

# Create targeted, personalized and timely marketing messaging

*Capitalize on a wealth of consumer data to improve engagement and increase marketing ROI*



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## Highlights

- Create an integrated, 360-degree contextual view of consumers
  - Produce personalized, timely and relevant marketing messaging across multiple channels by using dynamic micro-segmentation with richer consumer data and sophisticated marketing analytics
  - Accelerate time to value with an integrated consumer data and analytics hub deployment and solution-as-a-service options
  - Enable precision in marketing strategy development and tactical execution by making better use of data from all internal and external sources and adding intuitive analytics capabilities
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Consumer products companies pioneered traditional advertising with the creation of radio, TV, print and out-of-home ads. These companies invested in all the right places, focused on consumer insights and became experts at building brands that consumers love.

However, digital marketing—and mobile and social channels—has altered the playing field for consumer products brands. Understanding what drives consumption and shopping behavior is now key to maintaining and growing market share. Most consumer products companies have historically relied on consumer data from their trade partners—retailers and other third parties. However, this relationship is changing with the shift to multichannel sales, which produces data about today's always-connected, heavily informed consumer.

To drive loyalty and brand enthusiasm in this environment, consumer products companies need the ability to foster one-to-one engagement through more personalized communications and timely, relevant offers. It is difficult to accurately measure the return on investment (ROI) of campaigns and overall marketing spend without integrating data from many sources, and then applying the appropriate analytics tools and skills to make sense of it. These challenges have made it tough for some consumer products brands to invest sufficiently in digital marketing.



Consumer products companies face numerous IT constraints related to collecting, organizing and analyzing data. Their IT solutions offer only fragments of consumer profiles and cannot conduct the micro-segment targeting needed to reach any level of marketing and communications personalization and relevance.

The IBM® Consumer Insights and Engagement for Consumer Products solution addresses these challenges and today's market dynamics. It provides a rich set of integrated consumer data, analytics and marketing capabilities to help businesses quickly and cost-effectively organize and analyze a wealth of information. With new insights, marketing and sales groups can produce precise, targeted communications that improve their returns on marketing spend. Consumer products companies can nurture direct relationships with consumers and enable interactions that enhance brand engagement, driving loyalty and advocacy. Ultimately, they can use more data and advanced analytics to shift spending to tactics that have a higher probability of success in boosting sales and increasing market share.

### **Address key challenges to customer engagement**

Many consumer products companies struggle to produce personalized, relevant and timely communications and offers. Some of them adhere to a stubbornly traditional business mentality that resists new, innovative approaches. According to the 2014 IBM Global CMO study, 82 percent of CMOs feel underprepared to deal with the data explosion. Two-thirds of all CMOs also report that they're not ready to cope with social media.<sup>1</sup>

Indeed, consumer products companies must overcome some significant challenges before they can improve consumer engagements and experience, and achieve their desired business outcomes. For example, many companies first need to aggregate, integrate and homogenize data from an assortment of internal and external sources to create consumer segments and a complete, contextual view of consumers. Dependence on third-party data service providers and the labor-intensive, time-consuming work of assembling and analyzing data prevents companies from quickly acting on opportunities at the earliest point of impact. That data-gathering and manipulation work results in higher operational costs, slower front-office responses and missed opportunities.

While integrating data from a variety of internal and external sources, consumer products companies must ensure data is accurate and trustworthy. What good is a marketing campaign or promotion based on a targeted market segment if the data is incomplete or inaccurate?

Companies must also find cost-effective ways to capitalize on the valuable real-time consumer data generated through social media, forums and other online sites. The rapid expansion of social networks and the proliferation of mobile apps and other online sales channels are enabling more people to research, shop for and buy products online. These online interactions and digital footprints generate a tremendous volume and variety of crucial consumer and market information. Without an efficient, timely method for capturing and analyzing real-time data—much of it unstructured or semi-structured—companies miss opportunities to monetize that information.

In addition, companies should democratize access to data and deliver it in the business context needed for a broad range of use cases, reducing the reliance on data scientists. Line-of-business users should be able to access and analyze the information quickly, easily and in context so they can produce timely, engaging communications, campaigns and promotions.

Fortunately, consumer products companies today have cost-effective ways to overcome these challenges. New solutions allow them to reduce their long-standing dependence on third-party vendors for consumer data and marketing-related services. By implementing robust and flexible data, analytics and marketing capabilities, deployed on premises or in the cloud, companies can improve the precision of targeted marketing tactics and execution. Boosting in-house competency increases self-sufficiency and enhances agility. Companies can make more immediate course adjustments by quickly measuring the effectiveness of tactics, and then modeling and testing corrective actions. The continuously updated insights and recommendations can be deployed automatically through marketing execution systems.

