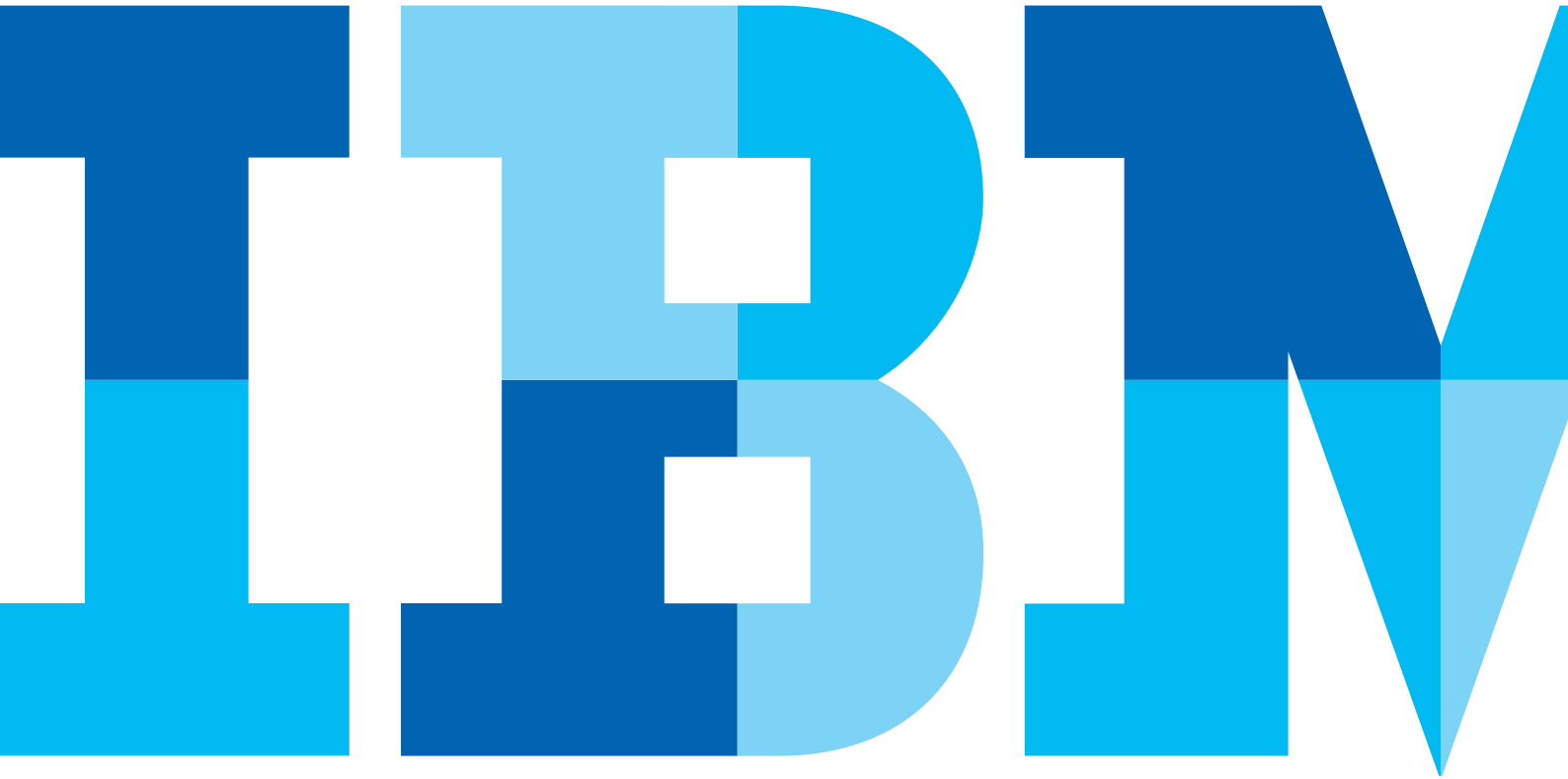


# Business Intelligence for Marketing Organizations



## Introduction

Market landscapes are changing. A recent 2009 IBM CMO study noted a few of the following trends and challenges for marketing organizations and marketing leaders:

