



Five marketing tips

Marketing in the digital age: Five tips from the front line

Introduction

Today's marketplace involves considerable risk; surprises are commonplace. Consider a few recent twists and turns:

- *Bricks-and-clicks* — not “*simply clicks*”: Despite an early lead by Internet pure plays (with their lavish brand awareness campaigns), brick-and-click enterprises now appear to have the biggest advantages.
- *Private trumps public*: Creative marketing tactics could not save the bevy of public exchanges launched over the last few years. With the exception of a few, large industry stalwarts, enthusiasm surrounding public exchanges has now shifted to private models that enable true business value to be more readily achieved.
- *Inside turns out*: Companies are discovering that internal assets, such as online employee training, can be turned into effective marketing tools. In fact, experts now predict that marketing departments, rather than human resources, will fund almost half of online learning initiatives.

The proliferation of new channels, while offering considerable opportunity, also complicates matters. Business-model experimentation does not always produce expected results. In fact, to many executives, today's marketing expenditures can feel more like wagers than investments. Through our work with leading marketers across a variety of industries, IBM has honed in on five pragmatic “tips” that can help position your business for solid performance — even in turbulent times.



Create a global brand blueprint -- and express it locally

As its name suggests, the World Wide Web has intensified the global nature of commerce and the degree of interconnection among the world's economies. Many corporations already compete on a global scale, and more are joining those ranks every day. How can these companies leverage the collective strength of their brands across the world, while at the same time portraying their individual brands as culturally specific and personalized for each local market?

Many leaders establish a central framework for their brand — one that clearly communicates *what elements should remain constant* across geographies and *what elements can vary* in order to capitalize on local insights.

Before drafting a brand blueprint, companies should consider several factors:

- What comprises the organization's primary markets? Commercial or consumer?
- From a global perspective, are all products and services fundamentally the same?
- Where and when are customers approaching the business?

A central brand framework should clearly communicate what elements should remain constant across geographies and what elements can vary.

The Coca-Cola Company has established a global brand blueprint to help the business remain culturally relevant in 200 different countries. Around the globe, local marketing teams rely on the blueprint to plan regional marketing tactics that remain true to the global brand intent. In Spain, for example, the company wanted to reach out to young adults. Because the Internet is such a large part of that audience's lives, the Spanish team elected to make the Web a key component of the marketing strategy through an online, interactive game. Promotional activities included a sixteen-stop bus tour of the country's major universities, where students could board the bus, play the new

game and sample Coca-Cola products. The game was designed to align with the Coke brand and the goals of the campaign. No violence was allowed; instead, the game focused on building a sense of community and bringing people together. Just as previous campaigns helped establish an association between Coke and enjoying a film at the local cinema, the new campaign was aimed at linking Coke with another pleasurable experience: surfing the Web. Their messages revolved around a common theme: "Come interact with your peers online and let Coke be a part of the experience. Surf refreshed."

A brand blueprint should be "global" — not only in geographic terms, but also across marketing dimensions. It should address the entire marketing mix — from advertising to the Web presence. For example, a company's site might vary in appearance — even function — across different geographies. The same might be true of the

organization's print ad or television commercial. As one might imagine, deciding which elements should be centralized and which should be addressed locally often involves making compromises concerning economies of scale and local appeal. Leaders must continually evaluate and refine their brand blueprint as they gain new insights.



Architect a customer experience that is consistent with your brand

As competition intensifies and more products and services reach commodity status, building brand preference and encouraging customer loyalty become even more critical. Increasingly, leading companies are attempting to differentiate themselves through the experience they offer customers. An *experience* is not simply about the quality of service received during a business transaction (although that is certainly part of the equation); it is the overall *feeling* a consumer has after each encounter with a company.

Because creating an experience is largely an emotional proposition, some businesses may not consider approaching the challenge in a “scientific” manner. IBM, however, has developed a methodology that can help companies architect the exact type of emotional “imprint” they would like to leave with customers at each and every touchpoint. This “experience architecture” begins with a motif — an easy-to-understand set of target emotional outcomes that can be used to bring strategy, marketing and operations into alignment and reinforce the brand blueprint. Using a disciplined inspection process, businesses can thoroughly examine each touchpoint — from the customer’s viewpoint — to determine what the business must do to achieve the desired experience outcome. Resulting recommendations might include changes to the physical or virtual environment, as well as redefining the roles customer-facing employees are asked to play.

Although the Web is only one of many touchpoints, a customer's experience there can have a tremendous impact — both positive *and* negative. With industry studies reporting that a full 65 percent of online shoppers have abandoned electronic purchases mid-transaction, it is probably safe to assume that many retailers have not yet perfected the online customer experience.¹

It is virtually impossible to predict what customers want and how they will react in various situations. Consequently, leaders have learned to create and test early concepts with customers — then listen and adapt quickly. Over the years, research has shown a return of almost 50 times the amount spent on usability testing.² Nonetheless, in consulting with clients on over 900 initiatives, the IBM Usability Engineering Practice has discovered that many businesses wait until a solution is near completion before testing its viability.

Determining whether one's business is providing the intended customer experience is a constant challenge. To accurately gauge results, it is important to measure what really counts. For many companies, this involves charting an initiative's impact on the brand, marketshare or revenue — not simply counting hits on the Web site. An organization must consider why it is online: What are the objectives for using this channel? It must then find ways to measure whether or not those business goals are being achieved.

