



MOVING TO THE **FOREFRONT OF MARKETING**

THE NEXT EDGE FOR DIGITAL MARKETERS

TERADATA[®]



INTRODUCTION

Although it's nothing new, digital marketing has become a major game changer for both brands and consumers in recent years. We are so accustomed to digital technologies that what was once trendy (i.e. digital marketing) is now the norm for 'traditional' marketing. And if that's the case, 'traditional' has never looked so good.

Digital marketing campaigns provide quantifiable results like nothing ever before, and the multi-channel world is certainly the biggest opportunity to hit marketing strategies in decades. But how can sophisticated brand marketers keep pace with everything new in digital marketing? Where will it take us next? And how can marketing leaders use digital channels to edge out competitors?

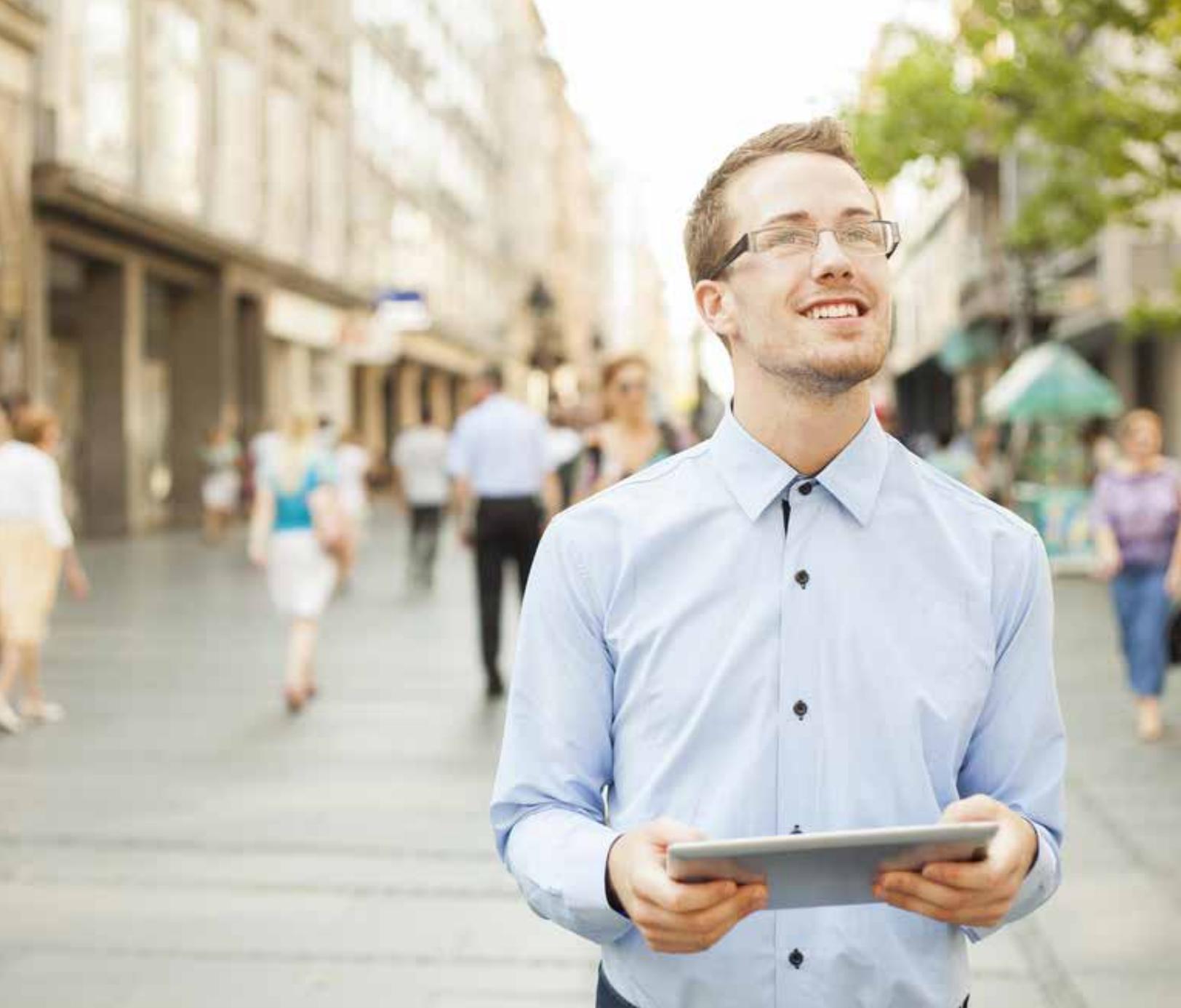
Today's marketers are tasked with attaining ideal customer engagement, which requires using tools for more accurate targeting, strengthened loyalty, and understanding of customer needs. Customers want to connect with businesses when they want to, in whatever way they choose, and they want immediate information. Capitalizing on these demands can position a marketing organization for success, but it also can be challenging to stay ahead of

customer expectations, while meeting internal business goals.

Savvy marketers know that they must also stick their toe into the technology pond to achieve true data-driven marketing, because the line between online and offline channels is not as defined as it once was. Marketing creativity and delivery will be continually impacted by each new digital evolution. The roads are wide open for social and mobile advancement, and according to Gartner, there will be nearly 26 billion devices on the "Internet of Things" by 2020 - yet another challenge/opportunity to address.

Where will the digitization of customer interactions take your brand? How can you anticipate what the ideal customer relationship will look like? How will digitization affect your internal marketing operations? Talent, budgets, and creative best practices must be invigorated for efficient data-driven campaigns that lead to more meaningful customer engagements and ultimately, higher revenue for your company. In this white paper, we'll talk about what digital marketing success can look like, which obstacles may be in the way, and how to get your digital strategies up to speed.





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**WHERE WILL THE
DIGITIZATION OF CUSTOMER INTERACTIONS
TAKE YOUR BRAND?**

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Marketers need to be looking at overall engagement. We get bogged down too much in a click or a visit or an impression. When we start to build behavioral models that track attribution over multiple touch points, we will start to see patterns in when people want to engage with us and what devices they want to use. Mobile devices have forever changed how people interact with our brands, and we need to start thinking about how active or interruption messaging (SMS and email on mobile, push and banners) and active messaging plus brand messaging (search, email on desktop, landing pages) work together to drive action. To really make digital work, it is all about looking at the data differently. The consumers are telling us what they want, but are we listening?