- 64 percent of consumers made a first purchase because of a digital experience.
- 63 percent of marketers believe that traditional branding methods are losing their effectiveness.
- 75 percent of consumers don't believe that companies tell the truth in advertisements.
- 87 percent of marketers believe branding needs to be more flexible today because business is more dynamic and fast-moving.

Even more telling were the self-assessments provided by the marketers:

- Only 6 percent of marketers rate their online and digital marketing capabilities as "excellent."
- 46 percent of marketers surveyed stated they had insufficient budgets to meet their objectives.
- Marketing leaders stated that overall marketing budgets would increase by only 1.1 percent in next year.<sup>1</sup>

These results show that the dynamic nature of customer relationships is a key issue for businesses and their marketing organizations. In addition, other studies and research show that customers are demanding experiences that are individually tailored to their preferences and they want to interact with organizations in a variety of different ways or touch points. Compounding this is the fact that in many industries customers now have lower or zero switching costs, meaning that if a business cannot quickly satisfy a customer's demands they will take their business elsewhere.

For businesses, these dynamics require that they successfully navigate rising customer expectations, shift and grow partnerships, manage new suppliers and outperform competitors. For marketing organizations, specifically, it creates the following imperatives:

- More agile marketing
- Understanding customer preferences and quickly tailoring offers and communications to meet their needs
- Quick and reliable gauging of the performance of marketing processes and programs in the market to understand when a change is needed
- Recognition that each customer or prospect is a potential influencer driving purchase decisions or brand perceptions regardless of credibility

From CMOs to brand managers and marketing operations analysts to search engine marketing managers and campaign strategists, the people in marketing organizations need to be able to access relevant information, analyze trends, engage in root cause analysis, build scenarios, gain actionable insight and make corrections when and where they need to get the job done. This paper introduces you to the business intelligence solutions that can meet their needs.

<sup>1</sup> Sources: ROI Research for Performance 2010, Yankelovich, Razorfish Digital Brand Experience Study 2009, CMO Council 2010, Jupiter Research / Verse Marketing Group 2009

### IBM Cognos 10: Intelligence Unleashed Smarter Decisions. Better Results.

Cognos 10 delivers a revolutionary new user experience and expands traditional business intelligence (BI) with planning, scenario modeling, real-time monitoring and predictive analytics. With the ability to interact, search and assemble all perspectives of your business, Cognos 10 provides a limitless BI workspace to support how people think and work.

Cognos 10 enables organizations to outperform by providing:

- **Analytics** that everyone can use in a BI workspace that sharpens individual skills to answer key business questions
- **Collective intelligence** with built-in collaboration and social networking to connect people and insights to gain alignment
- **Actionable insight** everywhere in mobile, real-time and business processes to instantly respond at the point of impact

Built on a proven technology platform, Cognos 10 is designed to upgrade seamlessly and to cost-effectively scale for the broadest of deployments. Cognos 10 provides you and your organization the freedom to see more, do more—and make the smart decisions that drive better business results.

### Keeping pace with the increasingly savvy customer: Imperatives for marketing

In this fractured and fragmented online world with a network of growing customer touch points and channels, CMOs must ask themselves if their marketing organization is keeping pace.

#### What's holding marketing back?

A recent 2010 IBM survey of global marketing professionals uncovered the following impediments to gaining critical customer insight and executing with excellence:

- 55 percent of the responses noted that information availability for timely decisions and operational actions is barely adequate or puts the organization at a competitive disadvantage.
- Only 11 percent stated that their fact-based decision-making processes are delivering measurably improved sales and customer retention year after year.
- Nearly 40 percent stated that the lack of necessary information in context or insights undermined their decision-making processes.

