IBM Performance 2011

Smarter Decisions. Better Results.

Personalisation – Mastering the Digital Customer Relationship

Martin Doettling

IBM Industry Solutions

9 November 2011

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Introduction

Martin Doettling
Enterprise Marketing Management
Product Strategy
mdoettling@us.ibm.com

@mdoettling

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Marketing is Personal

> "Personalisation is the next big thing… AGAIN."
>
> *- Tim Walters, Ph.D.*
> *Forrester - 2008*

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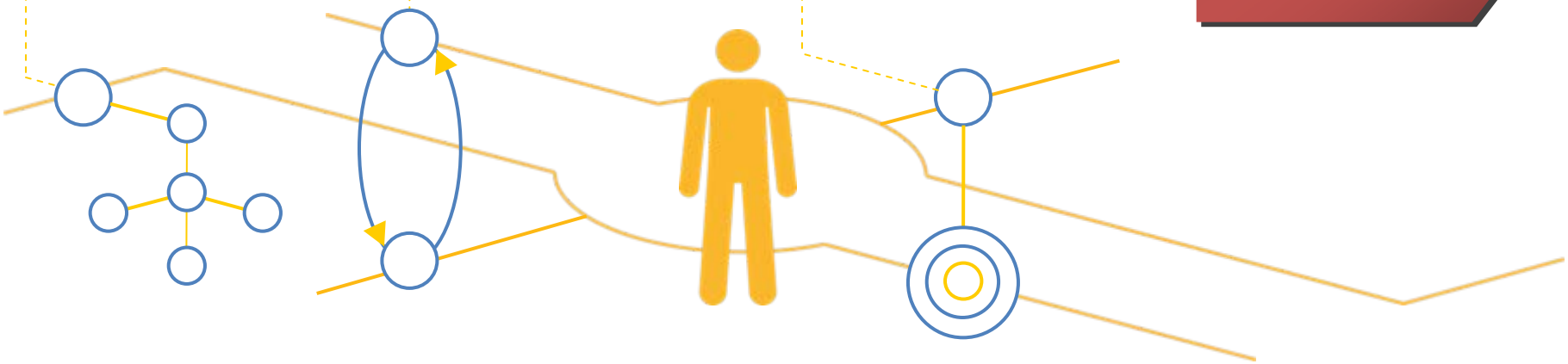
The age of the empowered consumer

- **Consumers 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!



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

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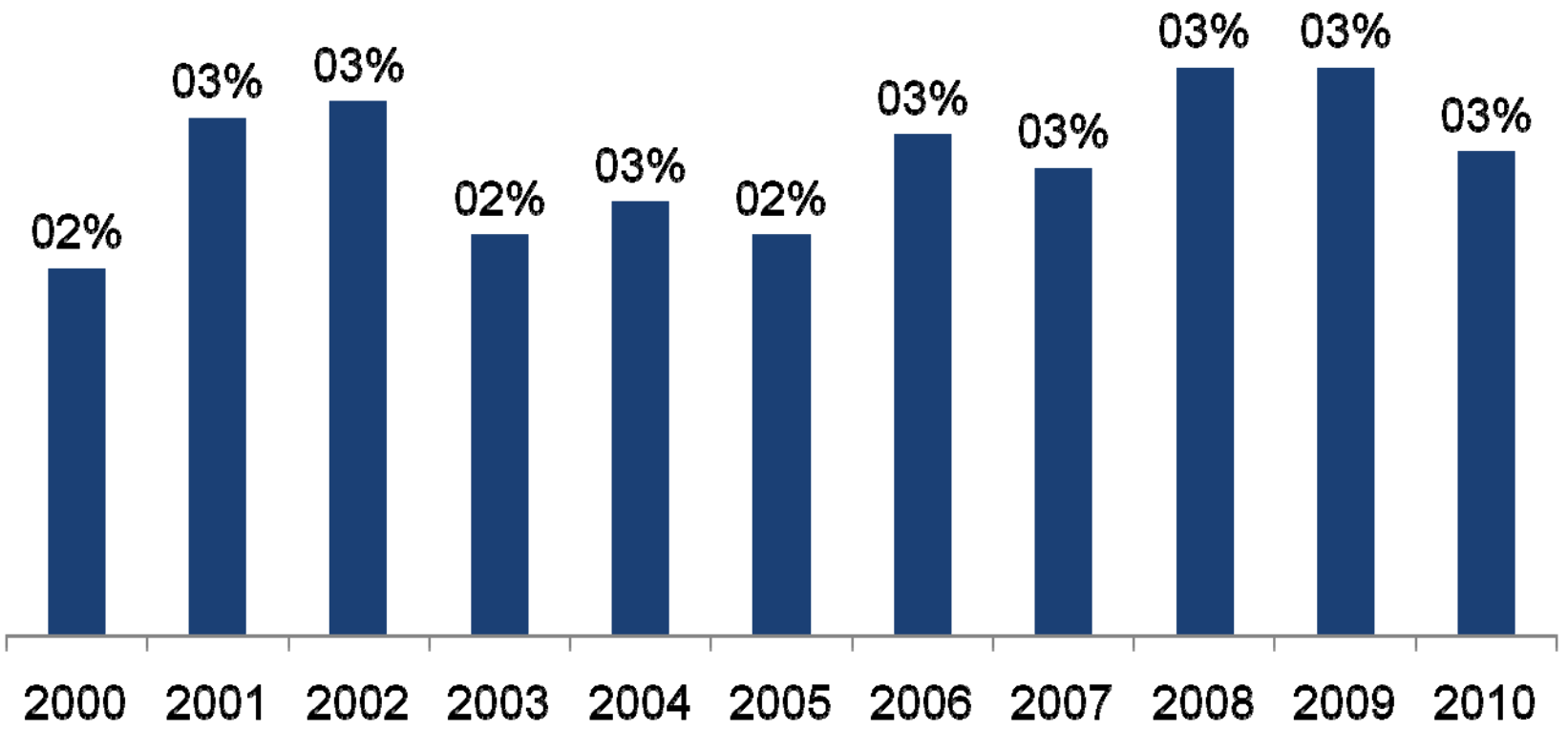
Stagnant conversion rates