- Sean Shoffstall, Vice President, Innovation & Strategy,
Teradata Interactive

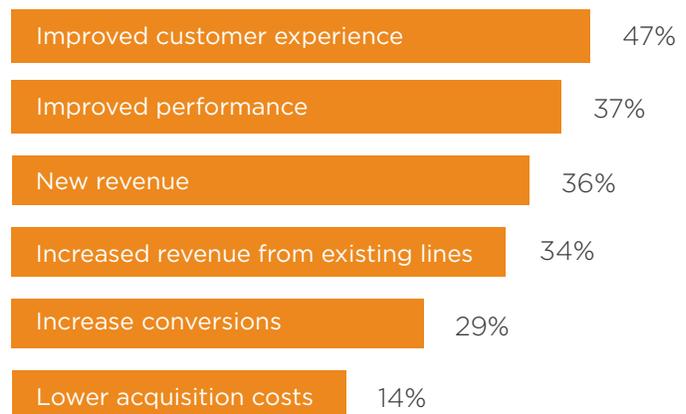
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WHAT WILL DIGITAL MARKETING SUCCESS LOOK LIKE?

As online interactions prove to be the foundation of brand communication, one thing is perfectly clear to digital marketers: the customer is definitely in charge. The old push tactics of recent years no longer garner a response. Marketers must know where customers are, what they're doing, and when they do it. At the same time, customers expect information when they want it and available in the format they choose. Every interaction with your target customer provides powerful clues as to who they are and what they are seeking – invaluable insight when developing complex marketing initiatives. Companies that utilize data-driven marketing also know that understanding the response from each channel is especially key when it comes to customer analytics. The particular digital device used by each customer can even reveal valuable preference and buying behavior.

The clues provided from a customer's preferred channels of communication – email, events, social media, call centers, stores, smartphones, computers, tablets, etc. – become critical in delivering relevant digital content. Personalization is also becoming increasingly more important, and more marketing organizations are adding new technologies to support their personalization and dynamic content efforts for various reasons, but primarily to create a one-to-one customer relationship.

PRIMARY BENEFITS OF PERSONALIZATION



Enterprise Priorities in Digital Marketing,
Econsultancy, September 2014

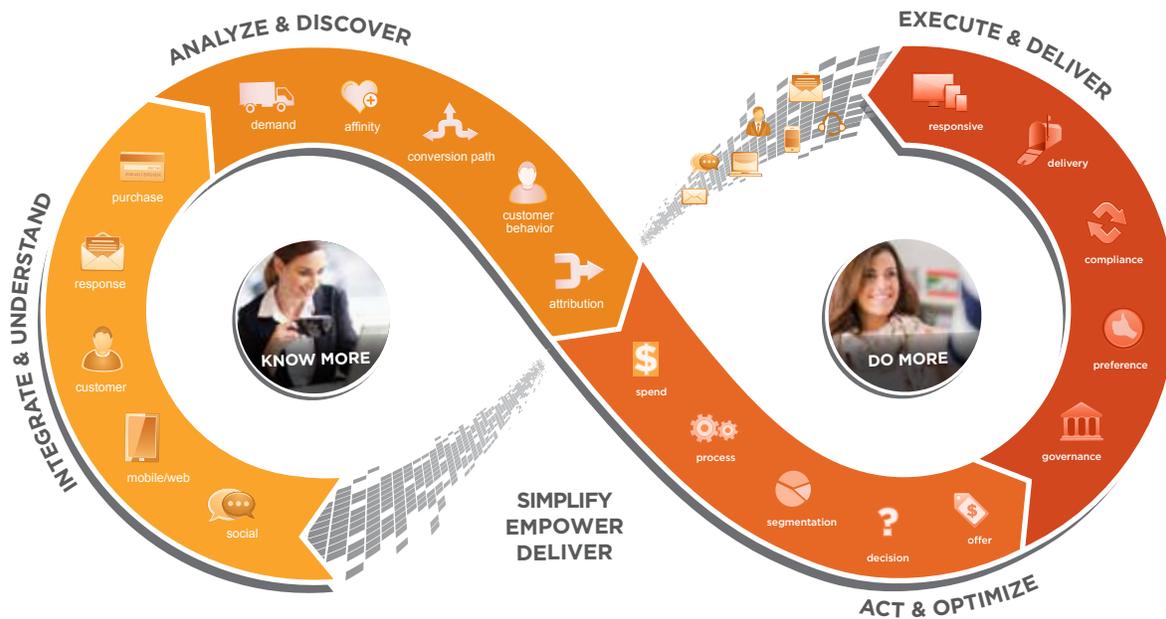


DATA DRIVEN MARKETING IN ACTION

The foundation for any credible digital marketing initiative is data. And that data now comes from too many sources to count, including both online and traditional. Data-driven marketing, then, is collecting and combining large amounts of data from a variety of disparate sources, analyzing it for insight, and then acting on what is learned in the form of marketing tactics relevant for each customer in a highly individualized manner. The goal, of course, is to make intelligent, informed decisions on how to engage with customers to strengthen those relationships.

To put data into action, marketers need to know more about campaign results, customer behaviors, and brand impact. This insight, combined with the flexibility to leverage all data available, provides a centralized view of customer data from across the organization. Marketing strategies must leverage data and insights to drive business forward, particularly when using real-time digital channels to deliver messages.

Do you have tools that provide insight into customer interactions while increasing marketing agility and efficiency?



This graphic shows the complexity marketers face to generate greater revenue, architect better experiences and increase value to customers. Each step in this loop is an essential piece to marketing success.

All the data in the world is useless unless it leads to smarter decisions that drive highly relevant digital marketing strategies. The criticality of analytics helps marketers both understand and predict customers' behaviors and fosters more meaningful communications designed to meet the needs of those customers – all based on what the data reveals. Campaign analytics must be discerned and applied to optimize performance; otherwise there will likely not be any growth to attribute to those complex campaigns.

THE HUMAN FACTOR

Analytics are obviously telling, but real intelligence comes from knowing what to do with the information. Savvy marketers are aware of the human factor in data-driven marketing. Customer data represents real people with opinions and buying habits, and it's critical to take advantage of what is learned from a combined view of all interactions. If product offers are optimized, for example, to meet a customer's channel preferences on an ongoing basis, before long a company will have achieved the most coveted asset – a loyal customer.

If it weren't enough to demand that marketers deliver across channels, the challenges become even more daunting because messages need to adapt in real time. Because of the complexities of delivering real-time content in an automated fashion, this area of digital marketing has been designated for budget focus by many global companies in the coming year.

MULTIPLE TOUCH POINTS

Today's customers have multiple touch points with a company, and they expect the brand to have a full view of their interactions, no matter what the channel. A customer's pre-purchase research may be conducted in a store or on a smartphone, and the ultimate purchase made on a computer or tablet. The responsibility of tracking these points of contact for better customer optimization lies within the marketing department, which requires critical communications with internal IT teams to ensure that all channel data is being integrated back into the analytics process.