### Gain precision marketing analytics capabilities

IBM Consumer Insights and Engagement for Consumer Products offers a core set of integrated data, analytics and marketing capabilities that can help your company maximize the value of consumer information:

- **Data integration:** Bring together siloed data to create a trusted, single, 360-degree view of consumers.
- **Big data management:** Accommodate the growing volume, variety and veracity of consumer data. Facilitate easy access to this data across the enterprise and streamline administration.
- **Analytics:** Draw on vast, integrated collections of consumer data and conduct the micro-segmentation that is essential to deliver more targeted marketing. Model and predict consumer lifetime value, product affinity, propensity to purchase and campaign response rates, which combine to determine the next best action in communications across all channels.
- **Marketing:** Use newly generated insights to personalize marketing and engage consumers in an ongoing dialog, optimize cross-channel marketing programs and improve marketing performance.

### Build a robust consumer data management and analytics environment

IBM Consumer Insights and Engagement for Consumer Products integrates a comprehensive collection of IBM information management and analytics offerings, including IBM Predictive Customer Intelligence (IBM PCI). IBM PCI brings together multiple capabilities into a single, orderable software solution with the following pre-integrated features.

#### Predictive modeling

Discover hidden relationships in volumes of structured and unstructured data, and use scoring to determine which potential action is the optimal choice. These relationships and insights can be refreshed in real time to reflect the current engagement (for example, the consumer is accessing product provenance details on the brand website). The recommended action will take into account both the context and the appropriate historical data for optimum relevance during every consumer interaction. The actions can be operationalized automatically through available consumer interfaces.

#### Reporting

Track, analyze, measure and report consumer interaction and marketing campaign results across all channels, markets and segments. Powerful visualizations help you share insights and act on findings so you can better respond to consumers and drive action.

#### Predictive model repository

Access an extensive set of modeling capabilities to accelerate the solution's time to value, including:

- Segmentation model
- Churn (retention) model
- Acquisition model
- Customer lifetime value (CLTV) segmentation
- Price sensitivity
- Sentiment analysis
- Up-sell/cross-sell model
- Campaign response model
- Market-basket analysis
- Product affinity model
- Real-time scoring
- The consumer data repository

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## Adopt a new consumer data and marketing analytics platform

IBM Consumer Insights and Engagement for Consumer Products capitalizes on the Aginity Analytics Management Platform (Aginity Amp) and the Aginity Customer Intelligence Appliance (Aginity CIA) to help consumer products companies better understand and serve their customers. Aginity Amp provides an integrated data and analytics hub that brings together data management, analytics management and attribute distribution capabilities. It is intended to speed deployment, and enhance the efficiency of marketing automation and statistical modeling applications.

Designed specifically for managing and analyzing consumer data, the Aginity CIA is an integrated analytics solution that enables you to conduct sophisticated analyses and produce actionable insights. With the Aginity CIA, you can create a comprehensive 360-degree view of consumers that spans digital and physical channels. Consumer behavior segmentation and analytics capabilities let you profile behavior, run dynamic and multidimensional segmentation models and optimize consumer experience planning at the strategic level. Best-practice reporting offers market-basket, cross-purchase, preference and consumer lifetime value analytics as well as segment migration.

The Aginity CIA is built on the IBM PureData® System for Analytics, powered by IBM Netezza® technology. PureData System for Analytics lets you conduct deep, complex analytics on vast volumes of consumer data using a simple appliance, delivering industry-leading performance.

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These models can be combined and augmented to support all consumer engagement activities, inbound and outbound. IBM PCI provides broad connectivity to a wide range of applications and systems of engagement, including IBM Enterprise Marketing Management offerings and third-party engagement solutions and data sources.

IBM ExperienceOne™ brings together leading capabilities from across IBM Enterprise Marketing Management, IBM WebSphere® Commerce and IBM Customer Experience portfolios to make it easier to create and refine customer engagements so you can accelerate the growth of relationships and increase revenue.

IBM ExperienceOne helps improve consumer interactions through extensive, omni-channel engagement capabilities and real-time personalization services. Combined with the advanced analytics and recommendation developments generated by IBM PCI, it can help you:

- Deliver personally relevant and rewarding experiences
- Better understand each customer in context
- Co-create authentic brand experiences with consumers and customers

Part of IBM ExperienceOne, IBM Campaign helps you target thousands—or millions—of individuals with the right outbound marketing message. You can quickly and cost-effectively design, execute and measure customer-driven communication strategies wherever users may be.

IBM Interact, also part of IBM ExperienceOne, enables you to create real-time, personalized experiences for consumers as they interact with websites, call centers and other inbound marketing channels. By feeding the contextual data into IBM PCI for re-scoring of the predictive models, and combining the IBM PCI output with business logic, Interact can produce the optimal marketing message for each case.

