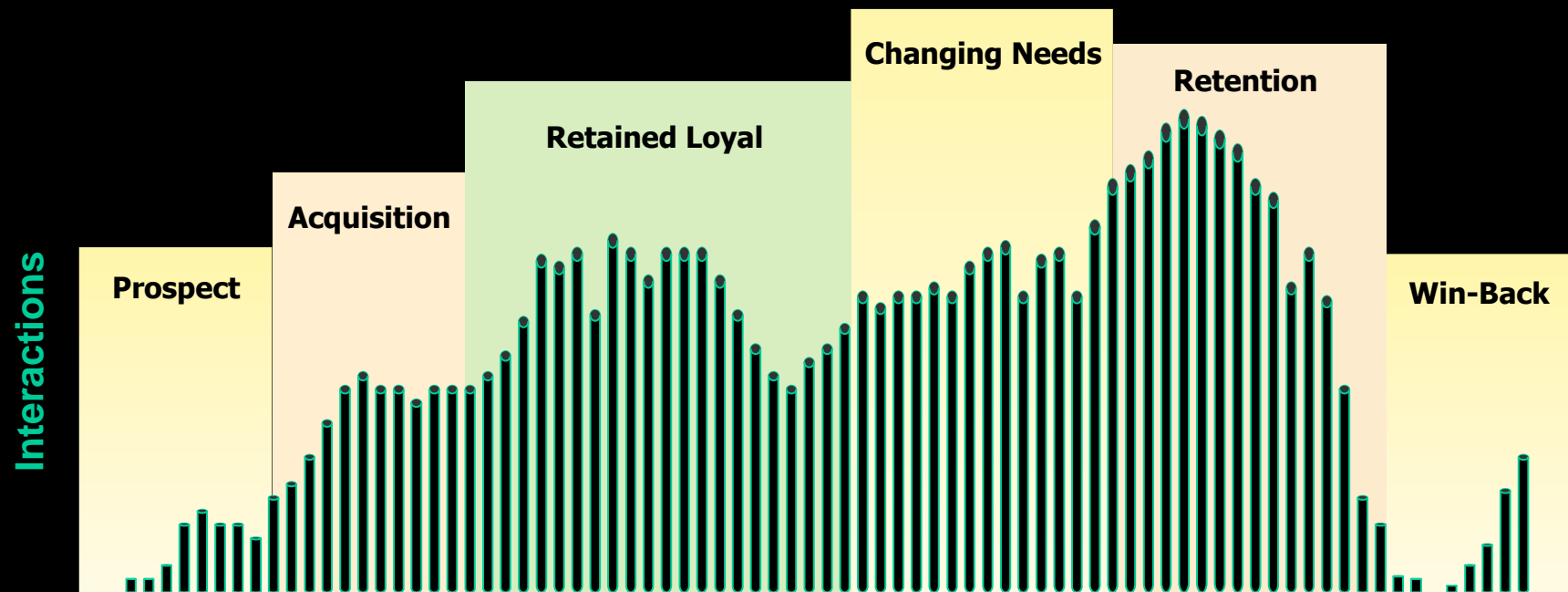
Wanted better allocation of marketing spend

Business Need

- Wanted to understand how offline and online marketing activities interrelated and led to conversion (enrollment)

- Recruitment cycles range from 18 to 36 months; needed to evaluate influences over a long period of time
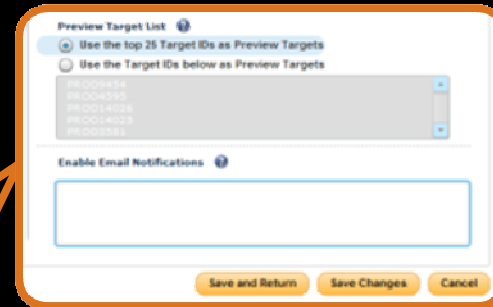
Results

- Discovered surprising results regarding which channels bring students to the site, resulting in *increased investment* in search and social media

- Discovered that the combination of direct mail and email, although expensive, resulted in *376% application rate* versus 76% for email alone