Marketing leaders that guide the integration and analysis of all available data, then optimize campaigns to not only create better customer experiences, but also drive more rapid growth and stronger brands.



Companies are not developing a data-driven marketing strategy so they can use technology to analyze more kinds of data. They're moving to it because it can help them make more money.

- Darryl McDonald, President, Teradata Marketing Applications





DIGITAL DISRUPTS EVERYTHING

By its very nature, digital is disruptive. We receive text messages based on our location; targeted banner ads follow us on the web; and we're fed content with theoretically compelling information and offers. Rather than succumbing to the distractions, marketers simply have to focus on its impacts.

Customers are not only conditioned to pay attention to the so-called digital disruption that's taking place, they're driving it. In response, marketers need to capitalize on the many ways that digital marketing disrupts one-to-one communication, value propositions, customer experience, and ultimately, the business model. Digital marketing must become less executional and more strategic as companies continue to embrace the digital model. Coming to terms with digital disruption will separate digital marketing leaders from others.

Marketers will continue to have access to more information about their customers than ever, most of it in real time, enabling a truly personalized dialogue with individual consumers. Companies that communicate with customers at the right moments and in a way that triggers an emotional response are increasingly the ones that will win.

DIGITAL MARKETING WINS

Volvo Accelerates Email Marketing

Auto manufacturer, Volvo's, secret to success is revealed ... through target group and car range specific email communications, Volvo achieved extremely high interest in test drives of new Volvo models as well as an exceptional awareness of Volvo's newsletter to customers and prospects. Results are above average response rates with constantly good click rates including an opening rate of 82 percent for a newsletter and up to 60 percent click rates.

Virgin Limited Edition Increases Email Engagement Through Cutting-Edge Design

Email is at the core of Virgin Limited Edition's multichannel strategy as it is closely integrated with direct mail, all marketing collateral, and other online channels including social media, blogs and the website. Results include a 30 percent boost in open rates, 100 percent increase in click through rates, and significant increase in customer inquiries.

Samsung Creates Sparks with Unique Digital Direct

Samsung had three goals for a digital direct marketing initiative: to improve email deliverability, to increase brand awareness and loyalty, and to generate new leads and sales. Eye-catching holiday video mail campaigns and an email newsletter led to a huge jump in traffic to the website and over 14 million new page impressions.



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The pace of change in the digital arena is breathtaking. Digital marketers need to look at their strategies to mimic this pace — a short term perspective. Digital marketers have inherited planning methods they have used in the past when planning for direct mail and other traditional channels. A year in advance they plan what they are going to mail so they have time to work with the print shop and work backwards to hit their mailing dates.

The one move marketers need to change is to take direction from the IT software development team’s playlist — “Go Agile!” Agility focuses on adaptive plans and development and allows for quick changes or improvement and encourages these quick changes and a snapshot understanding of results. This type of short term planning allows marketers to adjust the strategy and adapt to unpredictability in the digital arena. If this thought makes your hair stand on end, small steps with a portion of your strategy will show this is a winning move that should be rolled out across the marketing organization.

- Lila Turner, Director, Digital Success, Teradata Interactive

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TERADATA CASE STUDY: THE QANTAS EXPERIENCE

Founded in the Queensland outback in 1920, Qantas has grown to be Australia's largest domestic and international airline. The company is widely regarded as the world's leading long distance airline and one of the strongest brands in Australia. Since its launch 25 years ago, the Qantas Frequent Flyer program has been an important channel for retaining and awarding regular customers, and works with hundreds of partner companies. Today the program is nearly 10 million members strong and generates 9 billion dollars revenue from customer loyalty.

Adapting to the growing complexity of customer relationships, Qantas implemented a customer management system to further drive communications and marketing activities. Qantas opted for an integrated marketing management (IMM) solution by Teradata, supported by a customer database and the Teradata omni-channel marketing solution, as well as further services from Teradata.

The main channel for customer interaction consists of email contacts. Qantas' Frequent Flyer program currently runs more than 250 campaigns each year primarily via email channels and dispatches 50,000 customized newsletters per month. However, the turnaround time for the entire

marketing process, including analytics, selecting contacts, dispatching emails via a third-party contractor, and collecting feedback was taking as long as five days.

According to Stacey Nguyen, head of collation analytics at Qantas, the process and turnaround time of these campaigns was a critical success factor, as market conditions are changing and customers increasingly expect companies to react more quickly to their requests. "While moving from pure ad-hoc initiatives to repeatable operations marketing, we felt that our disparate stand-alone systems remained immature. They required too much manual work and were too time-consuming when dealing with the various Qantas departments and our 400 partners."

Qantas was aware that an upgrade to its marketing management concept would result in benefits to their communication and marketing efforts. "The question we had to answer was whether we wanted to continue with separate solutions for the internal customer management and the external digital messaging," Nguyen explained. In this case, Qantas would have had to connect the two distinct systems to each other, which would have left the upfront marketing planning and briefing activities and their workflow unresolved. "A more radical, totally integrated approach was felt preferable."

"The IMM can seamlessly grow with our business. It ensures both cost and resource efficiencies as well as company-wide transparency of all our marketing activities."

Triggered by the announcement of Teradata's acquisition of eCircle in June 2012, Qantas seized the opportunity to implement the first true IMM solution and automate all related processes. The objective of the implementation was to have all processes in-house and subsequently have more control over the different process steps. Moreover, Qantas aimed at building a modular solution, which allows the company to add further modules over the next months and years. With the Teradata omni-channel marketing solution, Qantas now has a single, in-depth and up-to-date view of its customers, ensuring the ability to communicate with them in a significant, relevant, and timely manner. In December 2012, Qantas and Teradata started the installation of several service components from Teradata: By connecting campaign results with internal operations and budget allocations, the Teradata Marketing Operations application (TMO) provides a global view on the company's marketing program and full accountability for all related expenses. The Teradata Customer Interaction Manager application

(CIM) uses customer purchase histories and trends as well as social and mobile footprints to give Qantas a broader view of their customers. Complex segmentations and cross-channel marketing analysis enable Qantas to create and manage highly personalized offers. Leveraging the Teradata Digital Marketing Center, Qantas delivers these offers in targeted and personalized messages to selected customers.

“We can now send communications and have conversations based on the most recent customer information. Our turnaround time has gone from 5 days to 4 hours and will be reduced to 5 minutes through continued improvement.”

Qantas also plans the implementation of a further component: the Teradata Real-Time Interaction Manager, which enhances customer marketing opportunities with best-offer detection for each customer, as well as customized delivery strategies.



