

IBM Performance 2011

Smarter Decisions. Better Results.



Personalisation – Mastering the Digital Customer Relationship

Martin Doettling
IBM Industry Solutions

9 November 2011

Introduction

Martin Doettling

Enterprise Marketing Management
Product Strategy

mdoettling@us.ibm.com



[@mdoettling](https://twitter.com/mdoettling)

mdoettling@us.ibm.com

Marketing is Personal

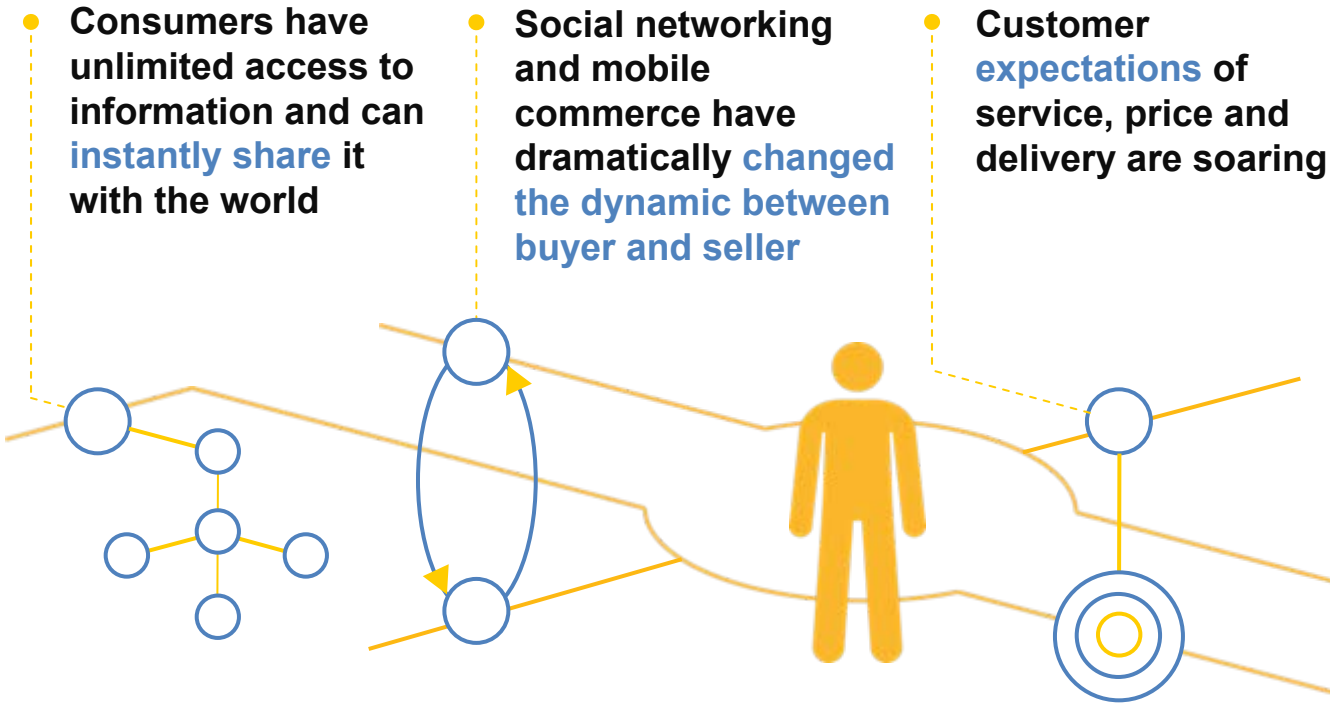


“ Personalisation is the next big thing... AGAIN.”

- Tim Walters, Ph.D.
Forrester - 2008

The Forrester logo, which consists of the word "FORRESTER" in white capital letters inside a dark green oval.