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Gain a single view of the customer

While providing the customer with a single, consistent view of the enterprise is critical, enterprises must also develop an overall view of each customer. A consolidated view benefits *both* the customer (by allowing more personal interactions and relevant value propositions) and the business (by enabling more effective target marketing and lower customer acquisition and support costs). Unfortunately, in many organizations, diverse lines of business — each with distinct products and services splintered across a variety of channels (some managed by partners) — result in a rather fragmented picture of the customer. With so many strategies, processes and systems in place, the customer is often the only common denominator. Inconsistency can be a major impediment — and one of the most difficult to eliminate. Luckily, there are practical ways to achieve a unified picture of the customer:

Look at the details. Analyze *when, where and how* customer data can be gathered. Understand the nuances of each touchpoint.

Some companies are establishing a new executive position – another CEO: the Chief Experience Officer.

Establish rules. Create a governance framework with management policies and practices that encourage customer centricity. Agree on enterprisewide “rules” for how customer data can and will be used. Respecting consumer privacy is mandatory.

Build common ground. Combat the mindset that each line of business is too different to operate under a common mandate. Institute consistent processes for customer relationship management across all sales and service organizations.

Take leadership seriously. Appoint a strong leader — a single customer advocate who is accountable for all touchpoints. To emphasize the importance of customer relationships, some companies are establishing a new executive position – another CEO: the Chief Experience Officer.



Insist on a robust IT infrastructure

Some marketing executives may be tempted to disregard this point, believing that the enterprise's IT infrastructure is a technology issue and not a marketing concern. However, marketers cannot get far without the right technology platform for implementing marketing initiatives. Marketing in a complex business environment requires sophisticated IT support.

Integration among channels and lines of business is crucial. Equally important is *how* that integration is accomplished. Building ties between each and every combination of points is time-consuming and expensive. To position themselves most flexibly, many organizations are putting in place a hub-and-spoke architecture. This allows a company to build a "spoke" whenever a new application needs to be integrated with the "hub" — a preferable alternative to constructing point-to-point connections between the new application and all the other systems in place. For example, an enterprise could opt to add a wireless sales force automation spoke to the hub, thereby linking that application to every other system that contains customer, order or sales-support information.

Participating in architectural decisions is only one example of how business leaders can help set the long-term technology vision for their organizations. As the world becomes increasingly digitized, it is more difficult to separate business strategy from technology. Executives are quickly realizing that technology, when carefully applied, can offer tremendous competitive advantages. Ongoing, active collaboration between business and IT is more critical than ever.

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Partner in innovative ways

Electronically delivered customer services have resulted in an explosion of opportunity — and some strange bedfellows. Retail banks are selling concert tickets via vending machines. Coffee shops are teaming to provide wireless Internet access to their patrons. Through iMode, Japan's NTT has forged successful relationships with a myriad of partners, including content providers, phone vendors and commercial sponsors. Across every industry, unrelated enterprises are uniting around innovative product and service ideas made possible by emerging technologies.

As businesses search for the right relationships to capitalize on future opportunities, they should evaluate potential partners from several perspectives:

Pick an appropriate mix of global and local partners

Just like brand considerations, partnerships have both global and local implications. Coca-Cola is a case in point: Understanding that the world's youth are responding so enthusiastically to messaging services that allow them to stay connected with their peers, Coca-Cola believes it is important for the company to be a part of this phenomenon. However, the enabling technology is unfolding across the globe at varying rates and with different solutions. Therefore, teaming with local partners

makes the most sense. Because of the popularity of iMode in Japan, Coke's messaging partner in that country is NTT DoCoMo; in the UK, the prevalence of short messaging service (SMS) suggests a local European partner. Where economies of scale and consistency are most critical, global partners are often the appropriate choice. For Web hosting support, for instance, the Coca-Cola Company enlisted the help of IBM.

Find a spot in someone else's value net – Since executives are inclined to look for partners that can help them advance their company's strategy and primary lines of business, they often overlook opportunities where their organization is not "the center of the universe". Rather than search for "complementors", why not become one? You might be pleasantly surprised to find new revenue streams as you become part of another organization's "value net".

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Are you poised for the future?

Even in uncertain times, Marketing is uniquely positioned to serve as the catalyst for customer-driven innovation. As a marketing organization in today's dynamic business environment, what steps are you taking to stay relevant and connected to your customers? Here are some factors to consider:

- How are you capitalizing on your global brand? Where are you leaving room for local marketing efforts to drive personalized connections?
- Are you approaching every channel with exactly the same strategy? Do you really understand which channels your customers use and where you can reach customers most effectively?
- What channels will help you realize the best return on investment for your brand? How do you know?
- How do you build an organization that has a seamless process for delivering effective brand messages and satisfying customer experiences across all channels?
- What are you measuring to determine whether you are meeting customer expectations?
- What type of IT infrastructure underpins your marketing operation? How involved are you, as a business leader, in "technology decisions"? How confident are you about your organization's technological flexibility?
- What does your marketing partnership roster look like? What additional customer value is being created through new alliances? Could a new partnership substantially strengthen your competitive position?

Marketing in the digital age

As the guardian of one of the world's most recognized brands, IBM understands the constant challenge of being on the marketing front line. Our consultants would welcome the opportunity to help you establish an operational framework for strengthening your brand — *and* your customer relationships. To explore how we might put our experience to work for you, contact us at insights@us.ibm.com. To browse through other resources for business executives, we invite you to visit our Web site at:

ibm.com/services/insights

About the author

Formerly the General Manager of Strategy and Marketing for IBM Global Services, Ginni Rometty is currently the General Manager of IBM Global Services for the Americas. She also serves on the IBM Worldwide Management Council and the Corporate Technology Committee. Ginni and her team concentrate on helping clients transform their businesses through design and implementation of the appropriate strategies, processes and technologies for success. She can be contacted via e-mail at grometty@us.ibm.com.

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