IBM for Marketing

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Five tips to engage your customers with event-based marketing

Take advantage of moments that matter with in-depth insight into customer behavior to drive engagement and revenue

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35%

think marketing messages are **"usually relevant"** from **their favorite** companies

21%

think marketing messages are **"usually relevant"** from **other** companies

Figure 1: Based on a 2015 Econsultancy study, respondents indicated that most targeted brand communications are irrelevant.[1]

From customer events to customer insights

Customers want to be understood by businesses — by retailers, banks, insurers, telecommunications and other providers of products and services they value. For marketers, detecting significant events in the customer journey is key to meeting those expectations and delivering the personalized, relevant brand experience they expect.
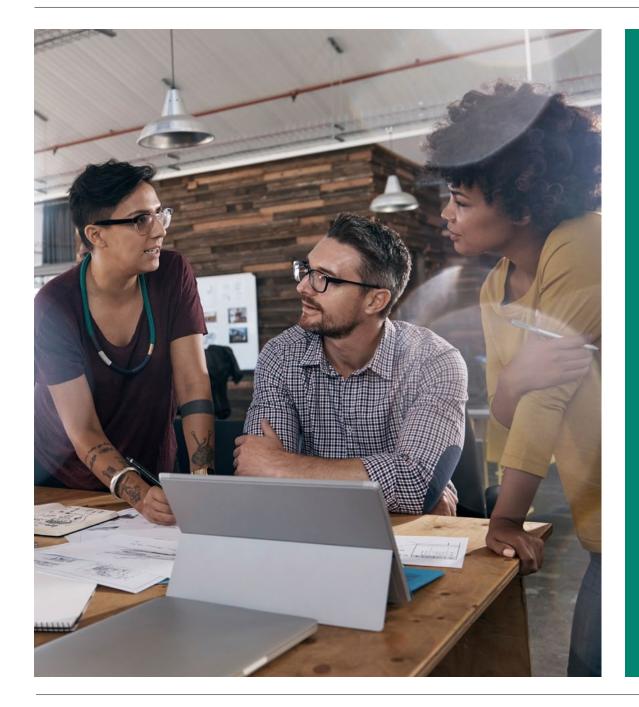
Event-based marketing opens new opportunities for marketers to anticipate customer needs and react with spot-on messaging that helps build a mutually rewarding and long-term relationship. But event-based marketing needs to be done right — outreach that misses the mark in timing, frequency, channel or message can prove counterproductive.

Today, advances in event-based marketing technology let brands detect and understand subtle shifts in customer behavior. This deeper behavioral analysis, coupled with traditional detection of overt events, is a powerful combination that can help you engage customers with the right message at the right time over the right channel.

In this white paper, you'll find five top tips to turn customer events into customer insights to improve your marketing performance:

1. Map your customer journey across touchpoints

2. Align opportunities with your business objectives

3. Use events to personalize outbound and inbound offers

4. Capitalize on real-time customer data and opportunities

5. Choose event-based marketing technology wisely

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Why event-based marketing?

- Increase customer response rates and marketing results

- Detect and react quickly to downward trends in sales or satisfaction

- Seize opportunities for cross-sell, retention and stronger relationships

- Provide quality brand experiences across all outbound and inbound channels

- Expand event-based marketing on a massive scale based on real-time actions

The role of event based marketing in customer interactions

By monitoring events, leading marketers leverage individual customer behavior and context to make the most of every interaction. Event-based marketing is a foundational element in guiding the customer path to purchase, yet just 37 percent of marketers have the tools needed to provide an exceptional customer service and experience. Even fewer — 34 percent — are able to link their online and offline customer experiences.

Leading marketers outperform all others in delivering personalized real-time messages through call centers, websites, physical locations, social media, mobile devices and other channels. In many cases, the ability to detect and respond to events provides the basis to understanding customer needs and delivering an engaging and useful message at the right time.

An event can be an overt act, such as a customer abandoning a shopping cart, insurance policy application or telco service upgrade. An event can also be non-action or a nuanced change in behavior, such as a decline in average order value for a regular customer, or failure to open emails or life events such as the birth of a child, moving or changes in income.