Marketing senior management is quickly realizing they must address critical marketing needs to gain competitive advantage by embracing and tackling the following requirements:

- Understanding of customer requirements and desires
- Delivering customer insights from all vantage points, immediately and over time
- Improving visibility of marketing effectiveness for all channels, customer segments and tactics
- Optimally using and understanding not only traditional media, but new media opportunities such as “earned” media over blogging platforms

- Acquiring intimate knowledge of how buyers interact with different types of media at each stage of a purchase decision
- Unleashing the power and productivity of marketing teams and individuals with internal global collaborative networks
- Agile triaging and responding to abrupt market changes or attacks on brands

These imperatives demand the more effective use of information, context and collective intelligence to reach decisions that can be applied all along the marketing spectrum. A data-driven approach subsequently supported by embracing analytics and implementing business intelligence (BI) solutions can help make the spending of every dollar more efficient and effective in the face of greater complexity. Most importantly, marketing organizations that adopt, embrace and consistently apply analytics to the full range of decisions—from operational to strategic—will see their companies realize 33% more revenue growth, 12 times the earnings and 32 percent more return on invested capital.<sup>2</sup>

### **Analytics-driven organizations outperform**

Many organizations are using BI technologies to achieve key marketing imperatives such as understanding and translating customer and market needs. They are enjoying the advantages gained from having customer insights from multiple touch points and maximizing new media opportunities online.

Smart marketing organizations understand that the true driver of success comes from putting information and insight into the hands of many different users. The value of this intelligence increases as more marketers access and share complete, consistent and trustworthy information. The key is to unleash business intelligence with solutions that disparate marketing roles can use to answer business questions central to their marketing objectives.

Marketers are hungry for timely and relevant information and insight. Because they have diverse roles and responsibilities, they need the freedom and flexibility to explore, see and mine relevant information in ways that are most meaningful to their roles and performance metrics. That means getting to the information they must have easily, and not being dependent on IT or others to do the analysis or thinking for them. It also means making sure that, in addition to reporting, analysis and business dashboards, they have access to scenario modeling, real-time operational metrics, collaboration and predictive analytics.

From CMOs to brand managers and marketing operations analysts to search engine marketing managers and campaign strategists, everyone in a marketing organization must be able to readily access their relevant information, analyze trends and engage in root cause analysis, build scenarios and gain actionable insight when they need to and where they need to get the job done.

### **Business intelligence for CMOs**

Marketing executives are facing flat to minimal increases in annual budgets for the third year in a row, yet they are being asked to deliver double digit returns on programs and growth in market share. As a result, CMOs want to ensure that they are making the best decisions possible. They also want to be able to act on those decisions promptly for optimal business outcomes. To accomplish these objectives, they would benefit from having access to information the moment they need it and in the format they need it, no matter where they are.

The right business intelligence solution can help CMOs gain actionable insight at the point of impact. Using up-to-date information from a single workspace, they can:

<sup>2</sup> IBM Global CFO Study 2009

- Get closer to and cultivate advocacy with customers.
- Develop sustained engagement and precise one to one marketing.
- Build rich customer interactions in all areas of the digital landscape.
- Deliver flexible branding (to react to the fluid, dynamic market).
- View and understand the exact marketing contribution from first touch to revenue close.
- Rebalance time and resources.

#### **Business intelligence for product and brand managers**

Managing a brand or a product portfolio requires a comprehensive understanding of the market, its competition, pricing options, channel opportunities, positioning and the ability to increase the product's perceived value to its different customer constituencies. Brand and product managers are challenged with assessing, understanding and interpreting their distinct customer segment needs and requirements to deliver better value and benefits to their target market.

With responsibility for the success of key product initiatives and profitability, product managers need both a high-level view of the performance of their product portfolios and an ability to delve into operational details that might affect pricing, channel and promotional decisions. Fast access to relevant information can help them make better business decisions.