Forrester: State of Retailing Online Retailer Surveys

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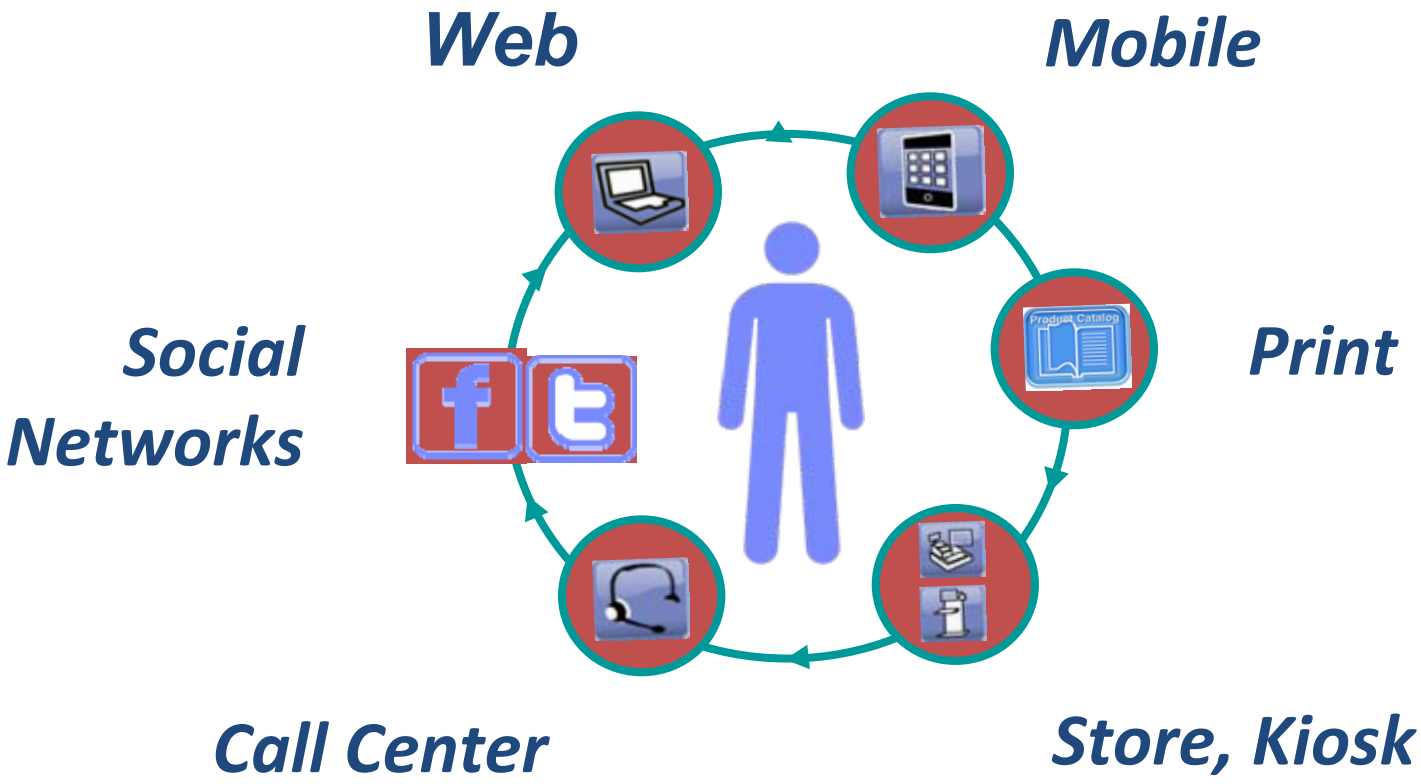
Consumers move effortlessly between interaction modes – yet expect a **consistent** and **personalised** experience



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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

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Mastering The Digital Customer Relationship

Where to Begin

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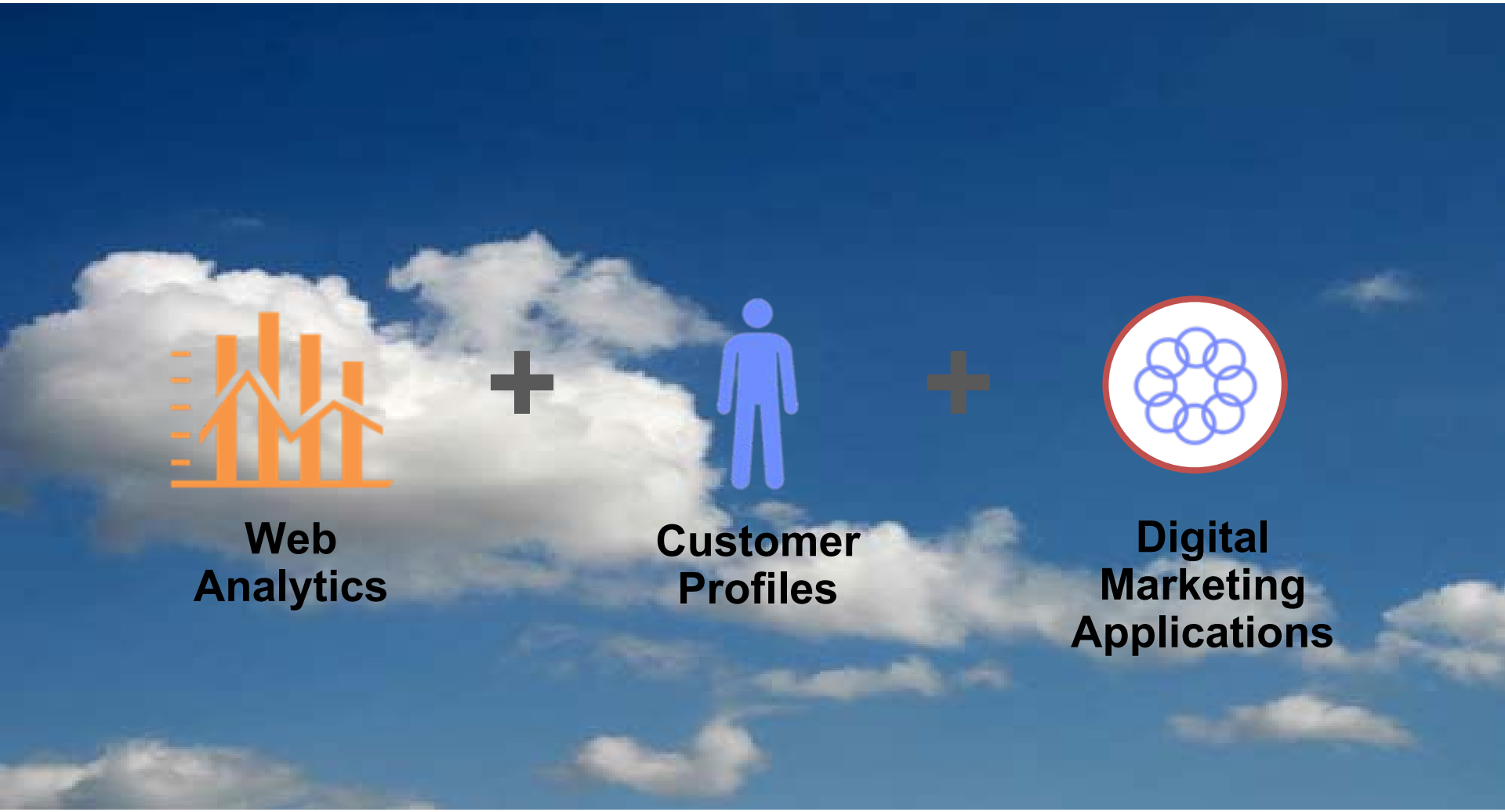
IBM Coremetrics Digital Marketing Optimisation