▶ TERADATA CASE STUDY CONTINUED: THE QANTAS EXPERIENCE



Before this implementation, Stacey Nguyen and her team are reviewing the transition to make the processes even smoother. “We encountered a number of challenges during the transition period, but few which had not been anticipated,” she explains. The integrated approach differs from a stand-alone Digital Marketing Center system and changes the data sourcing requirements. This called for careful synchronization of upgrades with the overall Qantas infrastructure. “Many of our legacy functions were impacted by the transition, and we needed to find the right person in the organization to help resolve the issues. Networking and corporate firewall aspects required the most attention. Change management was another challenge, as the new solution and its benefits needed to be communicated to all the marketing staff, who were required to adopt a workflow system they were not accustomed to,” Nguyen explained. Looking back, Nguyen would allow a wider community to be involved as early as possible in the process. A very positive aspect was to have clear requirement specifications upfront, which were continuously tracked and checked off.

“The view on the project must remain consistent from the presales phase through contracts and implementations. Focusing on the big picture is just as important as never losing sight of the details. Good local working relationships across all functional areas and customized training are essential,” Nguyen underlined.

For the Qantas Frequent Flyer program, the key benefit of the IMM solution by Teradata is the full integration with one single sign-on for all sub-systems, which has no redundancies and is based on a robust and agile platform. According to Nguyen, it can seamlessly grow with the business and ensure cost and resource efficiencies as well as company-wide transparency of marketing activities.

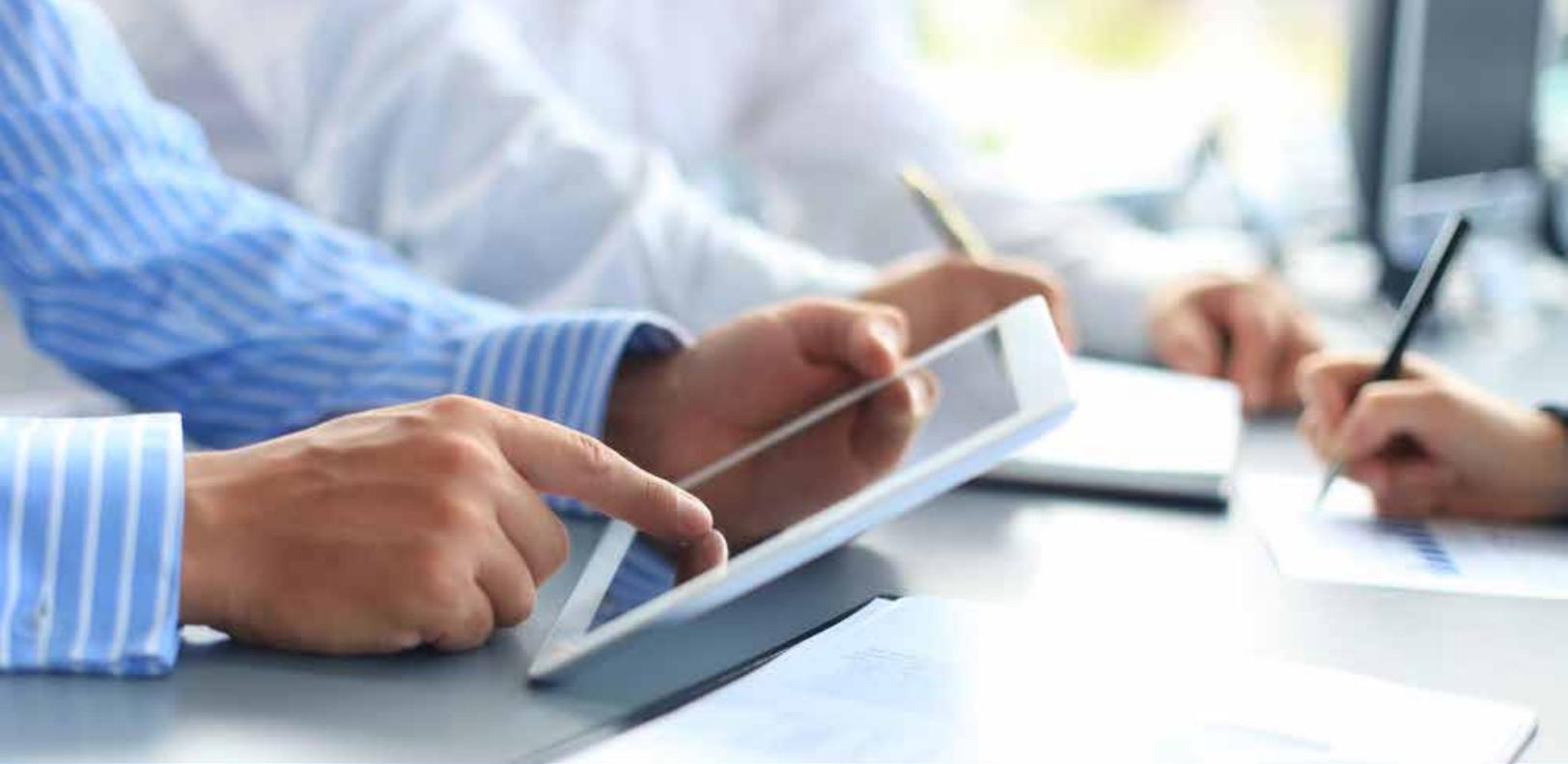
The Marketing Operations marketing calendar documents all planned actions, their timing, and their budget. Access permission granted, marketing activities are visible to everyone in the organization. The workflow management system ensures that all staff is informed

about calendar updates. Further down in the process, all types of data, including customer behavioral information and responses, can be sourced from the data warehouse several times per day, leading to near real-time interaction. The same number of staff as before can now engage in more value-added activity, as a result of reduced administrative work. IMM provides a roadmap to self-service and optimization and helps users to focus on their key tasks: good segmentation and campaign management. Customers benefit by receiving more timely and relevant information from Qantas.

After the successful delivery of the IMM foundation within nine months, Qantas is now paving the way for new business and new opportunities. “We can now send communications and have conversations with customers using the most recent customer information. Our turnaround time has come down from 5 days to 4 hours and will be reduced to 5 minutes through continued improvements,” Nguyen concluded.



Stacey Nguyen
Head of Coalition Analytics



▶ ARE YOUR DIGITAL MARKETING PRACTICES FUTURE-FOCUSED?

- Do you have a clearly defined digital marketing strategy?
- Are you integrating digital marketing into your customer communications mix across the channels your audience prefers?
- Do you have the agility to act quickly to adapt to changing digital demands?
- What touch points are available for your customers to engage with you?
- How are campaigns optimized to deliver the most relevant content possible?
- Do you have a dedicated marketing analytics team?
- How are your marketing efforts integrated across channels?
- Do you have real-time dynamic content capabilities in your communications?