Product managers need an intuitive workspace for arranging and organizing supply chain, promotional and sales information—actuals, forecasts and so on. It is important for them to be able to explore any combination or lower level detail of a data dimension over any time period and create unique and personalized views of the performance of their products, markets, channels, pricing, and so on. They can

really benefit from a workspace that enables them to drag and drop third party data, forecasts, product and promotional plans and metrics into their marketing workspace and integrate quarterly product plans, actuals and market analysis seamlessly.

With a unified workspace, product and brand managers have a comprehensive and consistent view of their product portfolio's performance. They can interact with their views using multidimensional data management, an enterprise dictionary and a search capability for their information sources. When product managers can personalize their workspace, they can easily follow their own thought processes. They can also generate their own unique perspectives when searching internal reports, third party market data or a combination thereof.

#### **Benefits of the right BI solution for product and brand managers**

With analytics at their fingertips, product and brand managers can quickly:

- Home in on and uncover customer, sales and market sector trends.
- Validate hunches with credible, factual analysis.
- Monitor product trends and identify areas of improvement to help ensure the ongoing growth and success of their products.

For product planning and forecasting, product managers can add market share and competitor data to their corporate information in their workspaces. They can use what-if analysis for quickly assessing and anticipating tactical and strategic implications for their product portfolios.

**Business intelligence for marketing operations analysts**

Marketing analysts provide the day to day pulse on the effectiveness of marketing programs, channels and traditional and digital customer touch points. Their support and aid in understanding target market trends, micro customer segment behaviors, pricing fluctuations and marketing pipeline behavior and conversion are crucial. Often, they detect early warning signs related to the health of their business, exposing inefficiencies, subpar ROI and garnering insights from all information sources so they can develop factual context. It is important for them to be able to access reliable trends, patterns in real-time and predictions easily, expanding visibility and intelligence beyond the information at hand to validate their hypotheses about the business.

As a result, they can benefit from being able to understand and quantify quickly what's working to drive awareness and demand as opposed to what's not working. Most helpful to them is a comprehensive query and reporting capability that presents them with a consistent and integrated view of marketing operations for channels, campaigns and their company website, not disjointed perspectives that they must later compare and rationalize.

A business intelligence solution that provides metrics, reports, dashboards and statistics can help marketing analysts find correlations between the various factors that affect the performance of tactics and segment trends. With a unified, interactive browser-based workspace, customized just for them, they can explore information regardless of where the data is stored. Using drag-and-drop techniques—and even a familiar Microsoft Excel interface—marketing operations analysts can analyze information and complex data sets quickly and easily to get to the “why” behind a metric or action or trend line. Drilling down through increasing levels of detail, they can view campaign, pricing and customer data by different dimensions, such as campaign responses by discrete geography,

channel, event, website offer or by search location. They can also analyze outcomes to decipher overall marketing effectiveness and share results easily with other analysts and key marketing stakeholders.

Marketing operations analysts can be asked to provide analysis or insight on the spot, even when they are not connected to the company BI infrastructure. With the right BI solution, they can receive BI content, interactive dashboards, analysis and statistics right on their mobile phones. Also, access to modeling tools can help them incorporate analysis of a broader range of alternative scenarios to build “what-if” projections.

**Business intelligence for online marketing managers**

The changes in traditional media and the emergence of new, digital media forms are pushing the marketing manager role well beyond established boundaries. Different types of media are becoming more integrated and the reach of paid media means they will increasingly serve as feeders into owned-media hubs. In these hubs, marketers can offer a more provocative experience, get consumers interested in offerings and pivot into an ongoing and more targeted stream of contacts with user members.

Some organizations spend upwards of \$250,000 and more per day on their paid search activity alone, clearly a huge and rapidly expanding global market.<sup>3</sup> With this amount of marketing dollars on the line every day and a multitude of possible interactions, it is critical to understand even microscopic search engine and paid media marketing activity movements in real time.