IBM

Improve relevancy through Personalization

Automate personalized product recommendations on-site

Capture and analyze visitor behavior over time

Shoppers	1x Buyers	2x Buyers
Unique Visitors	**Unique Visitors**	**Unique Visitors**
34,215 (22.0%)	17,034 (11.0%)	6,375 (4.1%)
Days to Reach	**Days to Reach**	**Days to Reach**
32.4	43.9	111.2
Sessions to Reach	**Sessions to Reach**	**Sessions to Reach**
3.8	5.9	13.8
More Metrics	More Metrics	More Metrics
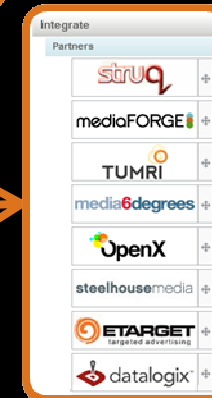
Use personalized product and content recommendations in display advertising
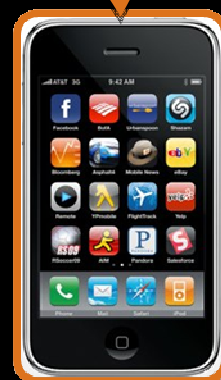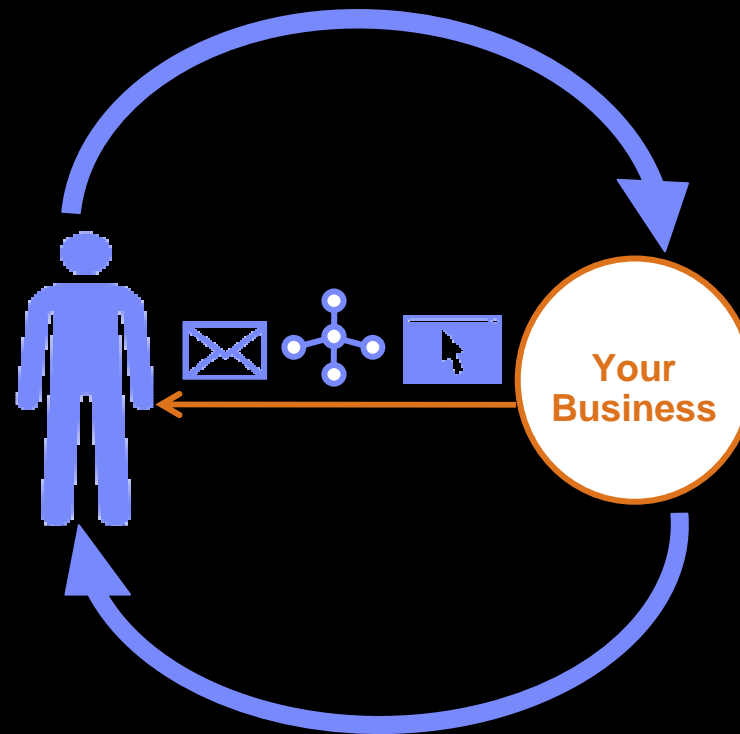
Use personalized product recommendations specific to mobile devices
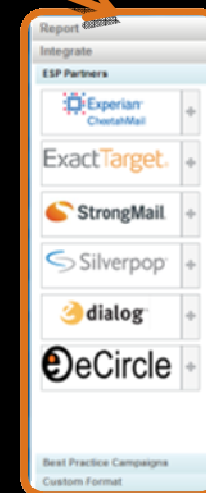
Send targeted emails with compelling content and products

Recapture customers who abandon by relevant re-targeting

Your Business

It takes an average of 6.8 digital interactions before conversion.

If you don't convert a visitor, someone else likely will.