IS EMAIL MARKETING PROVING ITS VALUE?

With the social media tsunami of late, rumors of the demise of email marketing have significantly increased. However, email remains one of the most highly effective digital marketing tools available. According to research institute MarketingSherpa, companies sending over 100,000 emails per month see a 94 percent return on investment. They also report that companies sending under 100,000 emails per month see a 139 percent return.

Also in support of the viability of email, a 2014 report presented by Gigaom indicates that **86 percent of US digital marketers used email marketing regularly**, more so than any other marketing tactic; and 56 percent say it is their most effective program.

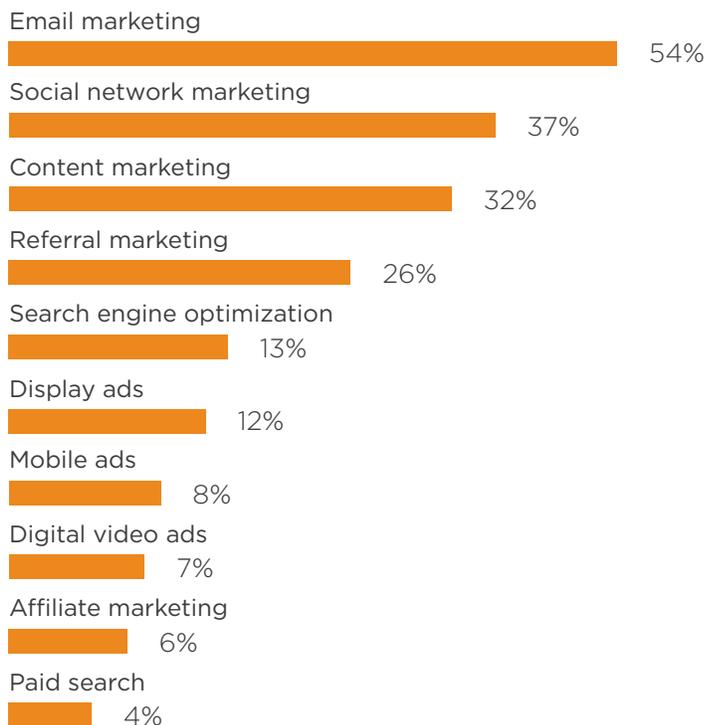
The report boldly named email “the digital marketing workhorse” for customer acquisition, meaning it was the foundation - and often considered the single most effective tactic - for reaching all goals, including awareness, acquisition, conversion, and retention. When it came to successful customer retention, email dominated other digital programs, leading second-place social network marketing by nearly 20 percentage points.

Even in the face of social media, email marketing is unwavering. Industry analysts from Econsultancy published a 2014 report on search marketing that validates what digital marketers already instinctively know. **Email ROI was rated “excellent” or “good” by two-thirds of their respondents**, while only 41 percent felt similarly about social media marketing results. Other similar industry surveys report that

people actually like email, as long as it is targeted based on previous shopping and preferences.

This is particularly true of digital shoppers with 81 percent saying they were at least somewhat likely to make additional purchases, either online or in a store, as a result of receiving a targeted email offer, according to a report from Circle Research, a B2B market research company. B2B marketers must also note the power of email to yield new leads. A significant number of businesses say email is one of their most effective lead generation channels - and for B2B, that figure is nearly 90 percent.

Digital Marketing Programs that Are Most Effective for Customer Retention According to US Digital Marketers, Q2 2014 % of Respondents



Source: Gigaom, “Workhorses and Dark Horses: Digital Tactics for Customer Acquisitions,” June 25, 2014



MESSAGING TO MULTIPLE DEVICES

The reliance on email as the foundation of your communications strategy can present a difficult challenge to today's marketers. The good news is that content can be rendered on multiple screen sizes based on the reader's device of choice. The challenge comes with delivering visually appealing and readable email content on all devices regardless of resolution, size, or screen orientation. Email designs must work efficiently on mobile devices such as tablets and smartphones as well as on personal computers.

The goal for email marketers is to have their messages conveyed in attractive formats that fit within the parameters of the device being viewed so that customers not only want to engage, but can engage without the frustrations of incorrect formatting. Formatting emails to adapt to devices - responsive design - allows for content to adapt to any screen size, both mobile and desktop. The result of responsive design is device-specific layout optimization.

What started out as something that was nice to have but not critical, responsive design has moved into a high priority position on marketers' "must have" list because of its profound impact

on the customer experience. If digital marketing teaches us nothing else, it is that customers are "always on," 24 hours a day, using a variety of technologies to access information. Thus a brand must meet them where they are with easy-to-consume content. Customers expect a fluid experience between channels, and responsive email design takes your brand messaging to that nirvana.

Benefits of Responsive Email Design

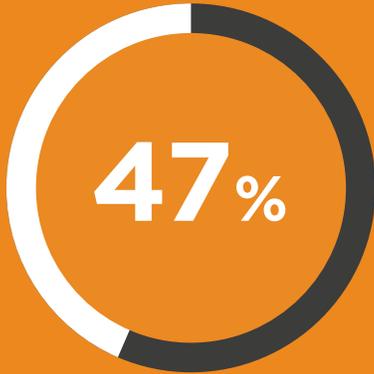
- Send visually appealing and legible marketing messages to any device
- Increase open rates from mobile devices
- Reduce subscriber opt-outs
- Ensure brand consistency for every communication
- Simplified creation, coding, and analytics of email campaigns

LASTING IMPRESSIONS

Customers will also appreciate that a company's responsive design makes it easy to interact with them. They may not know what it's called, but they'll know that a business utilizing responsive design seems more professional and accommodating. By employing responsive design on email, landing pages and entire websites, your brand will leave indelible impressions on your target audience.



WHY RESPONSIVE DESIGN



Of email opens are on mobile devices, yet many emails are only designed for desktop viewing. Text is often difficult to read, details in images are hard to see, and links are impossible to click on.