The age of the empowered consumer



*Get it now
or go
elsewhere!*

195 million

Number of tweets sent via Twitter each day

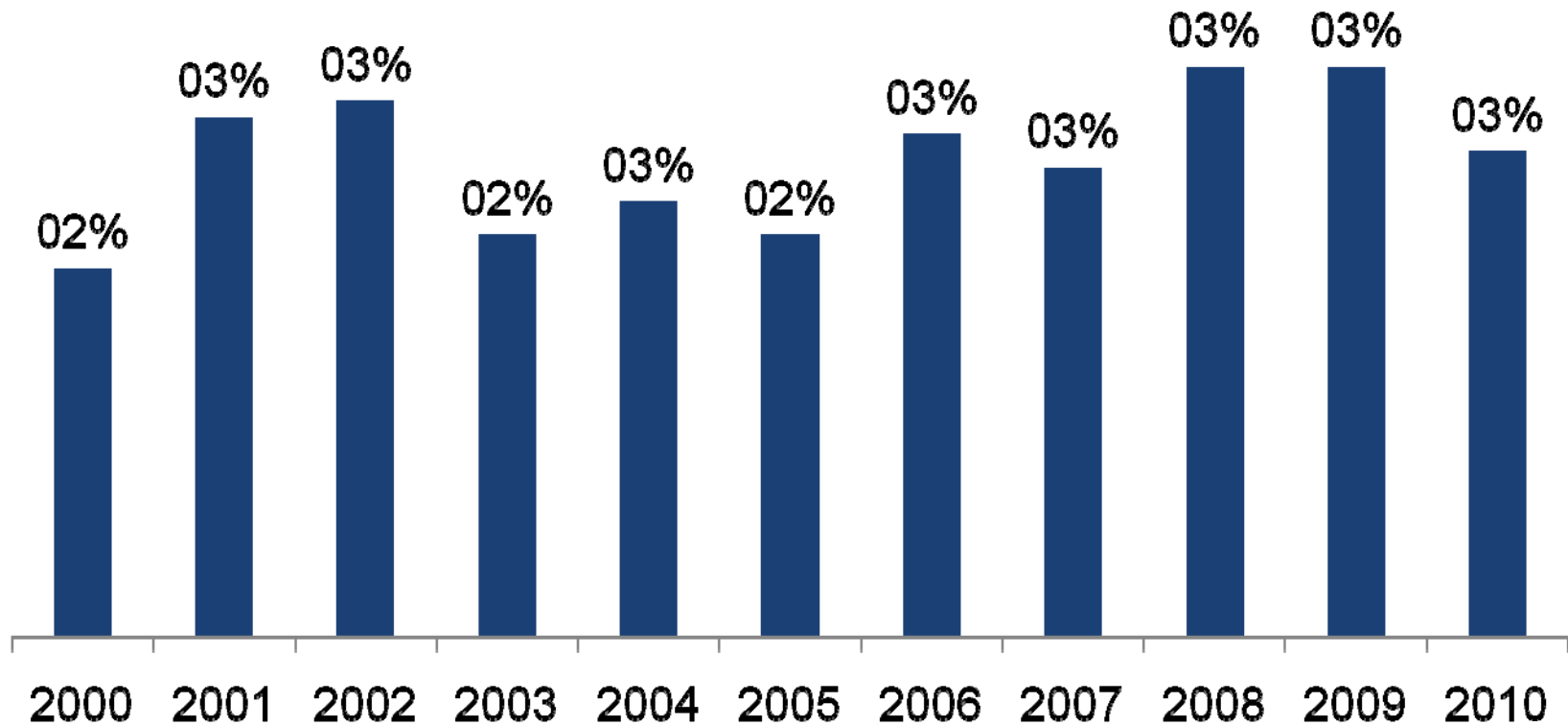
75%

Percentage of people who believe companies don't tell the truth in advertisements

\$93 billion

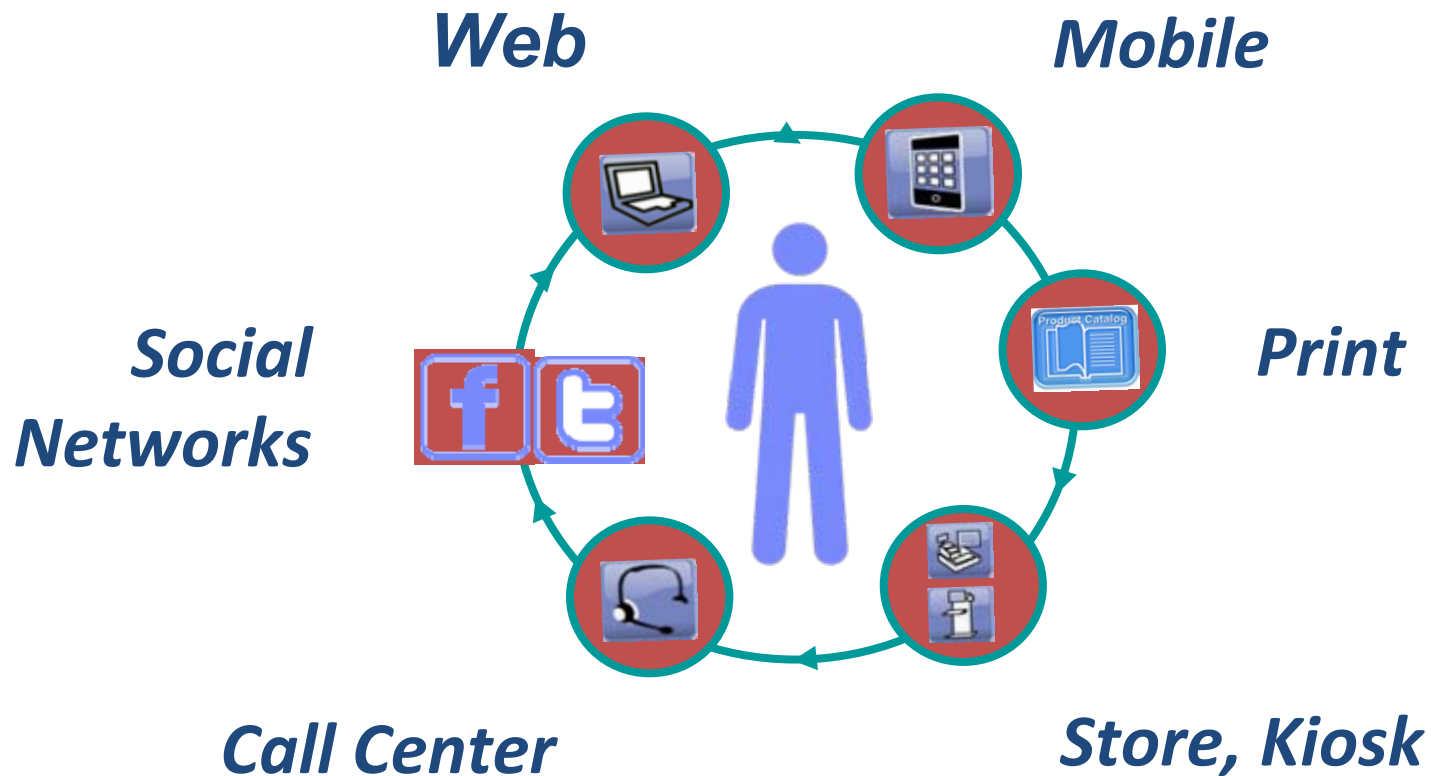
Amount in sales missed due to out of stock inventory

Stagnant conversion rates



Forrester: State of Retailing Online Retailer Surveys

Consumers move effortlessly between interaction modes – yet expect a **consistent** and **personalised** experience



To deliver a consistently **compelling customer experience**, marketers need to:

- Easily obtain **deep insights** into customers' interests and lifetime interactions
- Justify their budgets and demonstrate the **impact** of their investments on revenue
- **Identify** and **acquire** new potential customers
- Take advantage of the **new ways** in which customers are interacting with their brands
- Execute one-to-one **personalised** marketing programs effectively and efficiently
- **Recapture** customers who abandon and stay top of mind
- **Reinforce** a consistent, personalized message across digital channels, including social and mobile
- Leverage insights and metrics to **stay ahead** of changing market dynamics





