

The Interactive Marketing eBook

It's all about the journey



Highlights

- Explore the Interactive Marketing essentials that will improve your ability to market to individuals or specific segments of customers and prospects.
- Understand how you can reach and engage your customers and prospects in a continuous conversation that is timely, relevant and welcome
- Discover how Interactive Marketing can help you build better relationships with your customers, improve your marketing results, increase the accountability of your marketing investments, and reduce costs
- Learn strategies that will help you plot your own journey to Interactive Marketing

Facing an unprecedented pace of change, you, like many marketers, may be struggling to create meaningful conversations with your audience. While you may be turning up the volume, if you are still using push strategies to communicate your messages, your buyers may be tuning out. At the same time, the demands for marketing accountability and demonstrated return on investment (ROI) are rising—putting more pressure on you and your team. Today’s environment offers exciting new opportunities for you to reach and engage customers and prospects in a continuous conversation that is timely, relevant, and welcome. That is what Interactive Marketing is all about.

Plotting your journey to Interactive Marketing can help you respond coherently, leveraging the extraordinary power of both personalization and interactivity. But, what does Interactive Marketing really mean? It means engaging each customer and prospect in a cross-channel dialogue that builds upon his or her past and current behavior.



This brochure explores the Interactive Marketing essentials of cross-channel marketing, sophisticated email marketing, proven website personalization strategies, and new approaches to data that will improve your ability to market to individuals or specific segments of customers and prospects. In the following pages, you will learn how the right Interactive Marketing solution can help you engage each customer in a two-way, interactive dialogue that:

- Builds upon past behavior
- Adapts based on current behavior, context, and each customer’s reaction to each new message
- Delivers the most compelling message to each customer, in the best inbound or outbound channel, at the perfect moment

Changes in the marketing landscape make conventional marketing a dead end

The marketing landscape is changing

75% of people don't believe companies tell the truth in advertising

53% of people on Twitter recommend companies and products

64% of consumers made a first purchase because of a digital experience

Are your marketing efforts keeping pace?

Only **6%** of marketers rate their digital marketing capabilities as excellent

63% of marketers believe traditional branding methods are losing their effectiveness

67% of marketers say lack of IT support is their number one bottleneck

With the decline of traditional marketing channels and the rise of online and social channels, your customers are wielding greater control of your dialogue. Fundamental shifts are impacting your ability to market successfully.

Mass media and push strategies are not working

Mass media channels have lost their reach as consumers exercise more personal choice. Response rates to traditional outbound

direct channels are plummeting, and highly personal direct channels are poorly suited to traditional “push” strategies. With an enormous and increasingly sophisticated audience to draw upon, online is becoming a richer, far more social medium.

The growth of online, mobile and social channels points to personalization

Virtually all marketing channels, from websites to search sites and more, now support targeted or individualized communication with customers. Even mass market channels, like television, are offering on-demand programming services; geotargeting is exploding as mobile device usage grows. The latest industry trends show that consumers are relying more on the recommendations of friends when making purchasing decisions.

Customers are empowered and they're using their power to behave in radical new ways

With unprecedented access to information online and the ability to easily cross channels at will, your customers have gained control over the marketing relationship and the flow of information—often at your expense as a marketer. You need strong cross-channel awareness of how each individual customer has responded to each of your messages, in every channel.

Four essentials for Interactive Marketing

The essential technology characteristics to enable your transition to Interactive Marketing are:

1. Customer awareness
2. Centralized decisioning
3. Cross-channel execution
4. Integrated marketing operations

1. It starts with listening: Customer awareness

Active listening is the ability to capture what a buyer is saying—both explicitly and implicitly. You need to capture a customer’s behavior across all online and offline channels. Using this information to determine what to say next requires a technology solution that can leverage and process both a customer’s history and present situation, identify actionable customer insights, alert you when potential customer opportunities arise, and predict marketing outcomes. To make all this possible, an Interactive Marketing solution brings together:

- **Customer analytics** that give you a visual analysis of customer behavior, preferences, and opportunities and permits selection of customer groups for easy inclusion in targeted marketing initiatives, moving quickly from questions to insight to action—without programming or technical support
- **Web analytics** that help you understand what your customers are doing on your website, beginning with self-service analytics that allow you to improve marketing effectiveness by rapidly testing and enhancing your campaigns and website, and also provide a rich set of behavioral data to uncover individual customers’ unspoken intentions, so you can converse with them more effectively
- **Predictive analytics** that are designed for marketing specialists, not statisticians: easy tools for segmenting markets; predicting response, cross-sell and lifetime value; and determining exactly whom to target with which offers
- **Event detection** that can monitor each customer’s transactional behavior patterns and set off triggers when meaningful changes occur that suggest a new opportunity, for example when someone abandons an online shopping cart, purchases a home, or asks to review the details of their contract cancellation clause via your website or by phone

2. Meaningful conversation: Centralized decisioning points the way

Imagine a conversation between two people. What if one person couldn’t remember what the other had said a minute before? Or if they could only remember part of the discussion—like what was discussed on the phone, but not what had taken place over lunch? Such a conversation would be deeply frustrating and profoundly alienating. That’s just how many customers feel when they converse with you across channels today.

In a conventional, decentralized marketing approach, your call center may have its own cross-sell rules. Your website may use other behavioral targeting to personalize ads, while direct marketers may send out yet another offer. The result is chaotic communication at best, and at worst, your customer is disappointed by your lack of memory about their interactions with your brand.

That’s why the ability to carry on a continuing dialogue over time and across channels is fundamental to Interactive Marketing. Centralized decisioning enables you to “think before you speak” to your customer, and speak based on a complete memory of your conversations with the customer to date. It’s essential to engaging customers in an effective dialogue.

To make this happen, Interactive Marketing incorporates everything you have captured through your analytics and awareness strategies to drive:

- **Segmentation** capabilities that enable you to group customers by like characteristics or behavior, in order to treat them—and communicate with them—in the most appropriate way
- **Offer management** to choose which personalized message each customer should receive, at the best time, and via the best channel
- **Real-time targeting** combining the ability to select the best message or offer during live customer interactions while taking into account their moment-by-moment behavior, and learning algorithms and arbitration rules for optimizing customer messages in real-time channels
- **Interaction history** that creates a two-way memory of every marketing message and the customer's reaction to that message across all channels
- **Contact optimization** designed to help manage marketing communications over time against business objectives and resource constraints while avoiding customer overload

3. Flawless cross-channel execution needs an integrated marketing platform

Traditional campaign management systems were often designed to support outbound push marketing. But today's customers seamlessly move across channels in the course of making a single buying decision. The most effective Interactive Marketing

solution operates through any outbound or inbound channel with ease, and manages conversations that continue throughout as many interactions as necessary to help customers reach their goals. An effective Interactive Marketing solution offers capabilities that support flawless cross-channel execution including:

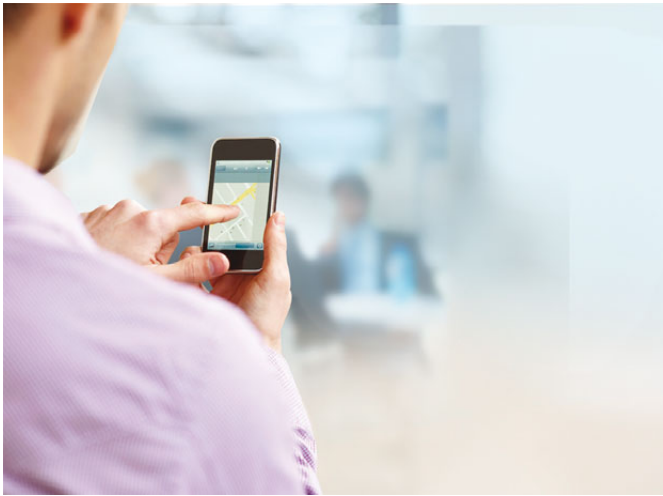
- **Outbound fulfillment** to support list creation for personalized, high-volume email execution, delivering mail-ready files to letter shops and fulfillment houses, and smooth integration with third-party vendors for fulfilling to any outbound channel
- **Inbound integration** to capture real-time contextual information from customer touch points—like websites, inbound customer service interactions, kiosks, and even face-to-face points-of-sale—and immediately present relevant offers during a current interactive session
- **Lead management** to capture, score, and rapidly route leads and responses to the correct marketing and sales contacts