CONSIDERATION-INITIAL PURCHASE

| Awareness | Consideration | Initial Purchase | On-Boarding | Cross- & Up-Sell | Retention & Win-Back |

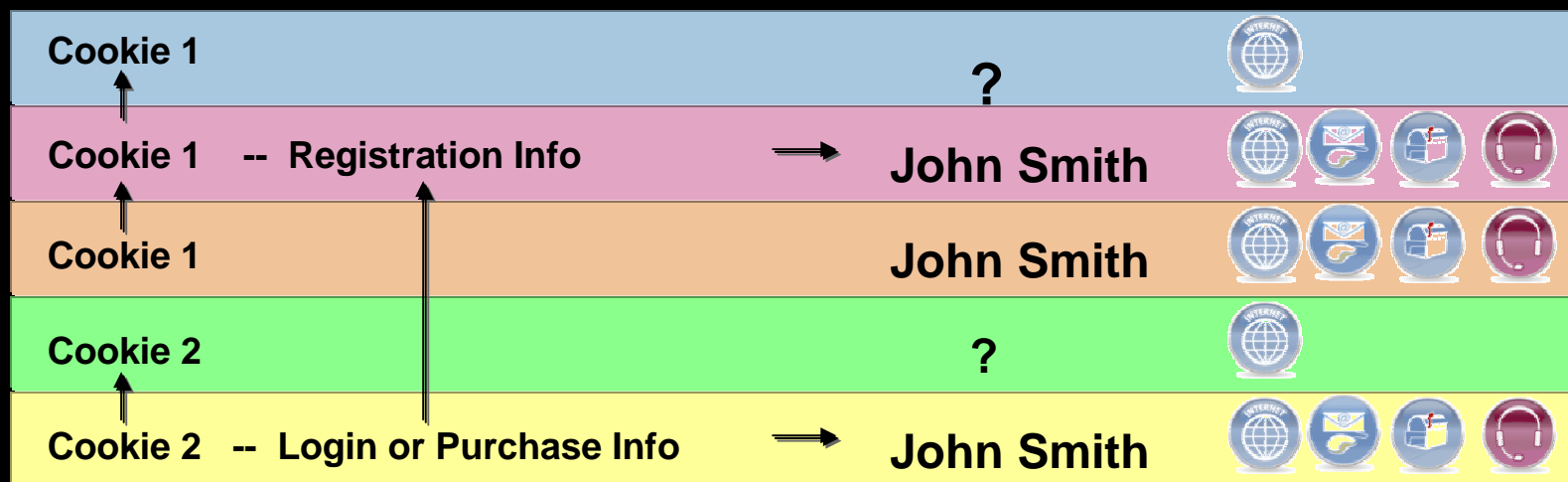**wehkamp.nl**

Business Need
- To reacquire abandoners with retargeting using display ads, email, and on-site product recommendations

- To improve relevance of the customer experience

Results
- Targeted display ads are *15x better* ROI than untargeted
- 1% click through rate on targeted banners: *5x higher* than untargeted
- Deploying automated product recommendations allowed 5 full time employees to be repurposed to other programs
- 23% higher email open rate; 68% higher click-through rate: 67% lower opt-out; 271% higher sales-per-send ratio

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A considered purchase business nurtures and closes leads

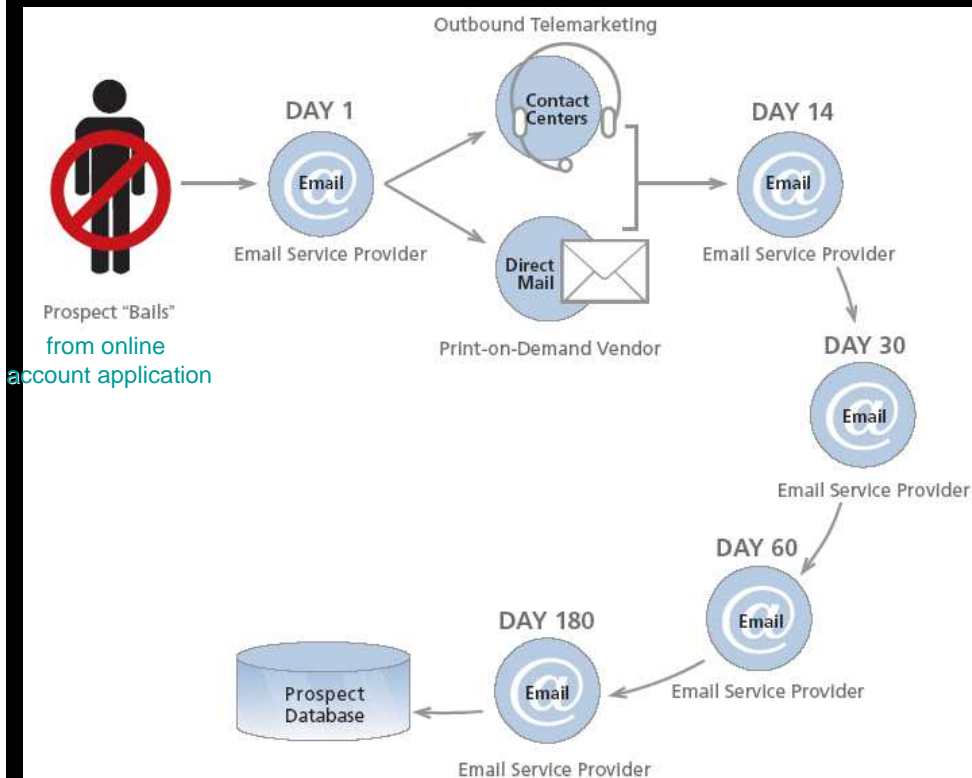| Awareness	Consideration	Initial Purchase	On-Boarding	Cross- & Up-Sell	Retention & Win-Back