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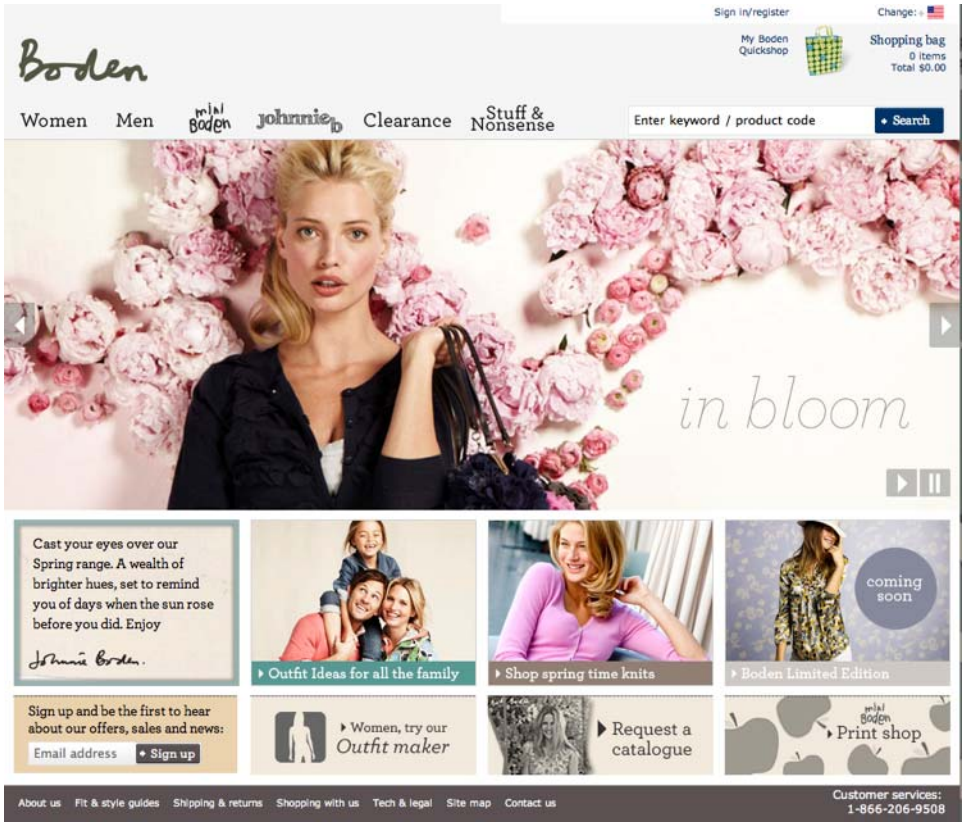
Customer insight – turning the lights on

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.



Boden

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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

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

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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

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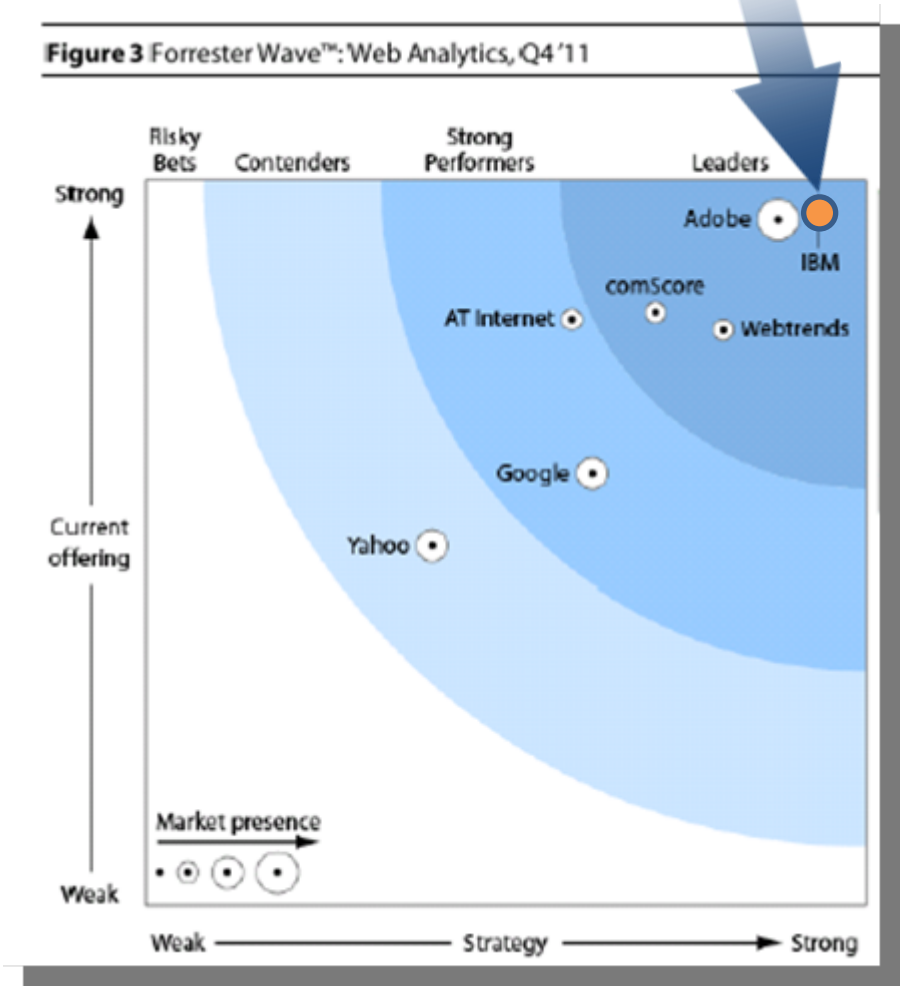