Mastering The Digital Customer Relationship Where to Begin

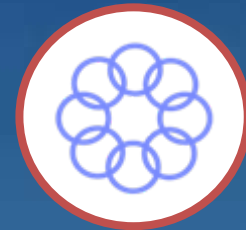
IBM Coremetrics Digital Marketing Optimisation



Web Analytics



Customer Profiles



Digital Marketing Applications

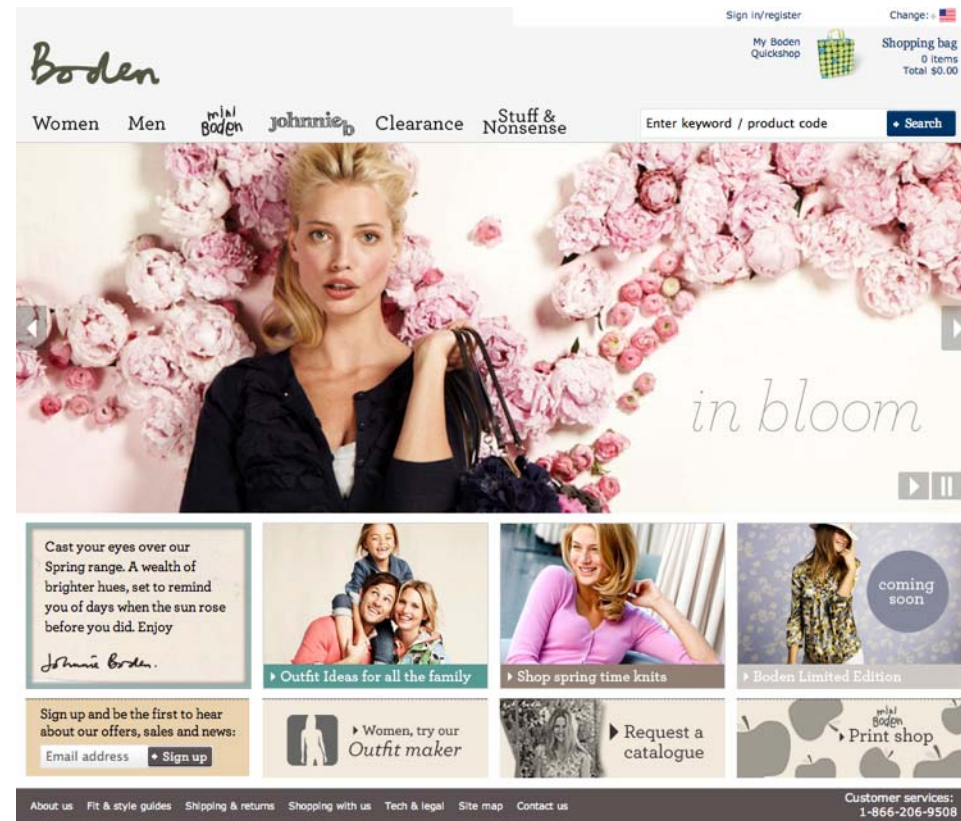
Customer insight – turning the lights on

“

It's like turning the lights on!

We wish we could ask our customers, 'How can we make our website work better for you?' but it would be impossible to canvass all of them! Now we're improving the website simply by watching our visitors walk around the store.

”

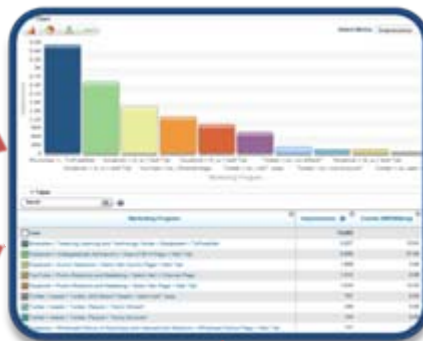


Web Analytics

Link offline with online behavior



Understand web site and marketing program performance to build customer profiles



Measure social ROI relative to other digital marketing efforts

Term / Tweet	Count	Feed Name
furniture	17	-
ashley	2	-
chocolate	2	-
dick	2	-
#buyday	1	-
11	1	-
allergic	1	-

Benchmark performance against peers and competitors



Track and segment customer behavior over time



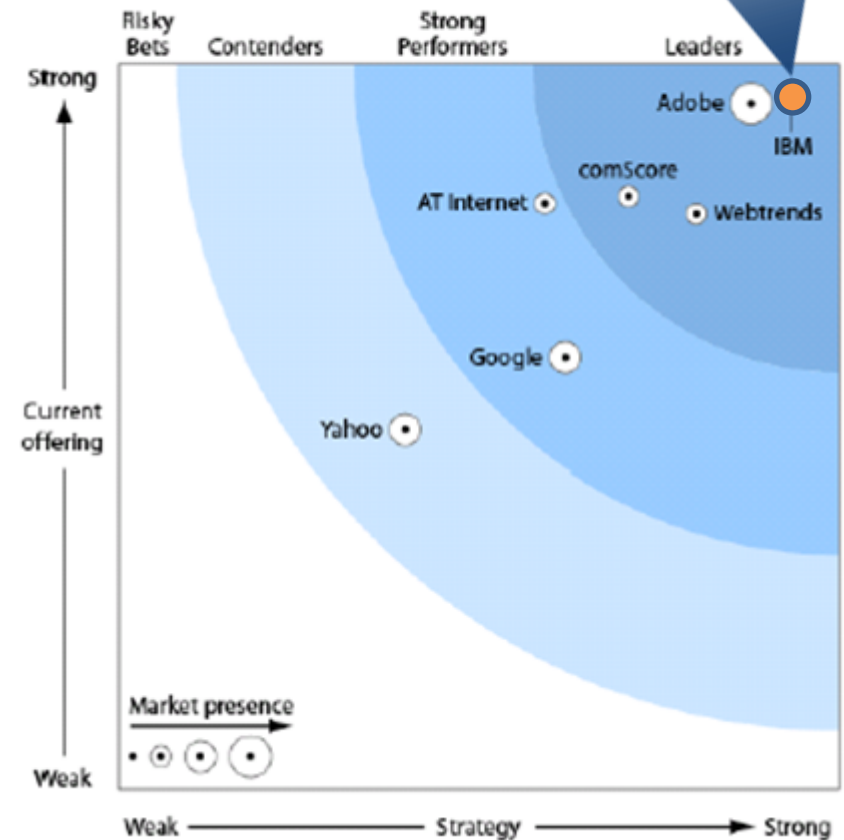
Gain a more complete understanding of the downstream impact of marketing efforts