Visit 1	Visit 2	Visit 3	Visit 4	Visit 5
Anonymous ➔ Cookie	Registration / Purchase ➔ Cookie + Identification	No Login / No Purchase ➔ Cookie	New Device or Cookies Deleted ➔ Cookie 2	Log-in or New Purchase ➔ Cookie 2 + Identification

Cookie 1   ?

Cookie 1 -- Registration Info   →   John Smith

Cookie 1   John Smith

Cookie 2   ?

Cookie 2 -- Login or Purchase Info   →   John Smith

ONBOARDING- Remarketing:

Results
- ~3.4% incremental conversion
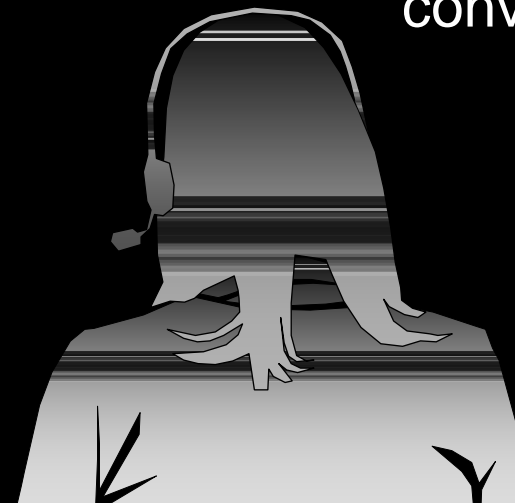
Frequency of touch point

Mobile		20-30 x per month
Internet		7-10 x per month
ATM		3-5 x per month
Contact Center		5-10 x per year
Branch		1-2 x per year