Forrester Wave™: Web Analytics, Q4'11

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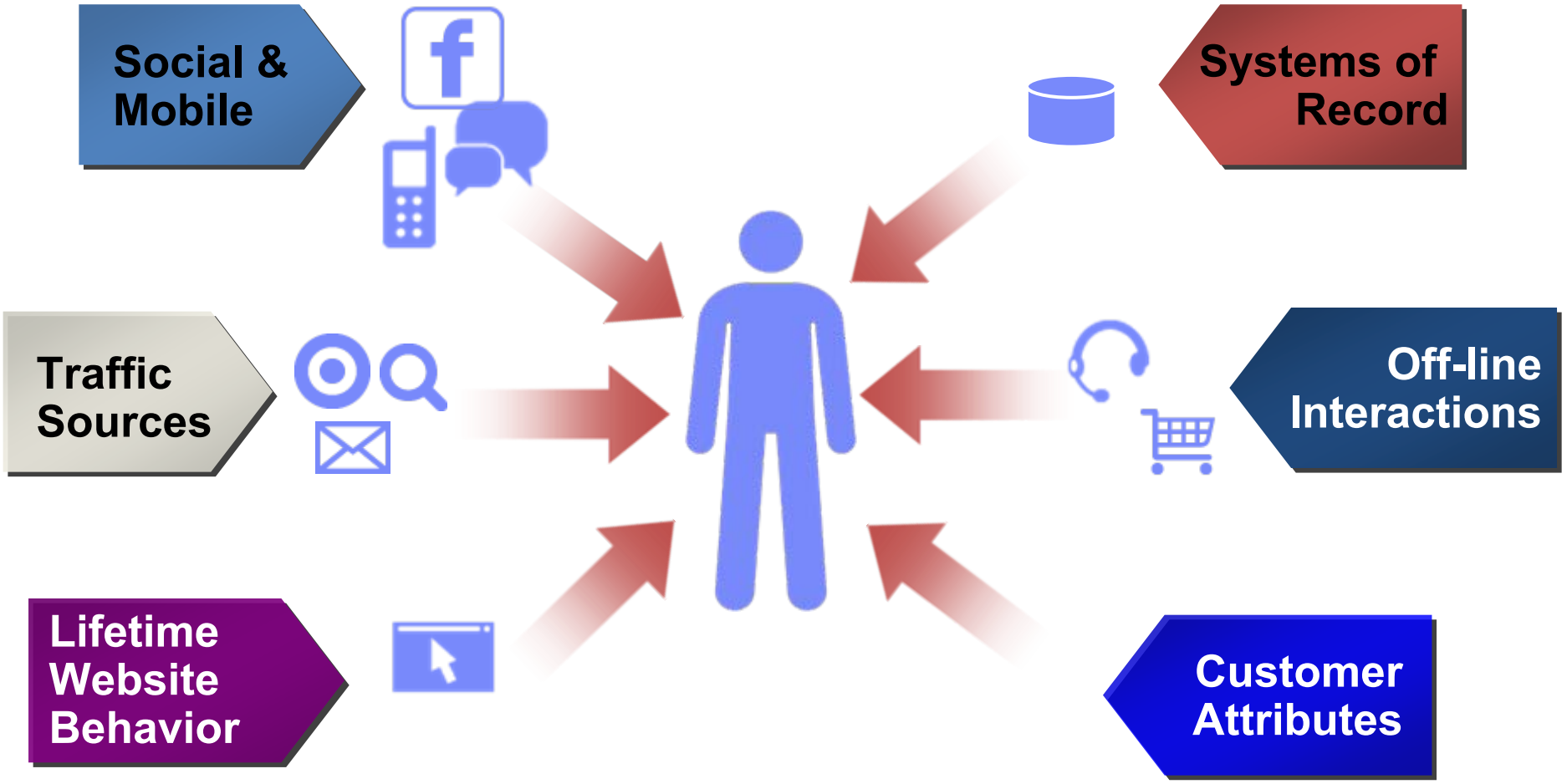
IBM Coremetrics Customer Profiles