Tip the scales in your favor when it comes to email deliverability

- Develop relevant content that engages your audience
- Ensure proper rendering regardless of interface
- Manage frequency in line with customer needs

Avoid these spoilers

- Stay clear of bounce blocks and blacklists
 - Apply permission tools scrupulously
 - Resist excessive mailing frequency
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4. Gaining traction: Automated marketing operations

All roads need a strong foundation—and the road to Interactive Marketing is no different. To increase your efficiency, and gain better control over your budget and processes, Interactive Marketing needs the foundational support provided by marketing operations capabilities. Align resources to objectives, streamline production processes, track budgets and expenses, and improve team collaboration—that's the kind of traction you need to complete the Interactive Marketing journey.

You can improve the operational efficiency and effectiveness of your marketing organization with an integrated marketing operations application:

- **Budgeting and forecasting** to create and allocate budgets, define performance objectives, then adjust plans as needed over time and see the impact of dialing spend up and down
 - **Integrated campaign planning and execution** that brings the work of those who plan campaigns and those who execute them together into a single, collaborative environment
 - **Expense management** to manage all aspects of marketing expenses from cost center definition to purchase order generation to invoice processing
 - **Standardized workflow** that defines best-practice workflows and processes and ensure everyone on the marketing team uses them
 - **Online approvals and electronic proofing** to automate the review process by using business rules to route approvals, review and mark-up documents, ensure that sign-offs are properly obtained, and log audit trails to meet regulatory compliance
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Getting there: Implementing Interactive Marketing one step at a time

Recognizing the need to transform your current marketing practices into Interactive Marketing is the beginning. However, the transformation process can be challenging. Implementing an Interactive Marketing solution is complex, affecting many systems, processes, and people across your organization. It's been compared to trying to eat an elephant. And if you approach it wrong or things go badly, the process might eat you instead. So how do you really do it? One bite at a time, one step at a time!

Taking an incremental approach to implementing Interactive Marketing requires a systematic approach to creating a transformation roadmap. There are two things you can do immediately to move towards Interactive Marketing:

Improve the sophistication of your targeting/dialoguing within each channel

Improving the sophistication of your targeting requires skills in data management, analytics, and enabling technologies. The advantages are fewer organizational barriers, demonstrable progress, and positive impact channel by channel. The limitations include the fact that you still can't leverage customer interactions from one channel to another, messages can be mixed, or worse, contradictory—in essence, it's a better bullhorn, but not a better customer experience.

Increase the degree of integration between your channels

Tackling channel integration means moving from siloed channels (channel-centric marketing) to integrated channels (customer-centric) marketing where “integration” comprises shared segments, offers, interaction history, plans, and budgets. To integrate your channels, the organization needs to break down the silos, or at least commit to working collaboratively across channels. Channel integration improves marketing effectiveness and, more importantly, creates a better customer experience. On the other hand, it's hard to do, especially without increasing targeting sophistication.

IBM's experience in Interactive Marketing implementations shows that improving the sophistication of your targeting is typically easier than achieving cross-channel integration.