The recognised leader in Web Analytics

- ☑ Highest score for strategy
- ☑ Highest score for current offering
- ☑ Perfect* score for application usability
- ☑ Perfect* score for corporate strategy

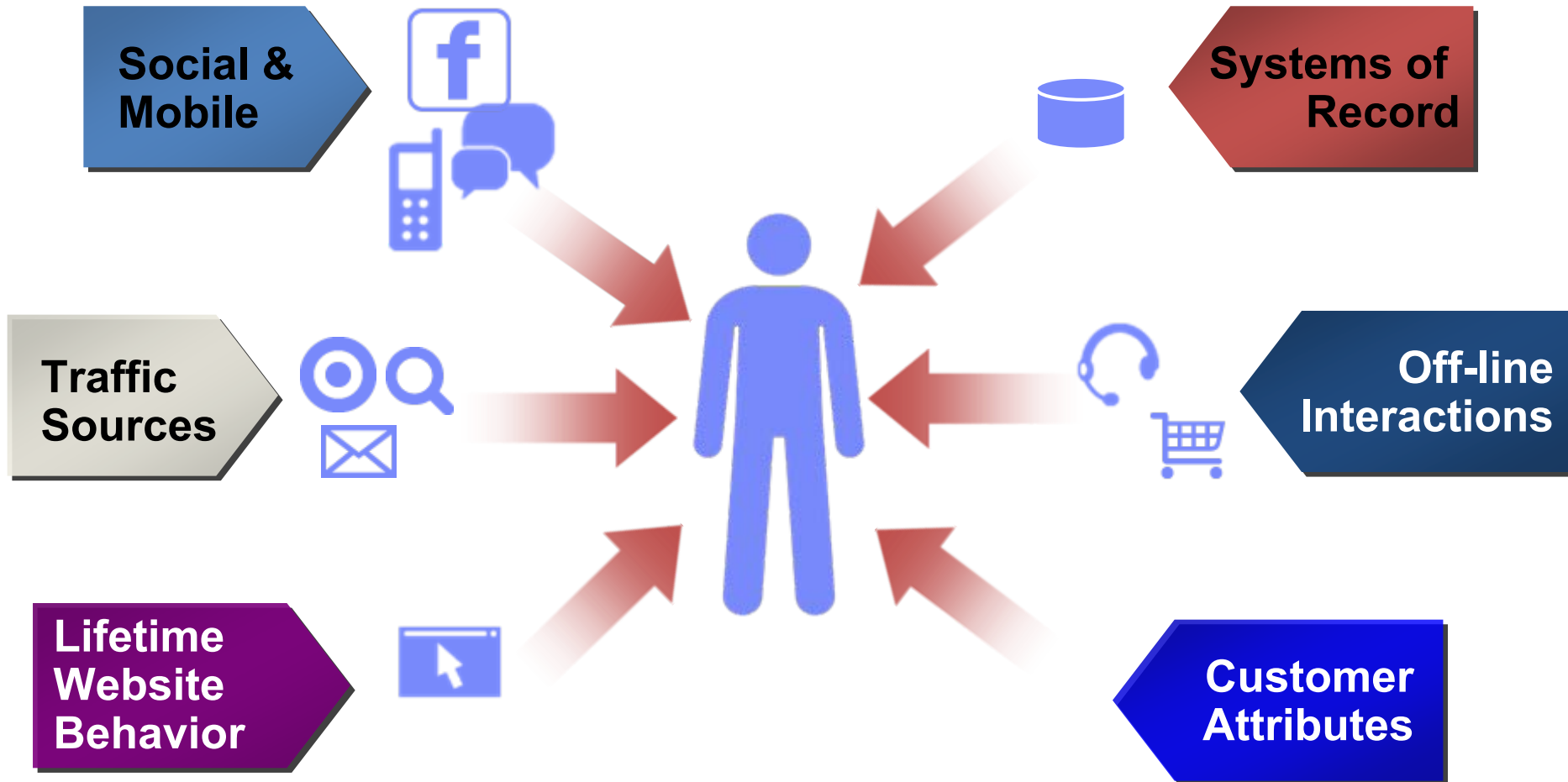


Figure 3 Forrester Wave™: Web Analytics, Q4'11



Forrester Wave™: Web Analytics, Q4'11

IBM Coremetrics Customer Profiles



IBM Coremetrics Digital Marketing Applications

Personalisation

- IBM® Coremetrics® Web Analytics
- IBM® Coremetrics® AdTarget
- IBM® Coremetrics® LIVEmail
- IBM® Coremetrics® Intelligent Offer
- IBM® Coremetrics® Lifecycle

Social Media

- IBM® Coremetrics® Web Analytics
- IBM® Coremetrics® Social Analytics
- IBM® Coremetrics® Impression Attribution

Web Analytics

- IBM® Coremetrics® Web Analytics
- IBM® Coremetrics® Digital Data Exchange **New**
- IBM® Coremetrics® Enterprise Analytics **New**
- IBM® Coremetrics® Impression Attribution
- IBM® Coremetrics® Multichannel
- IBM® Coremetrics® Lifecycle
- IBM® Coremetrics® Benchmark