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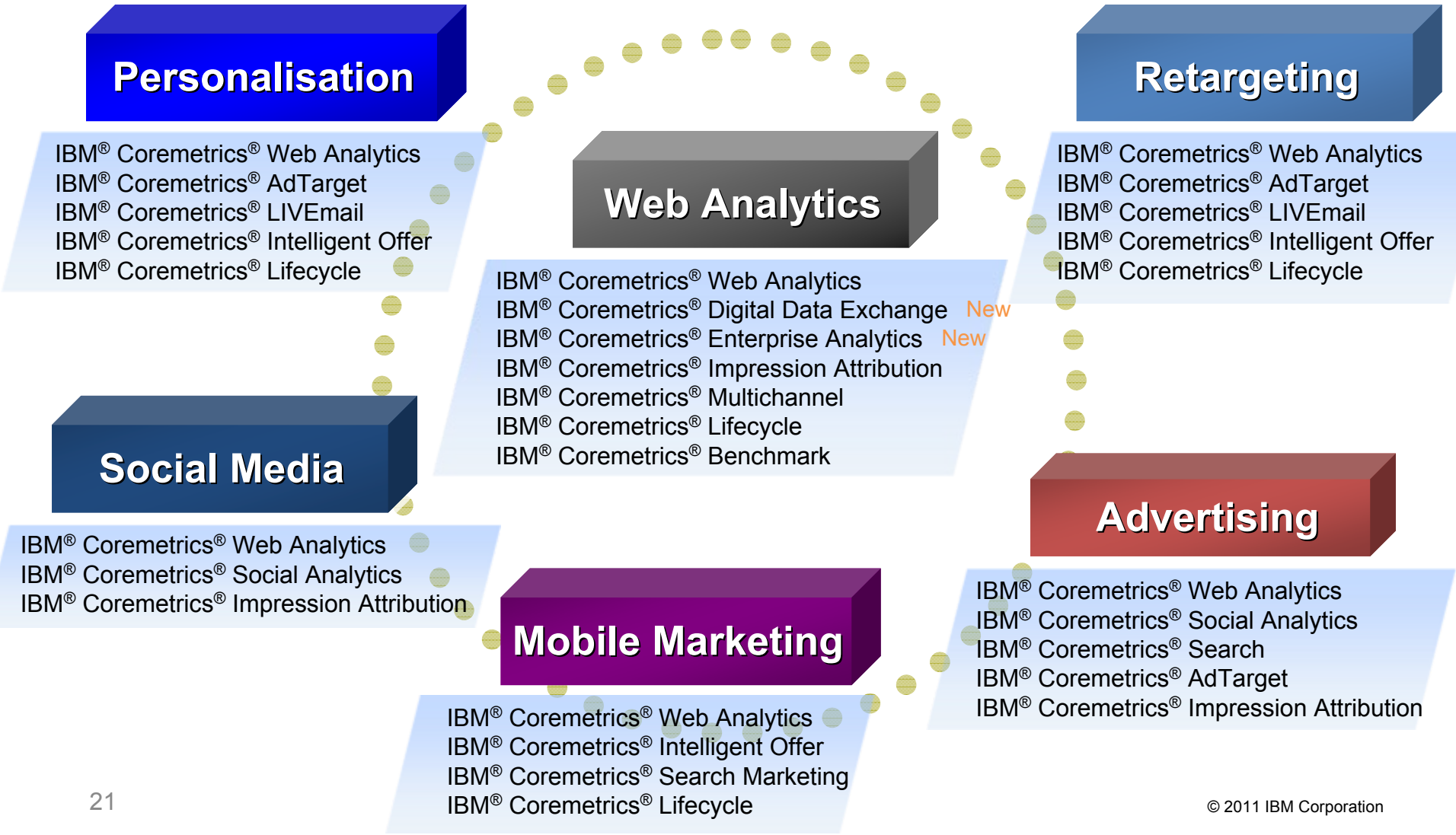
IBM Coremetrics Digital Marketing Applications



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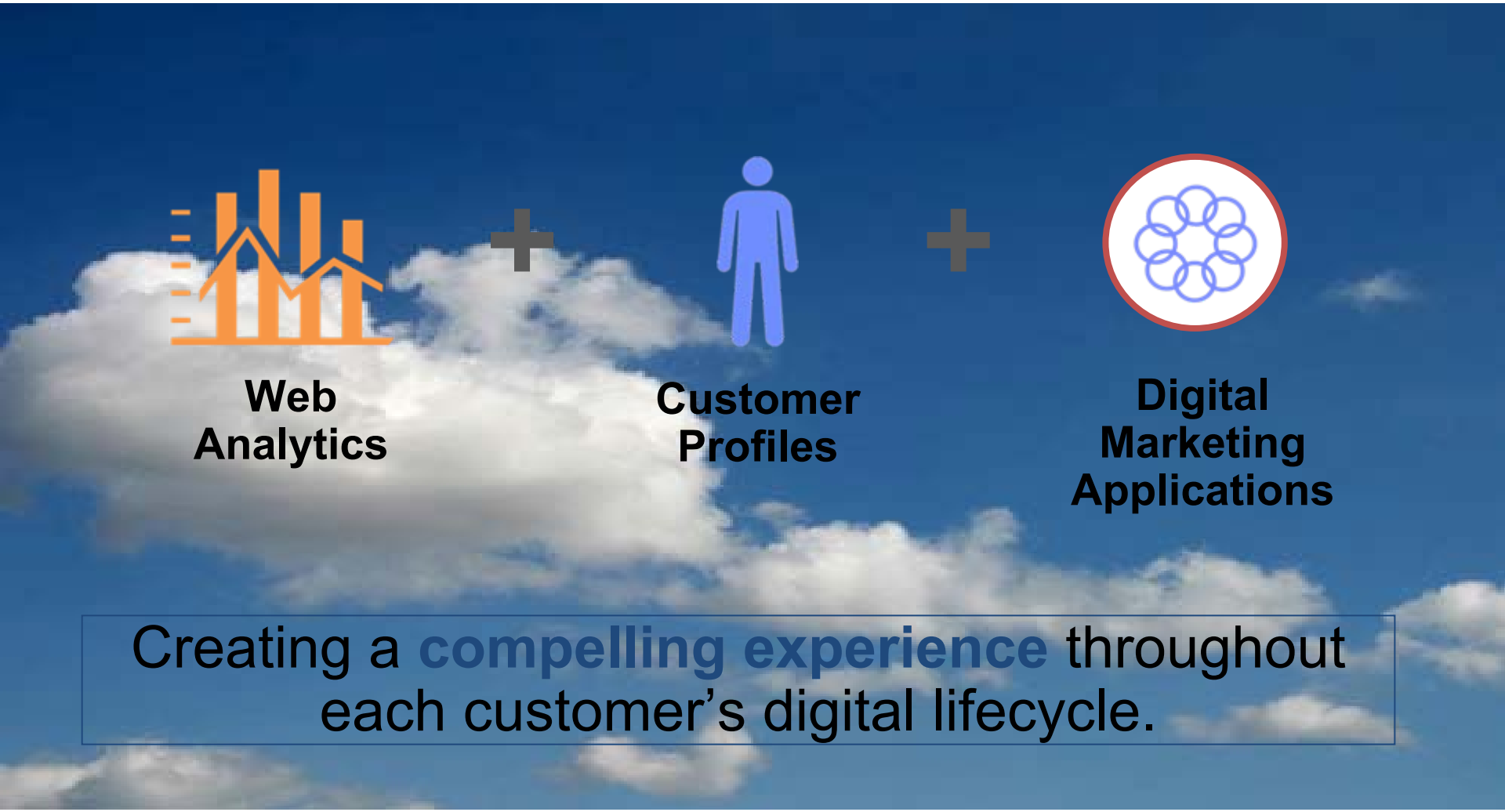
IBM Coremetrics Digital Marketing Optimisation