Critical

Little

Importance

Budget

Comfort & Security

2/3

Awareness Consideration Initial Purchase On-Boarding Cross- & Up-Sell Retention & Win-Back
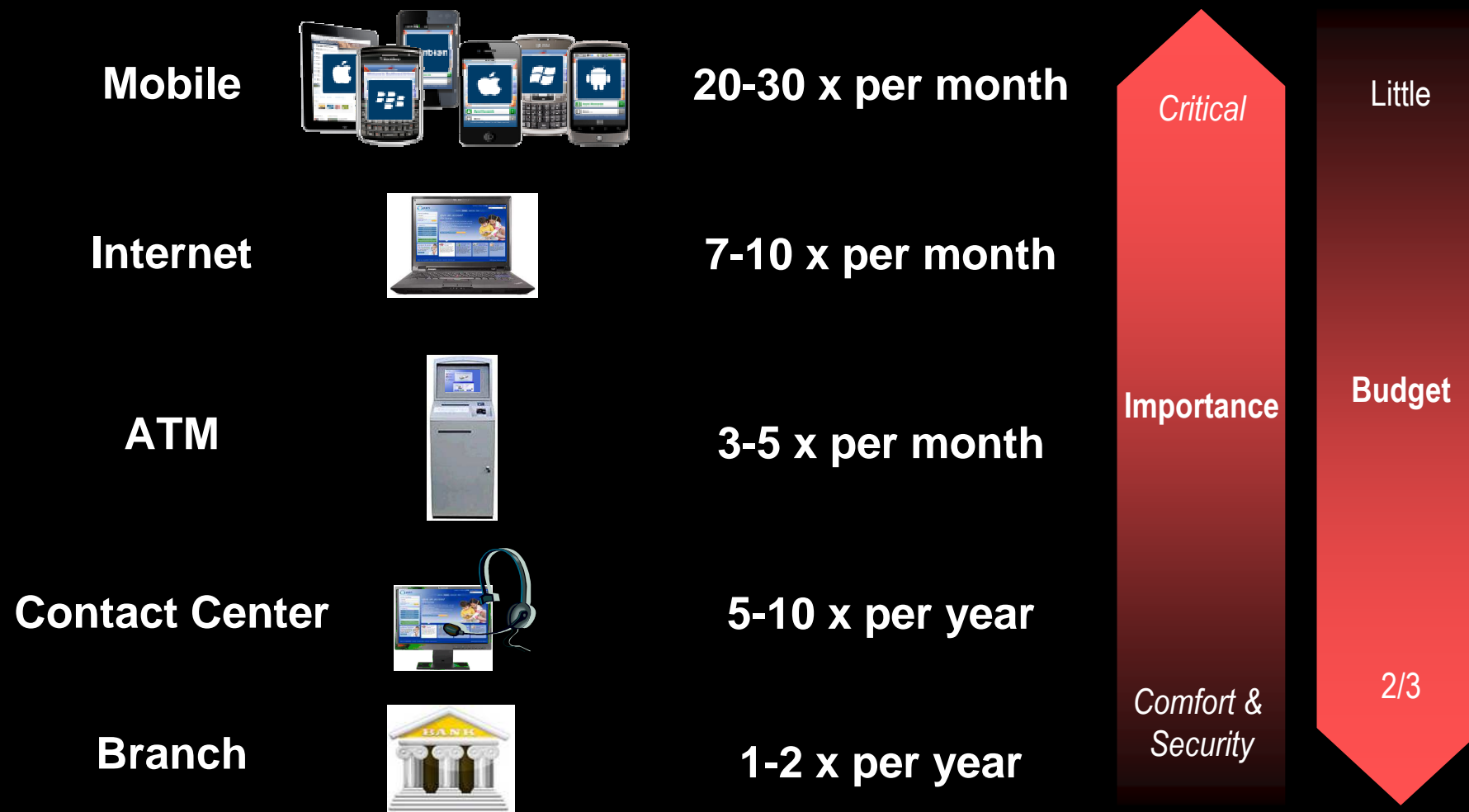
CROSS & UP-SELL

Gambling and on-line betting industry

Maximising player value

Test and compare
different strategies

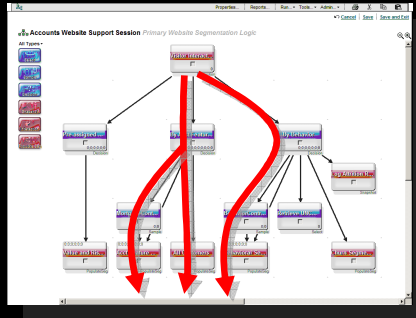Turning player insights
into marketable action