## Orchestrating a successful consumer journey

IBM Consumer Insights and Engagement for Consumer Products facilitates a digital experience that can improve personalized engagement, spur transactions and encourage brand advocacy (Figure 1):

- **Explore:** Connect with consumers as they explore online resources, participate in forums, and shop online and in stores. Draw on existing consumer insights to provide compelling messaging across channels.
- **Discover:** Deepen interactions with consumers as they visit your website, join online forums, download your mobile app, collect coupons and more. Gather information about preferences and behaviors to help create more targeted interactions.
- **Engage:** Use analytics capabilities to produce personalized, timely promotions and messages that enhance engagement. Deliver consistent messaging whether a consumer is redeeming a coupon in a physical store, communicating with customer support, posting on social media or interacting with your representatives at an event.
- **Transact:** Improve conversion rates and make the most of cross-sell opportunities by generating more targeted promotions and campaigns. Increase the return on your marketing investment by driving more transactions.
- **Advocate:** Learn the best ways to incentivize consumers to promote your brand and products through social media. As advocates, your consumers will help spur organic consumer growth, increase loyalty and bolster your brand.

Explore	Discover	Engage	Transact	Advocate
				
Capabilities				
<ul style="list-style-type: none"> <li>• 360-degree customer view</li> <li>• Digital analytics</li> <li>• Continuous customer insight</li> <li>• Behavior analytics</li> </ul>	<ul style="list-style-type: none"> <li>• Social analytics</li> <li>• Omni-channel marketing</li> <li>• Digital consumer experience</li> <li>• Real-time personalization</li> </ul>	<ul style="list-style-type: none"> <li>• Mobile marketing</li> <li>• Real-time marketing</li> <li>• Trade spend analytics</li> <li>• Micro-segmentation</li> <li>• Direct-to-consumer commerce</li> </ul>		

Figure 1. Applying analytics across the customer journey enhances engagement and supports positive outcomes.

### **Streamline deployment, speed time to value**

IBM Consumer Insights and Engagement for Consumer Products is an integrated solution that can be implemented in a matter of months, not years. Once the solution is up and running, you can add new consumer data in minutes, not days.

To further simplify deployment and speed time to value, you can install IBM Consumer Insights and Engagement for Consumer Products as a service. By letting IBM manage the infrastructure, you eliminate initial capital costs and instead pay for the service from your operating expenses.

### **Facilitate access to consumer data**

With IBM Consumer Insights and Engagement for Consumer Products, analytics capabilities are not restricted to highly specialized data scientists. The solution democratizes access to consumer data and analytics, enabling line-of-business users to pull data from multiple sources, access shared models and attributes, apply analytics and produce actionable insights.

### **Accelerate analytics results**

Using third-party sources for consumer data and third-party analytics services can slow the analysis process. With IBM Consumer Insights and Engagement for Consumer Products, you control the data and you initiate new analytics projects without involving an outside vendor. As a result, you can accelerate analytics cycle times substantially, generating new insights in a fraction of the time. Launch new marketing campaigns and deliver timely, personalized promotions using the most up-to-date information.

### **Create targeted, personalized marketing**

By integrating consumer data, conducting micro-segmentation and running real-time analytics, you can create much more targeted and timely marketing messages across all channels. Enhance the consumer experience as they interact with websites, use mobile apps, communicate with call centers, post on social media sites and shop online or in retail stores. With more personalized interactions, you can increase engagement and enhance loyalty while bolstering brand enthusiasm and boosting your market share.

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### Increasing consumer loyalty

A large, global beverage company wanted to expand membership in its loyalty program. By implementing IBM Consumer Insights and Engagement for Consumer Products, the company integrated consumer and market data from multiple sources, creating a trusted view of customers, facilitating micro-segmentation and enabling the company to identify consumer sentiments and behaviors.

The solution is helping the company improve marketing effectiveness by producing more real-time, relevant communications. Using new consumer insights to design and execute targeted, localized promotions helps increase the company's returns on marketing spending. With finely tuned marketing communications, the company is making progress toward its goal of dramatically expanding loyalty program membership.

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### Capitalize on emerging opportunities

The increasing use of digital channels presents tremendous opportunities for consumer products companies that can harness the power of consumer data. IBM Consumer Insights and Engagement for Consumer Products can help you capitalize on those opportunities by providing extensive capabilities for integrating, managing and analyzing data, and transforming new insights into effective marketing campaigns and promotions.

### For more information

To learn more about IBM Analytics solutions and the consumer products industry, visit: [ibm.com/analytics/us/en/industry/consumer-products](https://ibm.com/analytics/us/en/industry/consumer-products)

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IBM Analytics  
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Produced in the United States of America  
January 2016

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<sup>1</sup> IBM Institute for Business Value. “Stepping up to the challenge: CMO insights from the Global C-suite Study.” March 2014. [ibm.com/common/ssi/cgi-bin/ssialias?subtype=XB&infotype=PM&appname=GBSE\\_GB\\_TI\\_USEN&htmlfid=GBE03593USEN&attachment=GBE03593USEN.PDF#loaded](http://ibm.com/common/ssi/cgi-bin/ssialias?subtype=XB&infotype=PM&appname=GBSE_GB_TI_USEN&htmlfid=GBE03593USEN&attachment=GBE03593USEN.PDF#loaded)



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