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

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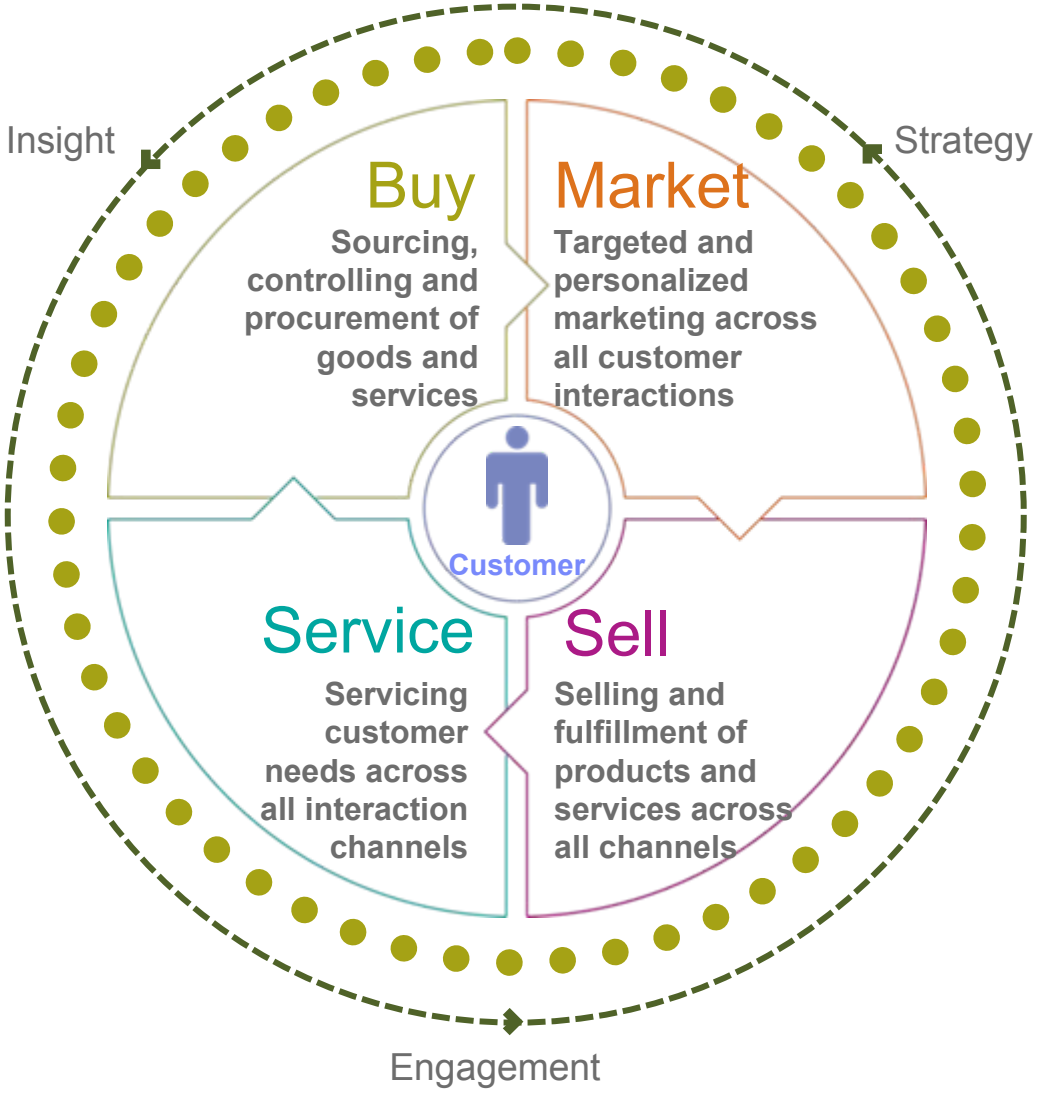
Enabling change through **Smarter Commerce**

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

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Mastering The Digital Customer Relationship

Personalisation in Action

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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

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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

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Business growth using personalised recommendations