To put event-based marketing to work, leading enterprises pay close attention to all the cues, or events, that customers provide. They track obvious sources of information such as website activity, point-of-sale data, loyalty programs and the like. Then they integrate this data with intelligence from other sources, including real-time conversations on social networks, web and mobile activity.

By mapping a customer's journey across touchpoints, you can move towards deeper customer understanding and more effective engagement.

In a 2016 study of more than 720 CMOs worldwide, IBM found that six percent of these CMOs — coined "Torchbearer CMOs" — are leading the way in terms of innovation and financial return. These marketing leaders are proactively influencing the customer experience across channels by perfecting the customer journey.

We are able to tie customer experience activities to revenue and/or cost savings

37%

We have the tools we need to provide exceptional customer service and experiences

37%

We do a good job of linking our online and offline customer experiences

34%

Figure 2: Most marketers lack tools or capabilities necessary to deliver a strong customer experience.[2]

TIP 1

Map your customer journey across touchpoints

CMO Focus on Customer Journey Mapping

+26% more
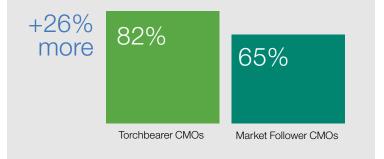
82%
Torchbearer CMOs

65%
Market Follower CMOs

Figure 3: Torchbearer CMOs are mapping the customer journey more carefully than their counterparts[3]

Who is she and why is she browsing products at your website? How else does she interact with you brand — in stores, mobile devices, email, social media? Is she a high-value customer, or could she become one?

Understanding your customer's behavior and intent is the basis for effective event-based marketing. It's no longer viable to simply track the basics of who, what, when and how a customer interacts with your brand. A deeper understanding of customer intent — what she wants, why she takes or doesn't take certain actions — is important because it helps you personalize your outreach and shape your event-based marketing tactics:

- What is most important to this particular customer in context?

- Which is the best channel to engage with the customer?

- What days and times is she most likely to be receptive?

- What's the next best offer that we can make to this customer?

Today's best marketing technology can capture vast volumes of real-time interaction data across multiple channels and generate insights that can be acted on virtually instantaneously. Innovations in scalable, precise, event-based engagement can help you meet customer expectations for a relevant and rewarding brand experience at every touchpoint.

TIP
2

Align opportunities with your business objectives

"It's all about the customer," but it's also about your business objectives. Marketers can significantly improve top-line returns with a clear view of business objectives and aligning them with the opportunities presented by customer behavior. Insights into both business priorities and customer action position you to tailor your event-based marketing efforts in such areas as:
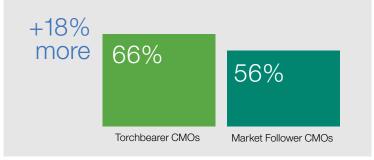
CMO Actively Reassess Revenue Models

+18% more

66%
Torchbearer CMOs

56%
Market Follower CMOs

Figure 4: Torchbearer CMOs are more likely to be reviewing the way they go to market. Two-thirds of them are exploring new revenue models, comparedwith approximately half of all Market Follower CMOs.[4]

Decrease customer churn.

Examples include a bank offering to help a customer that abandoned an application for a loan or credit card, or a telco offering a customer a more cost-effective plan based on changes in her calling, texting or data behaviors.

Increase customer satisfaction.

Pointing customers to additional resources helps resolve issues and build loyalty, as does marketing that responds to specific customer activity.

Drive cross-sell or up-sell.

Product recommendations, display ad and email retargeting and location-based mobile messaging can be effective revenue generators.

Deepen social media engagement.

Reacting to a customer's social media activity and incenting participation on social sites helps increase engagement.

Address competitive threats.

Events can include a competitor's introduction of a new product; marketing outreach to customers can help position your brand against the competitor.

Given the dynamic nature of both customer behavior and business objectives, systematic testing and validation of your data is important to adapting event-based marketing tactics on the fly and ensuring the best results on an ongoing basis.