Destination Interactive Marketing: IBM's market leading approach

Many marketing organizations, including yours, have probably already taken some steps on the journey to Interactive Marketing and seen some initial success. However, most marketing organizations struggle to reach the final destination of fully Interactive Marketing because it gets difficult to connect disparate technologies, siloed staff, and conventional processes. In short, it's a hard problem to solve.

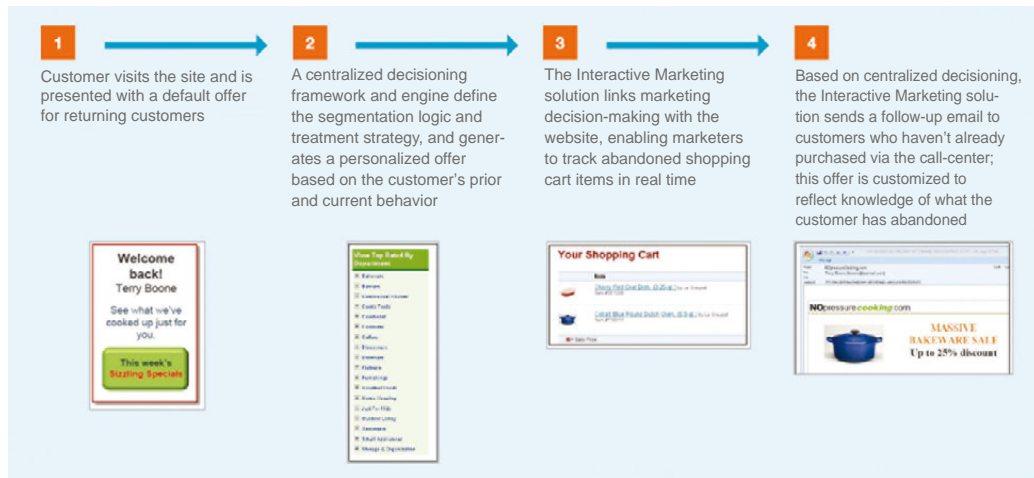
IBM's Interactive Marketing solution is an integrated suite of technologies with a complete set of capabilities you can use to engage in personal, relevant marketing. With the ability to quickly analyze visitor and customer behavior, and design and deliver email and web content that's more personal, relevant, and

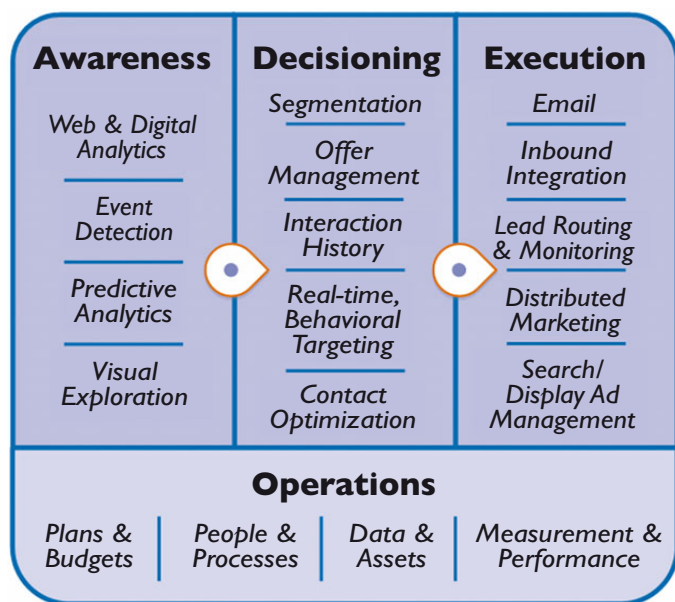
effective, IBM's Interactive Marketing solution can help you build better relationships with your customers, improve your marketing results, increase the accountability of your marketing investments, and reduce costs. Learn how IBM's approach to Interactive Marketing can help you engage your customers in meaningful cross-channel dialogues.

Interactive Marketing in action:

Your customers benefit from a seamless, integrated experience that cuts across channels. Interactive Marketing keeps the conversation focused and timely. The following illustration shows what real Interactive Marketing looks like—and how IBM's Interactive Marketing solution makes it easier to achieve.