Mobile Marketing

- IBM® Coremetrics® Web Analytics
- IBM® Coremetrics® Intelligent Offer
- IBM® Coremetrics® Search Marketing
- IBM® Coremetrics® Lifecycle

Retargeting

- IBM® Coremetrics® Web Analytics
- IBM® Coremetrics® AdTarget
- IBM® Coremetrics® LIVEmail
- IBM® Coremetrics® Intelligent Offer
- IBM® Coremetrics® Lifecycle

Advertising

- IBM® Coremetrics® Web Analytics
- IBM® Coremetrics® Social Analytics
- IBM® Coremetrics® Search
- IBM® Coremetrics® AdTarget
- IBM® Coremetrics® Impression Attribution

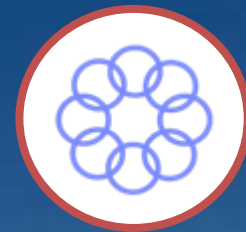
IBM Coremetrics Digital Marketing Optimisation



Web Analytics



Customer Profiles



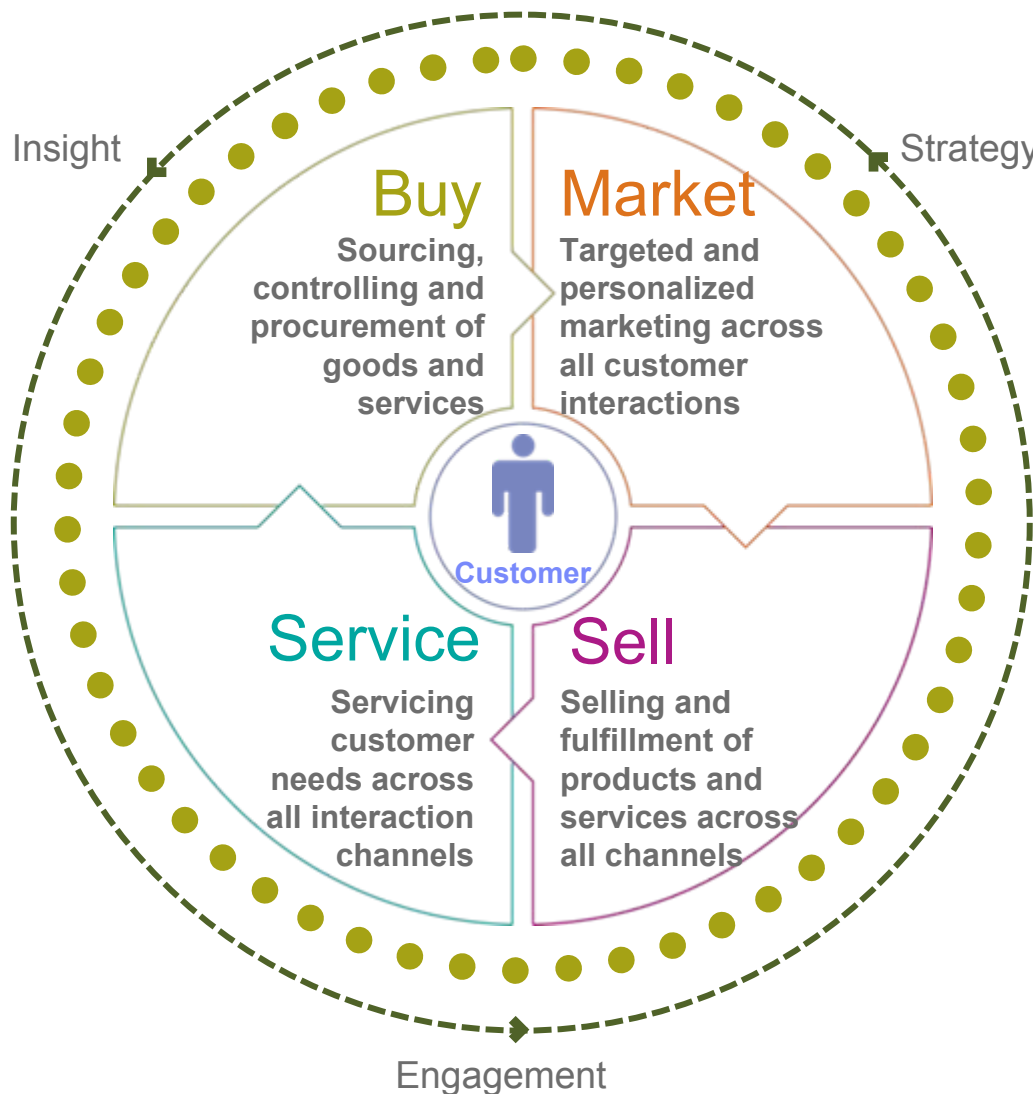
Digital Marketing Applications

Creating a **compelling experience** throughout each customer's digital lifecycle.

Enabling change through Smarter Commerce

Buy
Drives intelligent, adaptive and optimized extended supply chains based on customer demand

Service
Anticipates behavior and delivers flawless customer service across all channels



Market
Creates personalized and relevant offers with unified cross-channel marketing

Sell
Enables customers and partners to buy what they want, when and where



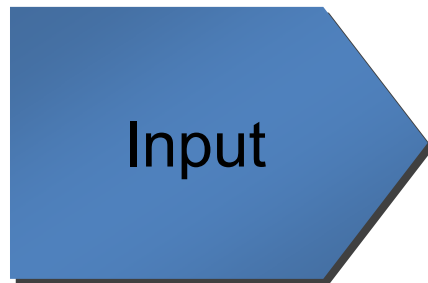
Mastering The Digital Customer Relationship Personalisation in Action

Why Personalisation?