PLAYER DATA & INSIGHT

Customer Profile

Transactions Betting data

Web Behaviour Data Mart

Models & Other data
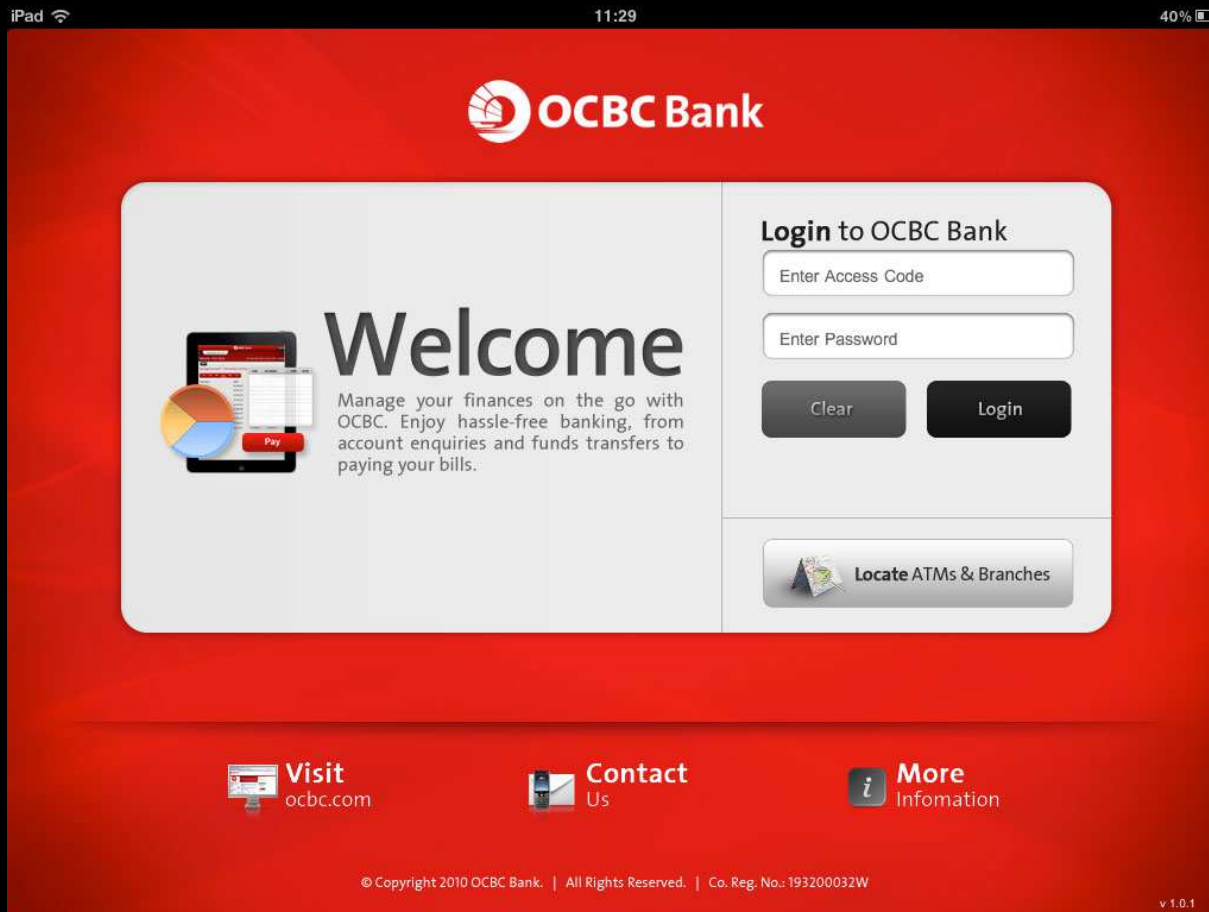
OFFERS

REAL-TIME DECISION

REAL-TIME CHANNEL

Closed Loop: Response drives subsequent Personalisation

INCREASED BET SIZE INCREASED FREQUENCY

RETENTION –WIN BACK

Event based marketing

Service related triggers

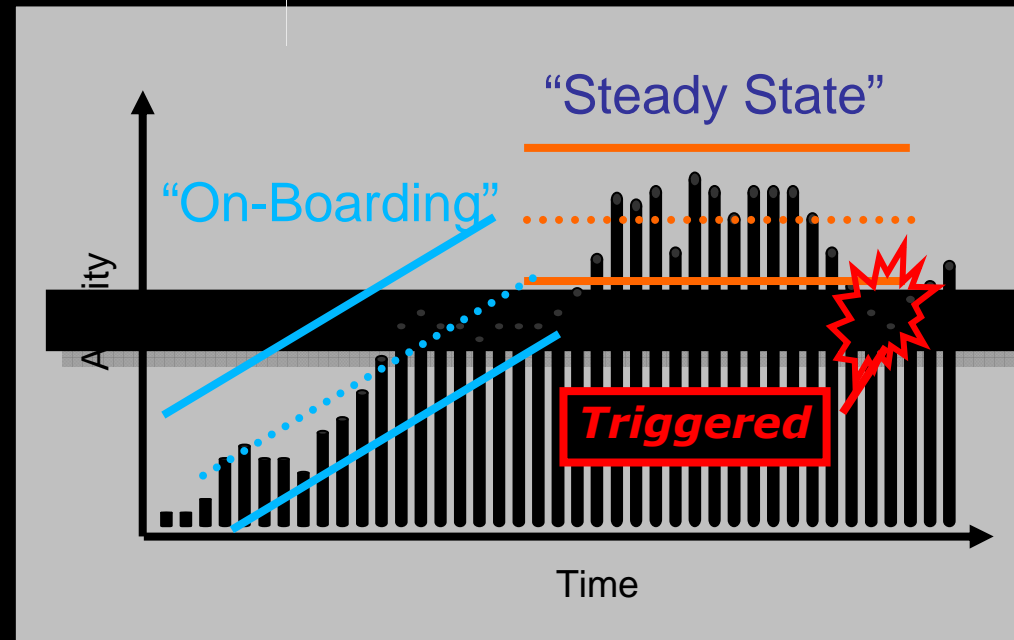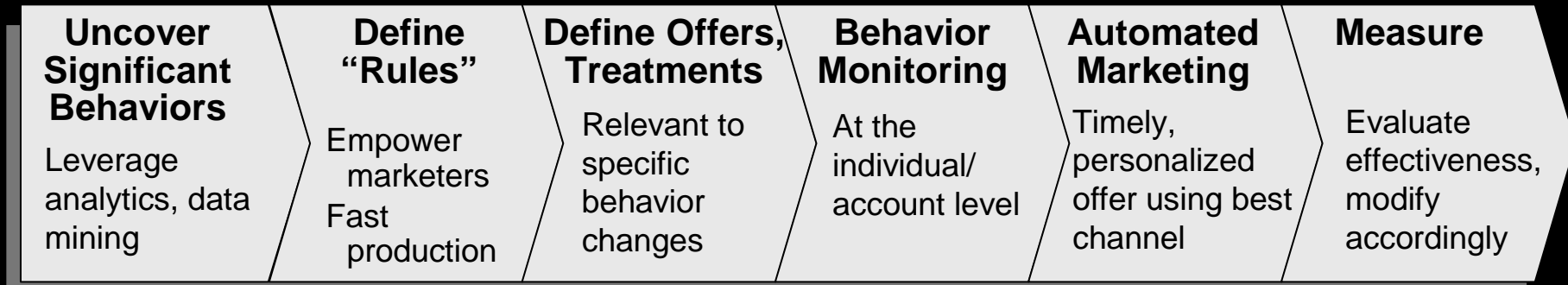Review Rate Plans

Deposit Attrition

Contacted help line

500 customer states

40% retention increase

Event-Based Marketing

Uncover Significant Behaviors	Define "Rules"	Define Offers, Treatments	Behavior Monitoring	Automated Marketing	Measure
Leverage analytics, data mining	Empower marketers Fast production	Relevant to specific behavior changes	At the individual/ account level	Timely, personalized offer using best channel	Evaluate effectiveness, modify accordingly

"Steady State"

"On-Boarding"

Activity

Triggered

Time

Demand Generation is about Delighting Customers

Good Marketing is Service

Awareness

Demand Generation
(Consideration, Preference, Transact)

Customer

Energize Customers

(Delighted, Fans, Broadcasters)