INTERACTIVE MARKETING IN ONLINE RETAIL





Interactive Marketing provides an end-to-end solution that spans all channels and optimizes operations.

Next stop success: Interactive Marketing drives results

These snapshots reveal what some leading marketing organizations have achieved with Interactive Marketing:

Best Buy Through careful customer analysis and targeted low cost email campaigns, Best Buy doubled Red Zone customer loyalty program membership in three months.

Citrix By analyzing customer behavior and interests, Citrix optimized SEM investments and cut conversion costs by nearly 80 percent.

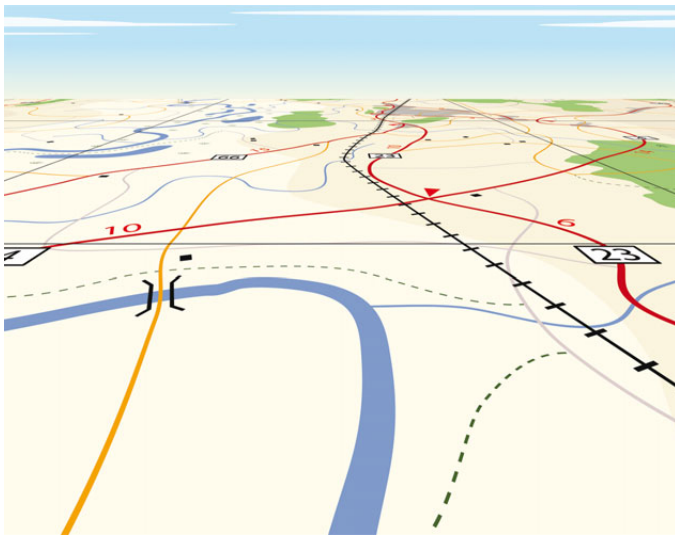
PETCO Leveraging web analytics solutions from IBM Coremetrics to personalize ads based on customer behavior, PETCO has increased the coupon redemption rate in stores by 100 percent, attracted new buyers and dropped cost per order by 64 percent.

wehkamp.nl Delivering personalized marketing with IBM Coremetrics and IBM Unica solutions, the Netherlands' largest online retailer has realized impressive results, including 15x better ROI using targeted versus non-targeted banners ads.

Conclusion

No matter where you are on your journey to Interactive Marketing, you can get there with the right marketing software solutions. When you achieve effective, efficient, measurable marketing that creates meaningful dialogue, you ensure increased lifetime customer value—and that's a good place to land.

This eBook reveals just some of the important steps along the journey. In the next few weeks, you will be invited to discover successful approaches to cross-channel marketing, email deliverability, website personalization, and data management.



About IBM Unica solutions

IBM Unica products are innovative marketing solutions that turn your passion for marketing into business success. Our comprehensive approach to interactive marketing enables organizations worldwide to understand their customers and

use that understanding to engage buyers in highly relevant, interactive dialogues across digital, social, and traditional marketing channels.

Recognized as a leading integrator of enterprise systems for multiple industries, we help organizations with a wide variety of projects, analyzing real-time information and returning measurable value to stakeholders. In addition, we provide worldwide support for a variety of industry-partner content, services and applications.

For more information

To learn more about IBM Unica Interactive Marketing solutions, please call 1.866.277.7488 (North America) or +1.781.487.8600 (International) or visit ibm.com/software/info/unica. Or visit our [Interactive Marketing Resource Center](#) for expert advice to help you move along your path to Interactive Marketing success.

Smarter Commerce: an integrated approach

IBM Unica products are part of the IBM Smarter Commerce initiative. Smarter Commerce is a unique approach that increases the value companies generate for their customers, partners and shareholders in a rapidly changing digital world. To learn more about Smarter Commerce, visit: ibm.com/smarterplanet/commerce.



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