- Personalisation is about the “person” and their lifetime journey of interactions with a brand – all interactions are tailored to the individual
- Personalisation creates context and relevance that drive an engaging customer experience and build long-term brand loyalty
- Marketers use rich analytics data and lifetime customer insight in order to deliver the most relevant message in the most effective and efficient way
- Personalisation is about creating and extending a “conversation” with every single customer
- Customers expect a personalised online experience



Approach to sophisticated personalisation



Time on site
Keyword search
Reviews
Location
Product attributes
Merchandising rules
Clicks
Sales
Margins



Filtering
Bayesian reasoning
Choice modeling
Simple data mining



Product detail pages
Checkout pages
Home pages
Emails
Display ads
Mobile devices
POS
Print
Call center

Business growth using personalised recommendations



achieves 13% lift in cross-sell conversions

Business Need

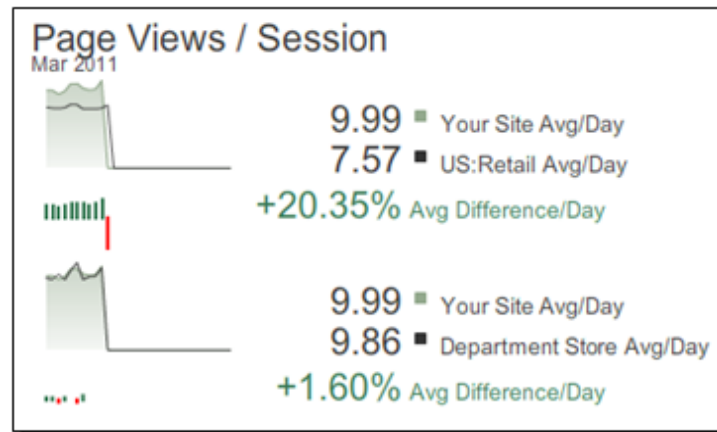
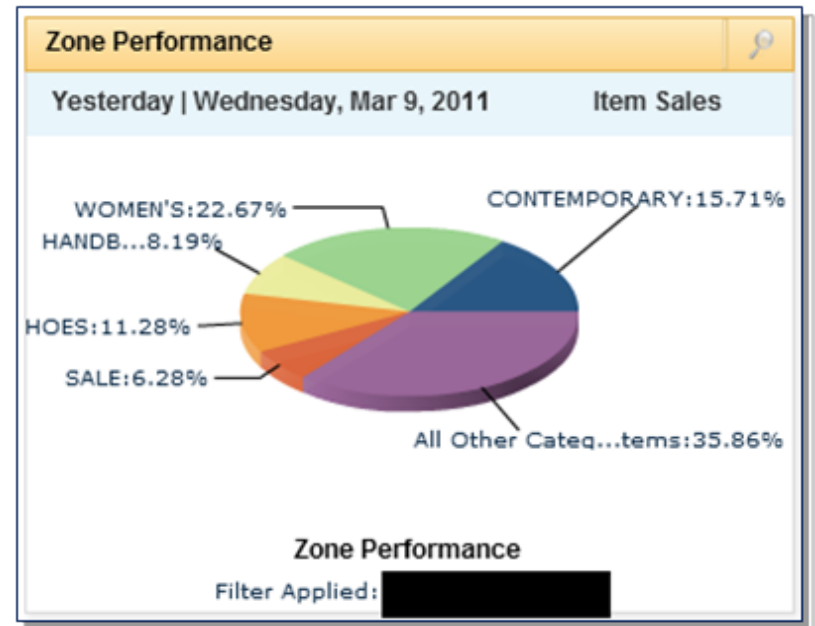
- Automate the recommendations process to free time for critical merchandising efforts
- Leverage buyer and browser behavior to deliver more relevant recommendations
- Apply flexible business rules to fine tune recommendations based on seasonality or other vital factors



Business Results

- JESSOPS automated personalized product recommendations based on comprehensive customer behavior data in IBM Coremetrics
- Cross-sell conversions grew by **13%**, up-sell conversions by **17%**
- JESSOPS achieved a six fold return on their investment and an increase in AOV with IBM Coremetrics Intelligent Offer

Measure and optimise the impact from personalisation



Business growth through pervasive personalisation



boosts email sales-to-send ratio by 271%

Business Need

- Increase relevancy of visitor interactions across all channels: display ads, social media, email and site recommendations
- Drive incremental sales through intelligent product recommendations
- Personalize every interaction to increase click-through rate and reduce opt-outs



Business Results

- WEHKAMP leverages intelligent product recommendations, personalized advertising, and personalized emails to cultivate a relevant and ongoing dialog with visitors and customers across multiple digital channels – **98%**
- Click-through rates increased by **68%**, opt-out rates fell by **67%**
- The sales-to-send ratio for personalized emails increased by **271%**

Cart abandoners – engage with personalised emails

Did you find what you were looking for?

May we assist you?

Looking for the right moisturizer?

New Offer! Get 2 Free
Having trouble seeing images? Click here.

ESTÉE LAUDER

RE-NUTRIV LUXURY SKINCARE

did you find what you're looking for?

If you need help finding the Re-Nutriv luxury products right for you, or want to learn more about this extraordinary collection, please contact our trained Beauty Advisors at your convenience:

Call 877-811-3883 (24 hours / 7 days) | Live Chat (M-F, 10-7 ET) | Email Us

Remember: Free Standard Shipping with any \$50 purchase.*
SHOP RE-NUTRIV NOW

discover the world of
Re-Nutriv

Your skin is precious. Reward it with the legendary powers of this luxurious collection. Quite possibly the best in the world.

Re-Nutriv
Ultimate Youth Collection

Extend the youthful look and vitality of your skin to an astonishing degree. Use it faithfully and skin will look smoother, even-toned, breathtakingly radiant, indefinitely.

PROLONG THE LOOK OF YOUTH

Re-Nutriv
Ultimate Lifting Collection

The most powerful lifting collection Estée Lauder has ever created. See a dramatically more lifted look. A brilliant clarity. A refined smoothness and a year-younger look.

LOOK YOUNGER, MORE LIFTED

Re-Nutriv
Intensive Lifting Collection

For a lifted look over time. These powerful formulas address the visible signs of aging in many different ways, for a smoother, less lined, more lifted and flawless look.