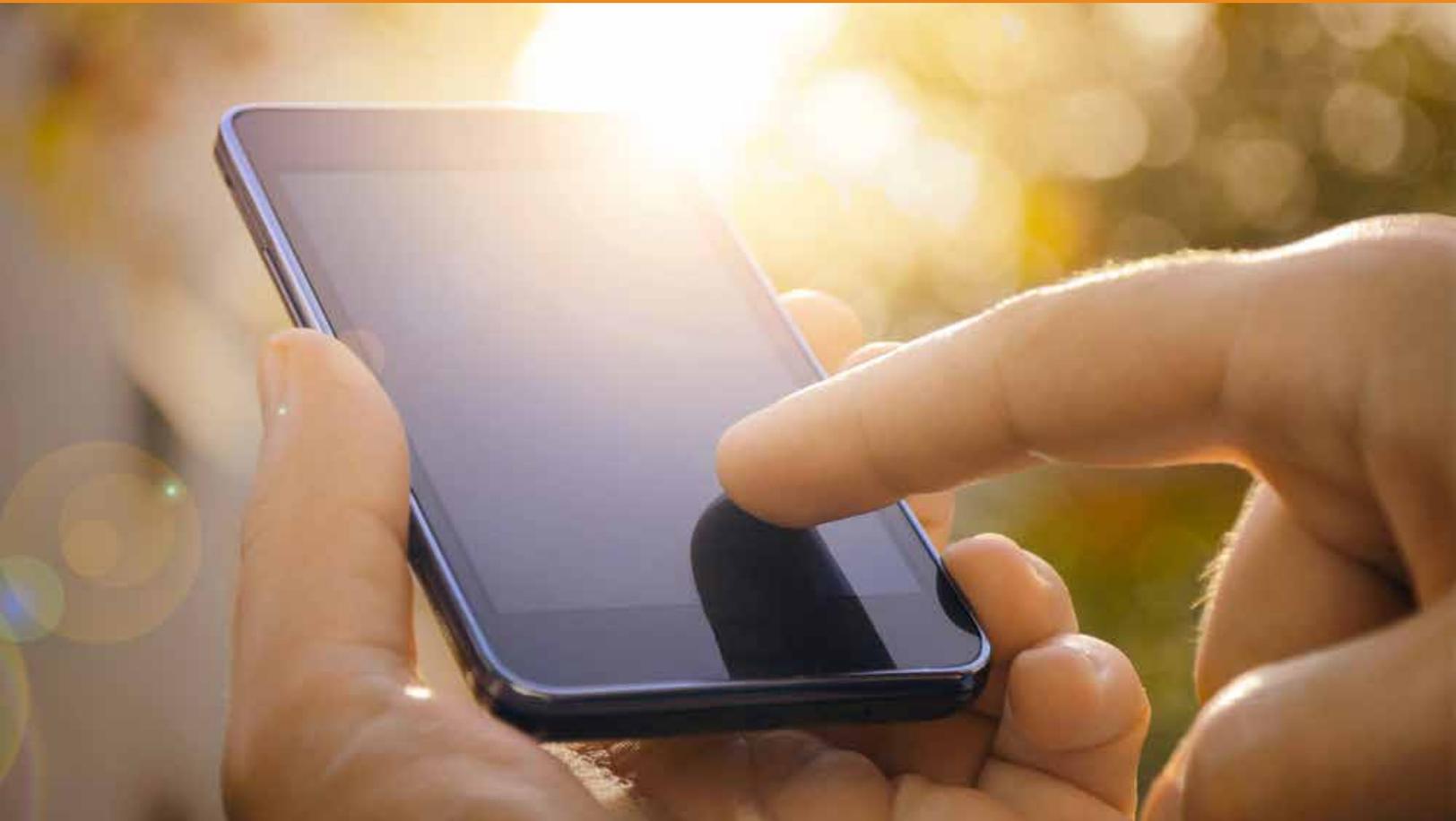


Studies have found that people look at their phones an average of **150 times a day**. These brief interactions mean that you must focus on getting your point across quickly.



Of people **delete and email** if it doesn't look good on their mobile device.

- Litmus Email Testing and Analytics Responsive Email Design Guide, September 2014





CREATIVE BEST PRACTICES STILL MATTER

"I like to quote Bill Bernbach, who was at the helm of one of the most successful agencies in the 1960s. He said, 'It may well be that creativity is the last unfair advantage we're legally allowed to take over our competitors.' This still rings true today. The fundamentals of good creative can make or break a brand."

- Joel Lockwood, Vice President, Marketing & Business Operations,
Teradata Interactive



CREATIVE CAN MAKE OR BREAK A MARKETING INITIATIVE

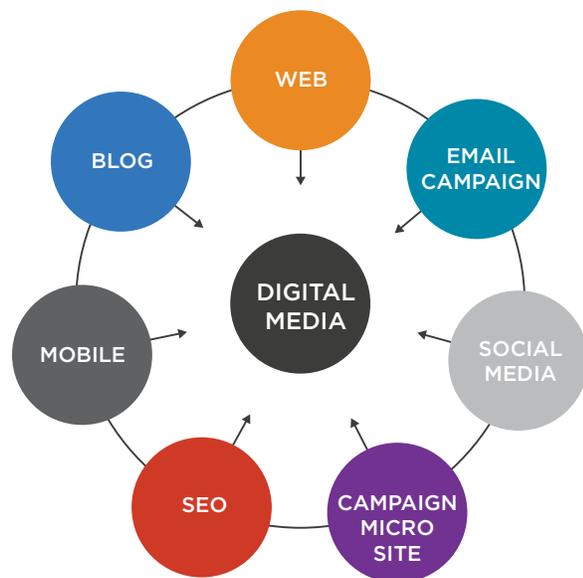
Anyone responsible for the marketing budget and ROI knows the frustration of a campaign that just didn't perform regardless of placement and execution. Whether for web, mobile, email, social, or any other digital tactic, creative is the driver of a campaign's success. So how can today's digital marketer find that sweet spot of engaging prospects and customers and making them want to take action? It all starts with the core concept. Execution is important too, of course, but that little nugget or spark or glimmer of intrigue is the foundation on which to build a successful campaign. And of course there are some best practices to help ensure that a creative concept reaches its full potential for the brand.

THE RIGHT MEDIA

Furthermore, a critical component of digital marketing is selecting the right media to share a brand's story. Messages can be delivered in something as brief as an SMS message or 140-character tweet, or as involved as an email with links to videos, landing pages, web pages, and additional content sources.

Products and brands come alive with animation, sound, video, and interactive apps, all designed to delight and engage. Depending on the target audience, social media can become a critical component of any digital campaign. If we recall the premise of data-driven marketing - to reach customers where they are, with the information they want, and in a manner in which they want to receive it - then the consideration of the right media in digital campaigns becomes critically important.