Customer Experience

(Quality, Consistency, Convenience)
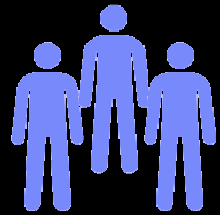
Good Service is Marketing
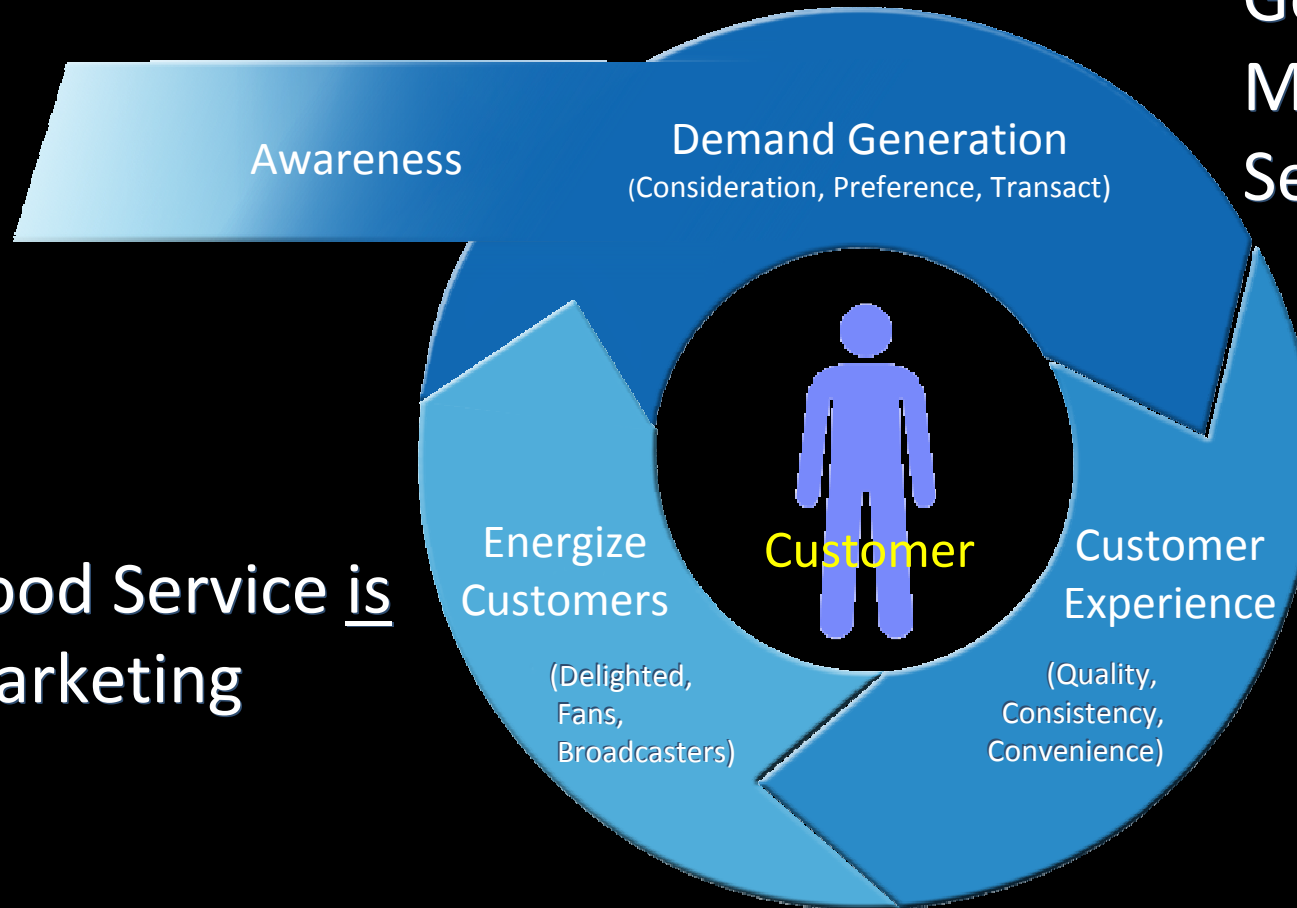
Real results reported by EMM users

More effective marketing:

Response rates: up 10-50%
Campaign ROI: up 15-30%
Online marketing ROI: up 15-25x

Improved transactional results:

Sales volume: up 0.5-1%
Average order value: up 15-20%
Trade ROI: up 15-20%

Better customer relationships:

Customer value: up 5-10%
Loyalty and retention: up 10-15%
Acquisition cost: down 25%-75%

More efficient marketing:

Cycle times: down 40-80%
Marketing costs: down 20-40%
Campaign volume: up 2-5x

Better top- & bottom-line results:

Revenue: up 1-3%
Margin: up 2-5%

More than 2500 Organizations Worldwide Depend on IBM's EMM Solutions

So don't miss the train, call us!