TREAT YOUR SKIN TO HIGH LUXURY

every day
free shipping & free samples

SEE TODAY'S SPECIAL OFFERS

Earn Double Membership Rewards® Points
American Express® Cardmembers can earn double Membership Rewards points on every estelauder.com purchase. [Learn More](#)

LA MER

May We Assist You?

Dear Sirs:

We want to make sure you find the ultimate treatment that's right for you. Let us assist you in our quest to:

- Help you find the right product for your skin type
- Offer you the best price on our products
- Provide you with the best customer service

Let us know how we can help you. We'll be glad to assist you.

• By Phone 1 800 852 8485
• By Email CustomerService@lamer.com
• By Live Chat Service is available Monday - Friday, 10am - 8pm ET

[Click Here to Contact Us](#)

The Benefits of Ordering at lamer.com

- Free Complimentary Standard Shipping with all orders over \$50
- Choose our favorite of The Order of L'Oréal with any order purchase
- Reward your valued status, or any other service-related, at the first check-out of your choice with our Registration Service

[Join the Beauty Revolution](#)

The Beauty Ritual Getting the Most of La Mer

For the ultimate of the regenerative routine, choose to do it with The Skin Doctor and The Lifting Face Serum and receive three times the result. It's a beauty ritual that's truly transforming.

Experience more. Use The Skin Doctor first. Then, use The Lifting Face Serum. The Skin Doctor has been clinically proven to increase the penetration of all products, including The Lifting Face Serum.

See The Skin Doctor's benefits:

- The Skin Doctor helps reduce the appearance of fine lines and wrinkles.
- The Skin Doctor helps reduce the appearance of dark spots and hyperpigmentation.
- The Skin Doctor helps reduce the appearance of redness and irritation.
- The Skin Doctor helps reduce the appearance of dryness and flakiness.

See The Lifting Face Serum's benefits:

- The Lifting Face Serum helps reduce the appearance of fine lines and wrinkles.
- The Lifting Face Serum helps reduce the appearance of sagging skin.
- The Lifting Face Serum helps reduce the appearance of uneven skin tone.
- The Lifting Face Serum helps reduce the appearance of dullness and lack of radiance.

See The Ultimate Serum's benefits:

- The Ultimate Serum helps reduce the appearance of fine lines and wrinkles.
- The Ultimate Serum helps reduce the appearance of dryness and flakiness.
- The Ultimate Serum helps reduce the appearance of uneven skin tone.
- The Ultimate Serum helps reduce the appearance of dullness and lack of radiance.

The Skin Doctor, The Lifting Face Serum, The Ultimate Serum. See the results. See the difference. See the beauty ritual that's truly transforming.

[Click Here to Contact Us](#)

CLINIQUE

Always Fresh. 100% Fragrance Free.

Looking for the right moisturizer?

We're always here to help.

We want to make sure you find the ultimate moisture for your skin type. Let us assist you in our quest to:

- Offer you the best price on our products
- Provide you with the best customer service

Let us know how we can help you. We'll be glad to assist you.

• By Phone 1 800 852 8485
• By Email CustomerService@clinique.com
• By Live Chat Service is available Monday - Friday, 10am - 8pm ET

[Click Here to Contact Us](#)

Meet some Clinique moisture favorites.

Prevent the visible signs of aging.

Supersmoother™ Triple-Acetic Moisturizer SPF 15

- Prevents dryness and helps reduce the appearance of fine lines and wrinkles.
- Contains skin-smoothing ingredients to help improve skin texture.
- Contains SPF 15 for sun protection.

[Shop Now](#)

Continuously Repair Dehydrated Skin.

Moisturizer for Dry Skin

- Contains hyaluronic acid to help attract and retain moisture.
- Contains ceramides to help restore the skin's natural barrier.
- Contains SPF 15 for sun protection.

[Shop Now](#)

Repair the look of fine lines and wrinkles.

Moisturizer for Normal to Dry Skin

- Contains hyaluronic acid to help attract and retain moisture.
- Contains ceramides to help restore the skin's natural barrier.
- Contains SPF 15 for sun protection.

[Shop Now](#)

Refresh thirsty skin with rapid hydration.

Moisturizer for Very Dry Skin

- Contains hyaluronic acid to help attract and retain moisture.
- Contains ceramides to help restore the skin's natural barrier.
- Contains SPF 15 for sun protection.

[Shop Now](#)

Great skin starts with Clinique 3-Step Skin Care.

Define your moisture level. Help skin look and feel its best with your custom 3-Step Skin Care.

[Click Here to Contact Us](#)

Business growth through personalised ads



Targeted ads drive new business and reduce costs

Business Need

- Company wanted more effective targeting of display ads to specific customer segments
- Focus: granular customer segmentation and geo-targeting to increase relevance
- Growth objective: attract new customers with highly targeted banner ads



Business Results

- PETCO coupon redemption rate **doubled** compared to any previous campaigns
- **66%** of all bird accessory orders were tied to personalized display ads
- Cost per order was **64%** lower than average cost per order
- Orders with products that tied directly to the content served in display ads was proven from every segment used in the campaign
- More than **50%** of buyers attracted to ads were new to PETCO

Personalised ads – by product category

Skin Care Shopper



Skin Care Ad



Make Up Shopper



Make Up Ad



Abandoned Cart



Offer Ad



Leverage social aspects for personalisation

Save 15% with your Facebook friends birthdays!

If you are unable to see the message below, [click here to view.](#)

Your Facebook Friends Birthdays

Hi Alex,

Here are your upcoming Facebook friends birthdays. Purchase today, remind your friends or get some gift ideas for those special people in your life. Plus, save 15% when you use promo code **facebook15** at online checkout.

Enjoy!

PS: If you'd like to change how often we remind you, [click here.](#)

Upcoming Birthdays:

	Dylan Jin 01/06/11 is turning 24		Megan Regan 01/08/11 is turning 24
	Megan Matos 01/09/11 is turning 24		Matt Kelly 01/09/11 is turning 24

Gift Ideas ▶ Share This ▶ Remind Your Friends ▶

SAVE 15% Order a gift in time and save!
Use code **facebook15** at online checkout.