TIP 3

Use events to personalize across outbound and inbound channels

Personalization and coordination across both outbound and inbound channels are hallmarks of effective event-based marketing. Your marketers should be positioned to respond to events with outbound emails, messages to mobile devices or targeted display ads. You also need to be ready to optimize inbound interaction when a customer visits your website, phones a call center or visits a location, with messages tailored to activity and context.

An event-based marketing solution provides sophisticated pattern detection that triggers automated actions based on customer activity or inactivity with data-driven orchestration that focuses on:

The right channel.

Understand the behavior of individual customers and engage through the channels they're most receptive to, be it email, your website, mobile devices or social media.

The right time.

The times and days you choose to respond to customer actions can have a big effect on the success of event-based marketing. Some events are best addressed with real-time action, such as when a customer is browsing products or inside a store. Others, such as a periodic billing cycle, require more strategic, pre-planned action. Analytics help you pinpoint the optimal time for engagement.

The right offer.

The right offer. Based on customer behavior or a given event, what's the best offer for a particular customer? Event-based marketing technology lets you use a rule-based approach for determining the appropriate offer based on all that is known about the customer such as customer behavior, segmentation, scores, profitability and offer acceptance probability.

An "event" can also be a non-event. If a customer has stopped opening your email or visiting your website, event-based marketing technology detects that inaction and can trigger a reminder or special offer to help prevent attrition and re-ignite customer interest.

TIP 4

Capitalize on real-time customer data and opportunities

Real-time monitoring of customer activity is vital to shaping your event-based marketing tactics over inbound and outbound channels. Event-based marketing technology gives you capabilities to evaluate high volumes of real-time business data and identify meaningful behaviors that form the basis for "right time" offers to a customer or prospect.

As an example, a coffee shop chain notices that a daily, highvalue customer hasn't been in for a week. Because the coffeelover uses the retailer's mobile app, the chain can see that she's traveling in a different city. A push message to her smartphone with a discount on coffee and a pastry and a map to the nearest shop captures the sale and deepens brand loyalty.

By understanding customer activity as it unfolds, you can invite "right time" interactions depending on the situation:

Real-time inbound engagement.

Look to react at moments of peak customer interest, such as a visit to your website, a call to your call center or a visit to a store or branch.
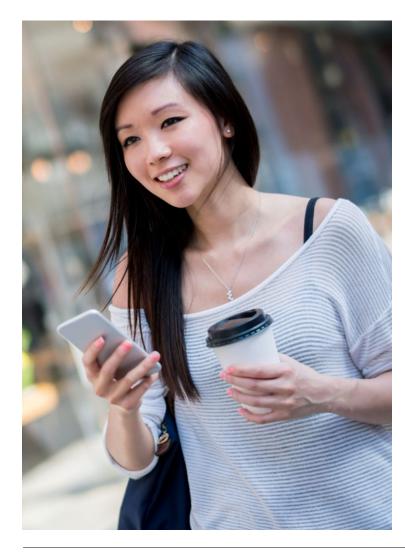
Right-time outbound marketing.

Comprehensive behavioral data helps you determine the optimal time to reach out to a customer, as well as the best channel.
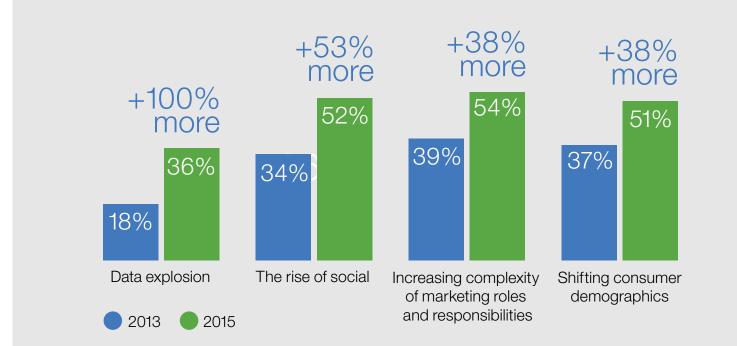
Location-based targeting.

As in our example, mobile messaging to on-the-go customers is effective in driving traffic to your physical locations and incenting a purchase.