JESSOPS

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

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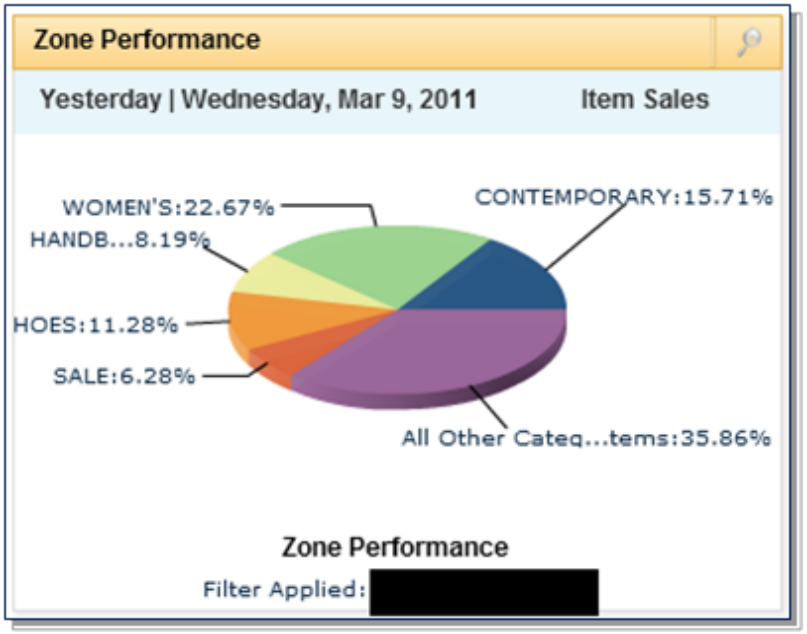
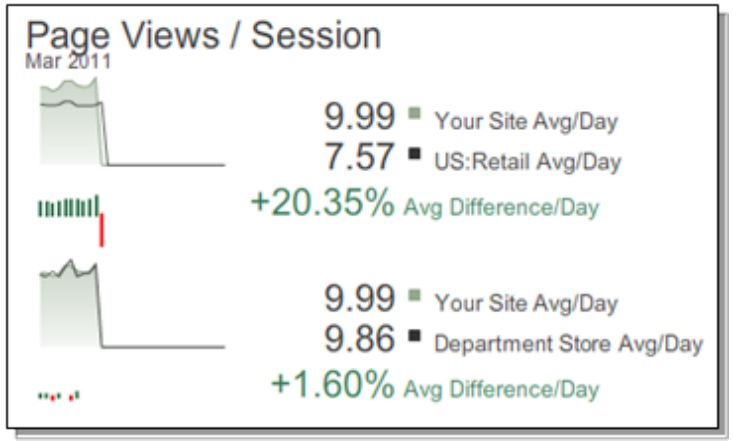
Measure and optimise the impact from personalisation





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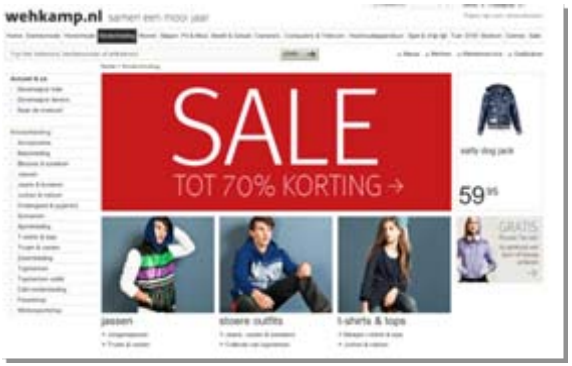
Business growth through pervasive personalisation

wehkamp.nl

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%**

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Cart abandoners – engage with personalised emails

Did you find what you were looking for?

May we assist you?

Looking for the right moisturizer?

Business growth through personalised ads

PETCO
Where the pets go.

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

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Personalised ads – by product category

Skin Care Shopper

Skin Care Ad

Make Up Shopper

Make Up Ad

Abandoned Cart

Offer Ad

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Leverage social aspects for personalisation