Gift Suggestions:

Just Because ▶

Gifts U

Best

facebook

News Feed

Angel Gunderson just ordered two dozen beautiful long stem roses for Valentine's Day!

Order a bouquet for your special someone right here in your News Feed and get 10% off!

Justin Bieber Valentine's Day is coming and if you order any of the new Bieber Fever flowers or chocolates from 1-800-Flowers you GET A FREE MOVIE TICKET for NEVER SAY NEVER! 6 DAYS!

<http://bit.ly/jbiebermovie>

Justin Bieber | 1-800-FLOWERS.COM
bit.ly

© 2011 1-800-FLOWERS.COM - Your Florist of Choice - Terms of Use - Privacy and Security - Send us Feedback on this Site.

Saturday at 2:13pm · Share

23,512 people like this.

View all 1,861 comments

Engage...



Kraft Foods – Recipes and Tips Like

Wall Info **Recipes** NEW Product! Photos Our Team >>

recipe of the month Print Recipe
marshmallow cherry kisses
make today delicious with these tempting recipes.
These elegant treats are as delicious as they are easy to make!

Information
About:
Welcome to the official US Kraft Foods fan page!
This page is a fun, family-friendly community where fans of Kraft Foods products and recipes can join the conversation.

571,497 People Like This

Lila Bannerman-Revels Brandy Weitzel Desi Gregory

Favorite Pages
6 of 23 Pages See All

Kraft Foods Comida Kraft qu'est-ce qui mijote Philadelphia Cream Cheese Nabisco Cookies Wheat Thins Stove Top Stuffing

what's on the menu

valentine's day menu ideas valentine's day desserts 1 bag, 5 dinners quick & easy

recipes when and where you need them

Recipe Assistant
when you don't know what to make for dinner check out the **recipe of the day**.
click to enter

iFood assistant
Get recipes and shopping lists right on your iPhone™, iPod Touch™, BlackBerry® or Android™
download **now**

recipes by email
Get new ideas delivered each week from our kitchen to your inbox.
register **now**

Sign me up...

The screenshot shows a Facebook page for Volkswagen (VW). The page header includes the VW logo, a search bar, and navigation tabs for Wall, Info, 2012 Passat, 2012 Beetle, VW Deals, and Discussions. The main content area features a post with the text: "People are nervous. How dare we take this beloved icon and reinvent it? Will it be too new? Will it still smile at me when I look at it? Will it have a turbo? Will it be like the old Beetle? You're going to have to judge for yourself." Below this is a "Like" button and a "Sign me up" button. A large black banner on the right side of the page reads: "It's a Beetle. But it's not. Be the first to know. Sign up on vw.com to receive the latest updates on the all-new 2012 Beetle." Below the banner is a white silhouette of a car and the text: "The all-new 2012 Beetle. Coming soon." At the bottom of the banner, it says: "The Beetle is one of Oprah's favorite things. Find your favorite Volkswagen now." The left sidebar shows "678,851 People Like This" with a grid of user profile pictures and names: Douglas Anderson, Bob Endres, Elaine Paterakis, Pinky Lolla, Buddy Miller, and Stavros Katerini. Below that is a "Favorite Pages" section with 6 of 19 pages listed: VW New Beetle, VW GTI, VW Jetta, VW Routan, Volkswagen Jetta TDI Cup, and VW Eos. At the bottom of the page, there is a "Like" button and a comment box.

Start shopping...

facebook Search

1-800-Flowers.com Shop Like

Product/Service

1-800 flowers.com

It's the 1800Flowers.com Facebook Shoplet!

Welcome to our **Facebook shoplet**. Click right in and shop the cream of the 1800Flowers.com gift crop, without having to stray from your Facebook account.

Take a look, select the gift you want, and submit your order. It's that simple. Then let us know about your experience on our wall.

Giving someone that warm fuzzy feeling has never been easier.

start shopping

Wall
Info
Notes
Shop
Links
Disclosure
Photos
Exclusive Offer
More +

About
Smiles. Designed and delivered.

222,305
people like this

Likes See All
Flowers

Business benefits from personalisation



5-15% revenue lift

Increase in units per transaction



Increase in average order value

Automate merchandising



Time spent on site

Return visits



Things that matter

- Personalisation is more than simple segmentation
- In digital relationship, relevancy trumps quantity
- Consumer expectations are real – make it personal every time!
- Using the right “tone” is vital to deliver a personalised customer experience
- Social, mobile and location aspects of personalisation are growing in importance
- The most effective personalisation strategies leverage the power of one
- Relevancy and transparency help create a virtual “conversation”
- Mastering the digital customer relationship is foremost about building a **permanent connection between your brand and today’s empowered customer**



IBM CMO Study





SOUND ON | OFF



The voice of personalisation.

measurement

customer value

advertising

personalisation

retargeting

social media

mobile

downloads



The Voice of Reason Guide

Not all analytics are created equal. Which analytics provider is best for you? Learn why it's time to reevaluate with fresh criteria.

[Download Guide >](#)


The Voice of Strategy Videos

This whiteboard series shows why analytics is the foundation for surviving the changing landscape.

[Watch Video >](#)

The reason why you need to customise and give customers what they want.

No one ever said creating a customised experience was going to be easy. But your audience expects it—in fact, they demand it. Time to embrace it.

[Guide](#)

Steps to Personalisation Success

Data collection is tricky, management is time consuming, and integration can be complicated. This guide to personalization can help make it easier – and more successful.

[Download Guide >](#)
[Webinar](#)

The Digital Customer Relationship

Improve conversion, increase average order value, and develop deeper relationships by delivering a highly tailored experience at every stage of the customer lifecycle.

[Register for Webinar >](#)

www.coremetricsvoice.com

IBM Performance 2011

Smarter Decisions. Better Results.