With this growing sprawl of customer touch points, online promotional options to consider and time-sensitive opportunities for ROI, online marketing managers are severely tested by the digital frontier. Every second, every minute counts like never before.

<sup>3</sup> “Beyond paid media: marketing’s new vocabulary”, McKinsey Quarterly November 2010

A BI solution that provides a clear line of sight for all online portfolio properties can help online marketing managers track and respond to well performing placements. For example, they can monitor key ad words, download the number of web page views on their corporate and third party websites in real time and track the social media buzz their goods and service have earned. Or, they can monitor customer and prospect activity online and see aggregation patterns of demand, spikes and troughs for the website and other third party site properties. The right BI solution helps them change their paid search bids on the fly or monitor and respond quickly to events by initiating business processes from a single, integrated BI workspace.

#### Specific BI features that can benefit online marketers

Quick actions are key priorities for online marketers because they help demonstrate credible ROI for online placements. A BI solution that enables them to establish thresholds for page views or offer downloads for multiple properties would be very beneficial to them, especially if it includes:

- Alerts for online metrics that are directly presented in an online marketing manager's dashboard
- Greater visibility of performance of key online investments
- The ability to manage key facets of an online budget to the day, not just the week or month to take advantage of fleeting or unplanned digital opportunities

#### Business intelligence for global program teams

In this era of reduced budgets, a global program marketer seeks decision excellence by working with a team to establish a corporate memory to capitalize on the future, increase the market reach of global programs and hold in-market expenditures steady.

Exploring, identifying and sharing best practices for collaboration is no longer optional. Now it is a required

offensive weapon for far-flung marketing teams with limited budgets and the pressing need to deliver superior market share growth. Collaboration and social networking fuel the exchange of ideas and knowledge that naturally occurs during the decision-making and planning processes that today are lost to organizations in meeting notes, manual processes, isolated field marketing teams and more.

#### Social networks and program marketers

With built-in social network capabilities, program marketers can:

- Initiate collaborative activities.
- Engage others with required expertise.
- Post messages, files and links.
- Discuss or review the opinions of others, expanding and taking advantage of institutional memory.
- Work more closely and effectively toward common business goals and priorities.

The right BI solution for global program teams connects them with their peers so they can share insight, program best practices and campaign successes. They can use it to gather broader perspective and opinions outside of simply holding global team calls and email exchange. They can also create global collaborative networks for the discussion of ideas and insights and to reinforce decision alignment.

The right BI solution makes it possible for them to view the broader team's plans, develop finely tuned decision networks, monitor daily campaign results and key available offer assets. In addition, they can make annotations so others can view their comments, suggestions and make adjustments as needed by specific market or channel. To help ensure that global program teams are rarely at a loss for the source of data, report or program asset, the right BI solution can easily trace the history, author and path of any information received.





## Conclusion: BI everyone can use. Answers everyone needs.

The right BI solution enables marketing executives, managers, analysts, program teams to work together with processes and technology. With a full range of BI capabilities, all users can access and share information when, where and how they need it. As a result, individuals can make smart decisions and organizations can gain agility and outperform.

Cognos Business Intelligence expands traditional BI with planning, scenario modeling, real-time monitoring and predictive analytics. With the ability to interact, search and assemble all perspectives of your business in a single place, Cognos Business Intelligence can support how all marketers think and work.

## About IBM Business Analytics

IBM Business Analytics software delivers complete, consistent and accurate information that decision-makers trust to improve business performance. A comprehensive portfolio of business intelligence, advanced analytics, financial performance and strategy management and analytic applications gives you clear, immediate and actionable insights into current performance and the ability to predict future outcomes.

Combined with rich industry solutions, proven practices and professional services, organizations of every size can drive the highest IT productivity and deliver better results.

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