DIGITAL MARKETING MIX

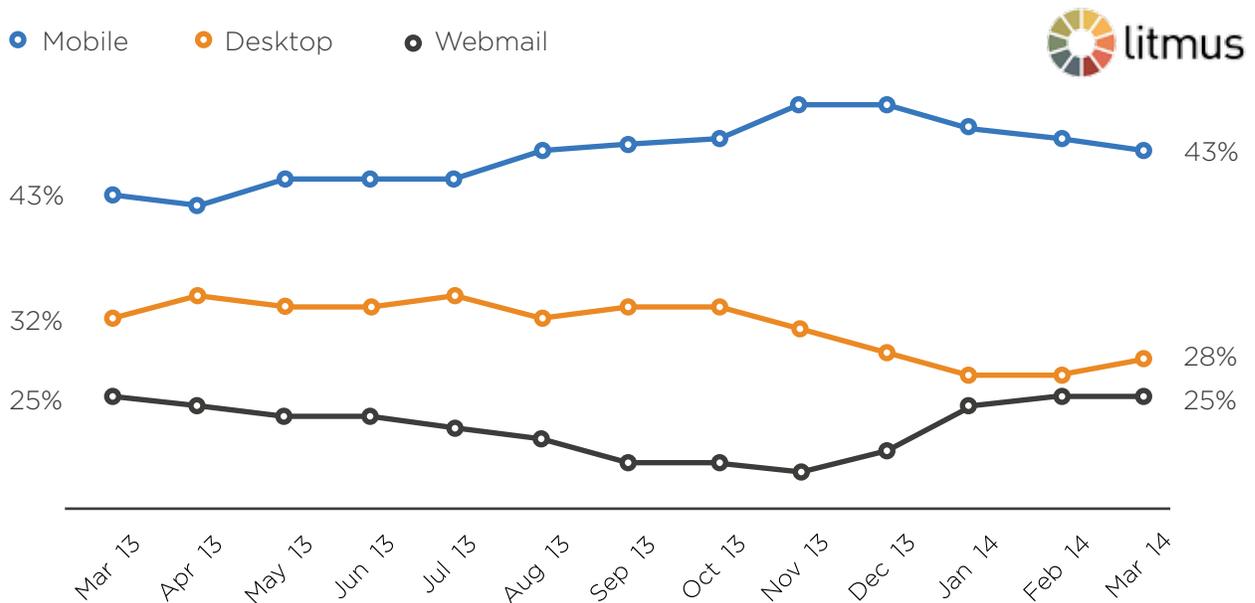


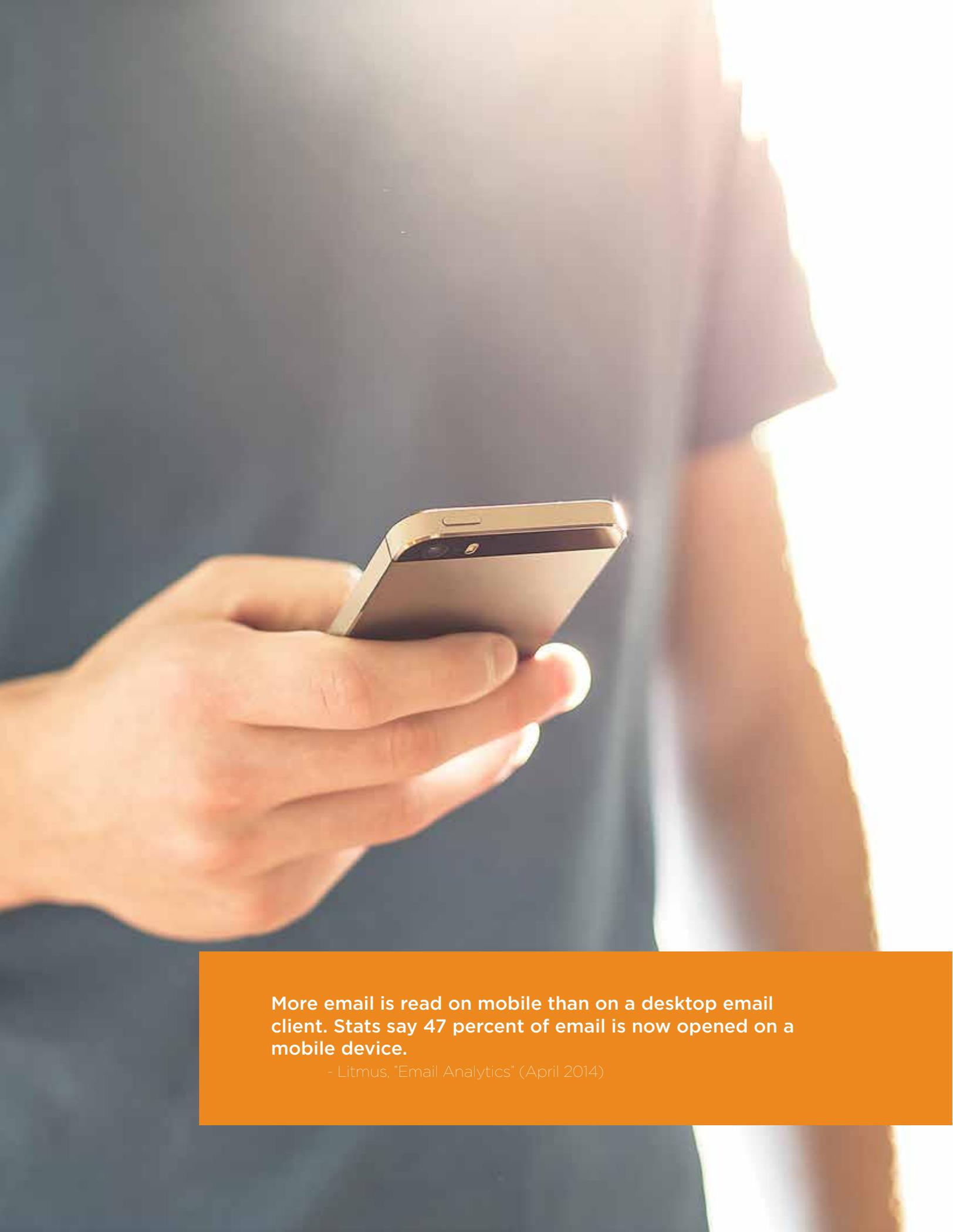


MOBILE MARKETING TRENDS

If you think mobile has been big up to this point, then stand back. Technology market research firms are predicting that the total number of worldwide email users, including both business and consumer users, will increase from over 2.5 billion in 2014 to more than 2.8 billion in 2018. Obviously, mobile is making up a majority of that volume, with

72 percent of US online adults sending or receiving personal emails via smartphone at least weekly, according to Forrester Research. And it's not just in the United States. According to recent figures from eMarketer on mobile usage, by the end of 2014, 1.76 billion people worldwide will use smartphones every month, up more than 25 percent over 2013.





More email is read on mobile than on a desktop email client. Stats say 47 percent of email is now opened on a mobile device.