Getting your timing right is more important than ever given in our multi-touch, digitally connected world. As consumers hopscotch across channels and devices, pinpointing when and over which channel a customer will be most receptive should be a focal point of your event-based marketing strategy.
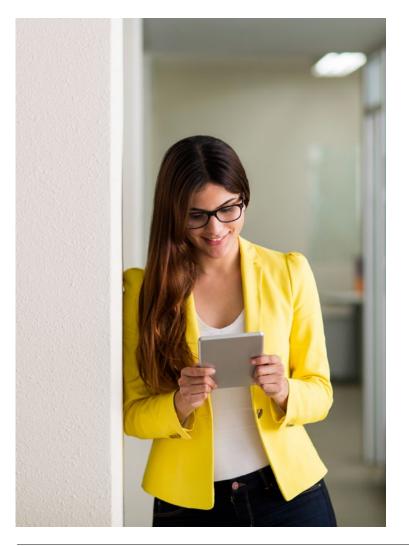
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+100% more
+53% more
+38% more
+38% more

36%
52%
54%
51%

18%
34%
39%
37%

Data explosion
The rise of social
Increasing complexity of marketing roles and responsibilities
Shifting consumer demographics

● 2013 ● 2015

CMOs think they are better prepared to manage key marketing challenges, particularly the data explosion, in comparison to two years ago.[5]

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Choose event-based marketing technology wisely

Retailers, financial institutions, telcos and others in both B2C and B2B markets have used event-based marketing to reach out and engage with customers. Today, advances in this technology can empower marketers to align event-based marketing with new customer-centric marketing imperatives.

Look for next-generation capabilities that can detect nuanced behavioral changes over time, as well as significant changes in real time.

Innovations in leading event-based marketing technology allow you to:

- Capture and evaluate large volumes of data from both a long-term and immediate perspective with high scalability

- Source raw data from multiple channels and interactions, including websites, physical locations, social media, mobile devices and phone contact

- Integrate with real-time marketing technology to enable immediate, accurate response to opportunities over all inbound channels

- Easily customize business rules to monitor channels and activities and tune triggers for optimal response to events or non-events

- Leverage prebuilt industry-specific triggers and automate routine actions to improve the productivity and performance of marketing teams

Ultimately, the right solution equips you to build effective event-based marketing programs quickly with minimal effort to improve cross-sell, retention and loyalty while meeting customer expectations for a personalized, meaningful interaction at every touchpoint.

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IBM Marketing Solutions

IBM provides industry-leading event-based marketing capabilities focused on identifying and acting on the opportune moment to extend a message to a customer or prospect. Most solutions can react to direct changes in customer behavior and deliver an outbound message. But IBM's solution does much more. IBM offers robust capabilities to evaluate high volumes of volatile transactional and other data to detect nuanced changes in behavior over time, such as when customer interaction dwindles. These "events" detected at the right time coincide with relevant opportunities to cross-sell a product or service, prevent the customer from leaving for a competitor, or nurture the customer relationship.

IBM's comprehensive event-based marketing solution enables marketers to:

- Detect nuanced customer behavior to optimize outbound messages

- Understand the relevancy and urgency of inbound interactions based on customer behavior

- Deliver a personalized, real-time experience to customers interacting with websites, call centers and other inbound marketing channels

- Design and execute multi-channel campaigns based on detected events

A great event-based marketing solution is more than technology. IBM's deep expertise helps you address all your customer engagement needs. IBM can help you navigate the changing roles and skills needed for success, implement streamlined and effective processes, understand customer buying and browsing behaviors, and build best practices into your event-based marketing. And through the IBM Commerce partner ecosystem, you can take advantage of complementary data and technology solutions that can be easily integrated into your event-based marketing environment.

For more information

To learn more about real-time marketing,
download our white paper.

References:
[1,2] EConsultancy and IBM "The Consumer Conversation" April 2015: www-01.ibm.com/common/ssi/cgi-bin/ssialias?subtype=WH&infotype=SA&htmlfid=ZZL03106USEN&attachment=ZZL03106USEN.PDF
[3,4,5] IBM Global C-suite Study – The CMO perspective. February 2016. ibm.biz/cmostudy