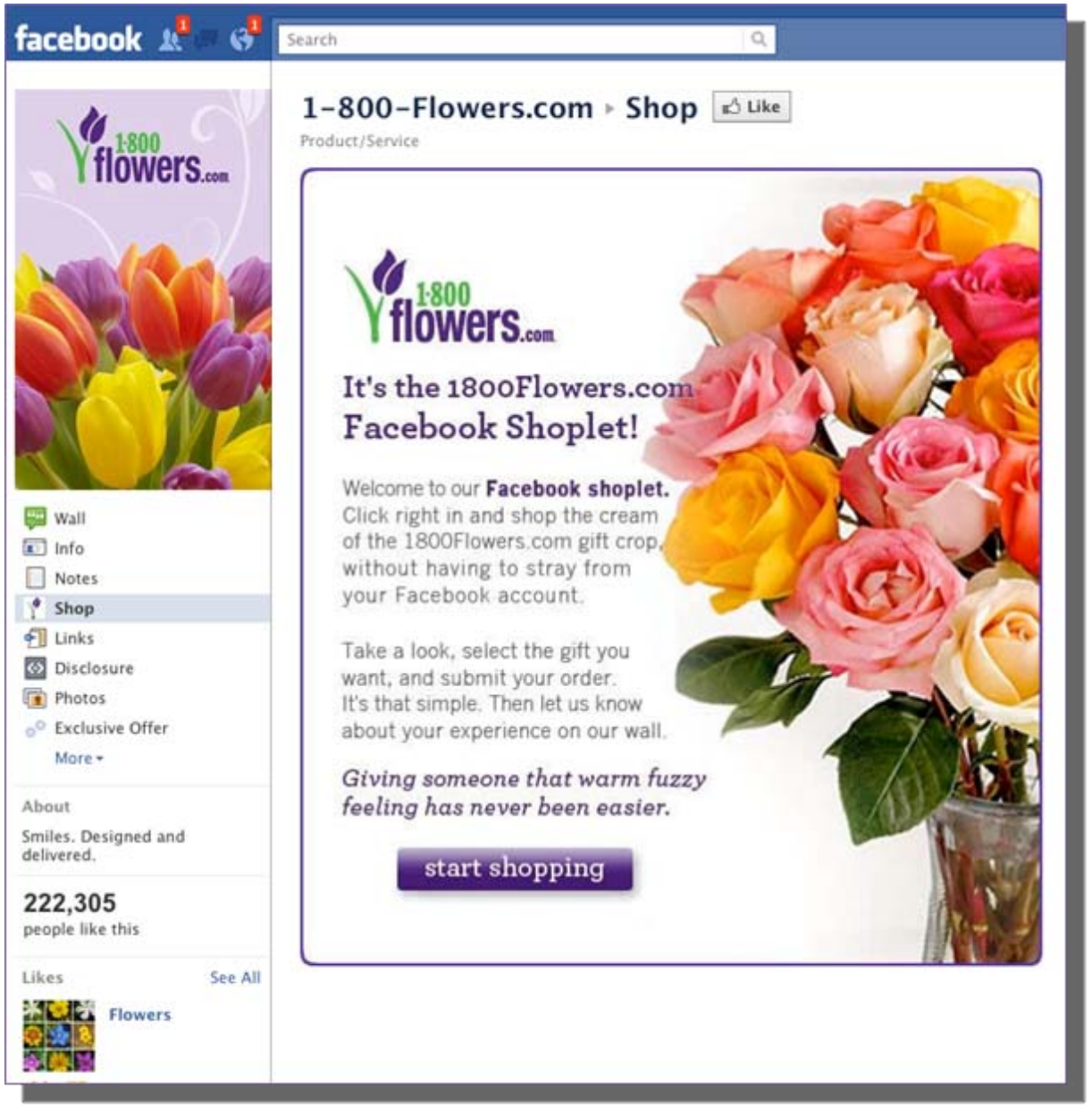
Engage…

kraft foods
Kraft Foods – Recipes and Tips
Like
Wall
Info
Recipes
NEW Product!
Photos
Our Team
recipe of the month
Print Recipe
marshmallow
cherry kisses
recipe of the month
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
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 »
KRAFT 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 »

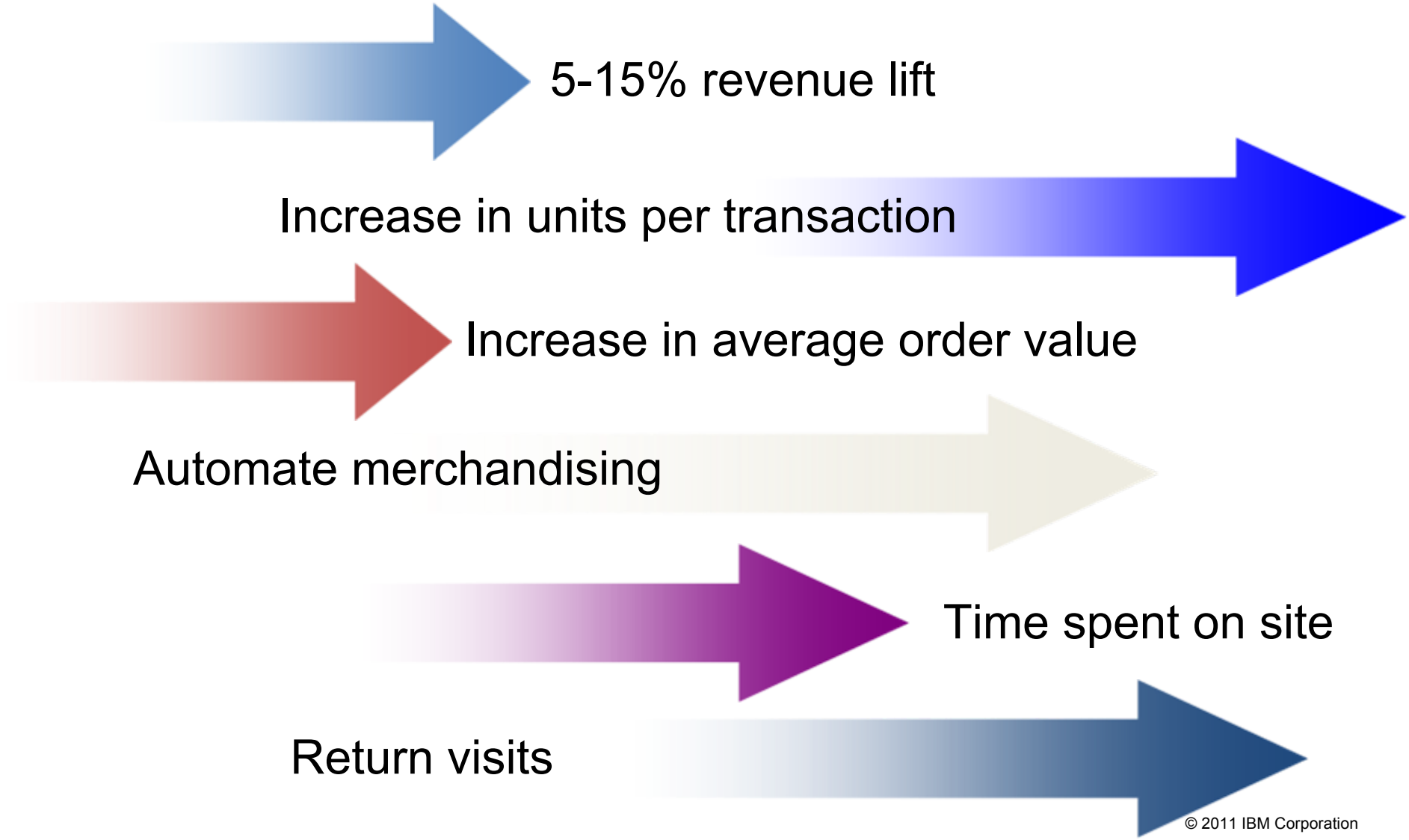
Sign me up…

facebook
Search
VW
Like
Wall
Info
2012 Passat
2012 Beetle
VW Deals
Discussions
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.
"Like" this to be the first to know about the all-new 2012 Beetle.
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.
Sign me up
The all-new 2012 Beetle. Coming soon.
The Beetle is one of Oprah's favorite things.
Find your favorite Volkswagen now
678,851 People Like This
Douglas Anderson
Bob Endres
Elaine Paterakis
Pinky Lolla
Buddy Miller
Stavros Katerini
Favorite Pages
6 of 19 Pages
See All
VW New Beetle
VW GTI
VW Jetta
VW Routan
Volkswagen Jetta TDI Cup
VW Eos
Like
678,851 people like this. Be the first of your friends.
Add a comment...

Start shopping…



Business benefits from personalisation



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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**

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IBM CMO Study

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IBM
Coremetrics Solutions
Home Measurement Customer Advertising Personalisation Retargeting Social Media Mobile Downloads
Request Demo | Contact Us
SOUND ON | OFF
REPLAY
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.
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The Digital Customer Relationship
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