- Litmus, "Email Analytics" (April 2014)

THE OMNI-CHANNEL VIEW

Clearly, mobile will continue to be a rapidly expanding digital marketing channel, but it's just one of many. What will set successful marketers apart from others will be the continued implementation of omni-channel strategies. Customers expect a seamless transition among devices, so creating a cohesive brand experience across the channels will help ensure high engagement and improved conversion rates. Every brand has the power to create an omni-channel experience by focusing people, processes, and technology around the modern, multi-screen customer.

Lines between online and offline interactions are blurring. Marketers in the

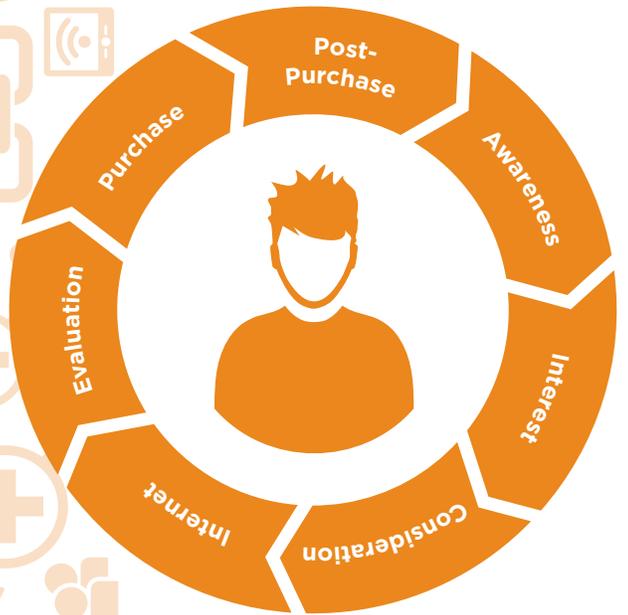
retail vertical have a head start on comingling omni-channel data because their most loyal customers have already learned to demand service and message continuity and consistency from the brands they choose to support.

Omni-channel customers move through stages of contact and interaction in unpredictable ways. For example, channels typically considered reserved only for prospecting, or only for loyalty building, should be available to customers at all times, because omni-channel buyers don't think in terms of touch points. **It's the experience that matters.**



“A best practice is to let the customer choose which channel is most convenient. Putting down bars or swim lanes gives the customer one more excuse not to interact.”

- Deb Woods, Director of Product Management, Teradata





▶ ARE YOUR DIGITAL MARKETING PRACTICES FUTURE-FOCUSED?

- Does your business utilize responsive design in its digital communications?
- Do you have a qualified responsive web designer on staff? As part of an agency team?
- Is your brand reflected properly in all of your digital communications?
- Do you know the percentage of recipients who open your emails on a mobile device?
- Do you still treat traditional and digital marketing in the same ways?
- Do you get unfavorable comments from email recipients about negative user experiences?
- What is your subscriber opt-out rate? Why do they leave?



CHALLENGES AND OBSTACLES TO DIGITAL MARKETING

If marketing leaders have learned anything over the last few years, it is this: changes in their professional field have been almost blinding. From technology trends to changing business models to evolving customer expectations, the digital transformation is enough to make even the most proficient marketer's head spin.

ADDRESSING THE CHANGES

Fundamental digital tactics and mastering individual channels are being overcome by the need to create a common brand experience across all channels, on and offline. Customers expect to access and consume information across platforms, apps, and devices, whenever and wherever they want. The tools needed to manage their activities are often not integrated. Teams are struggling to keep up with skills needed to face emerging digital channels. And, there is always the age-old budget alignment challenge. Determining where to focus your team's attention is daunting.

So, how will sophisticated marketers move forward to address technology changes, overcome a gap in the digital marketing talent pool and get buy-in for sufficient budget allotment?

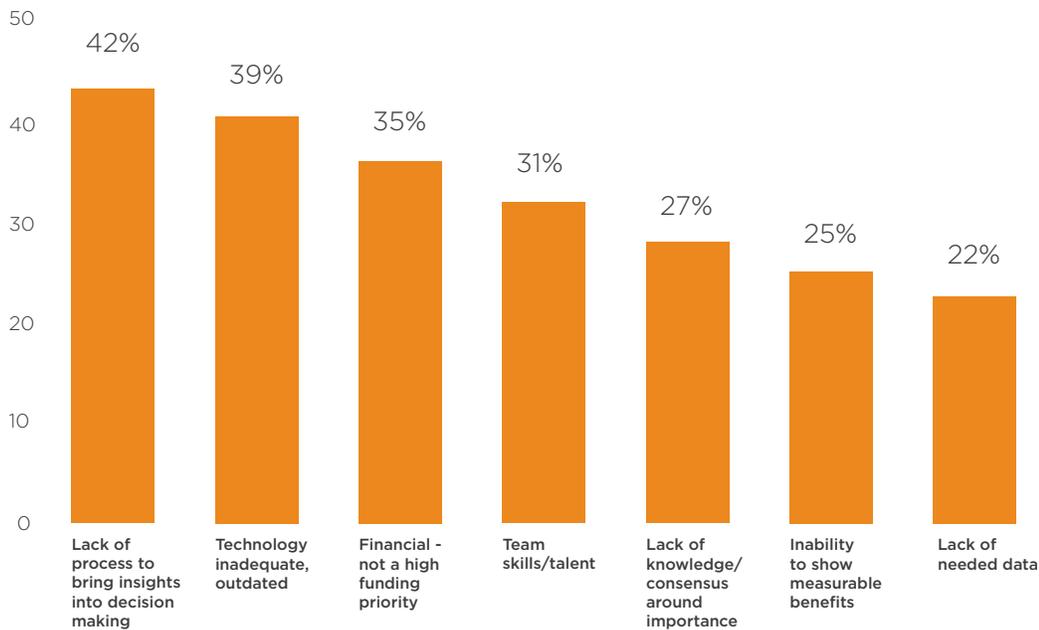
TECHNOLOGY INNOVATIONS, INTERNAL AND EXTERNAL

Innovations in data capture capabilities and personal technology devices have put your brand right into the customer's hands. The customer has the ability to publish and share opinions on your products and services, and make purchasing decisions at any time, through their choice of channel, digital or otherwise. In order to capitalize on new opportunities of this customer-centric environment, revolutionary technology capabilities are emerging to link data-driven marketing initiatives with omni-channel customer expectations.

But it's not only the world of technology (the Internet of Things, mobile apps, social platforms, etc.) that marketers must conquer. Companies also need to take a look at how their internal IT and marketing organizations need to transform from distant co-existence to intertwined collaborators in support of customer engagement goals. Given the rapid pace of digital transformation, impacts are being felt by marketing, IT, and sales.



TOP OBSTACLES TO DATA-DRIVEN MARKETING



- Teradata Data-Driven Marketing Survey 2013, Global

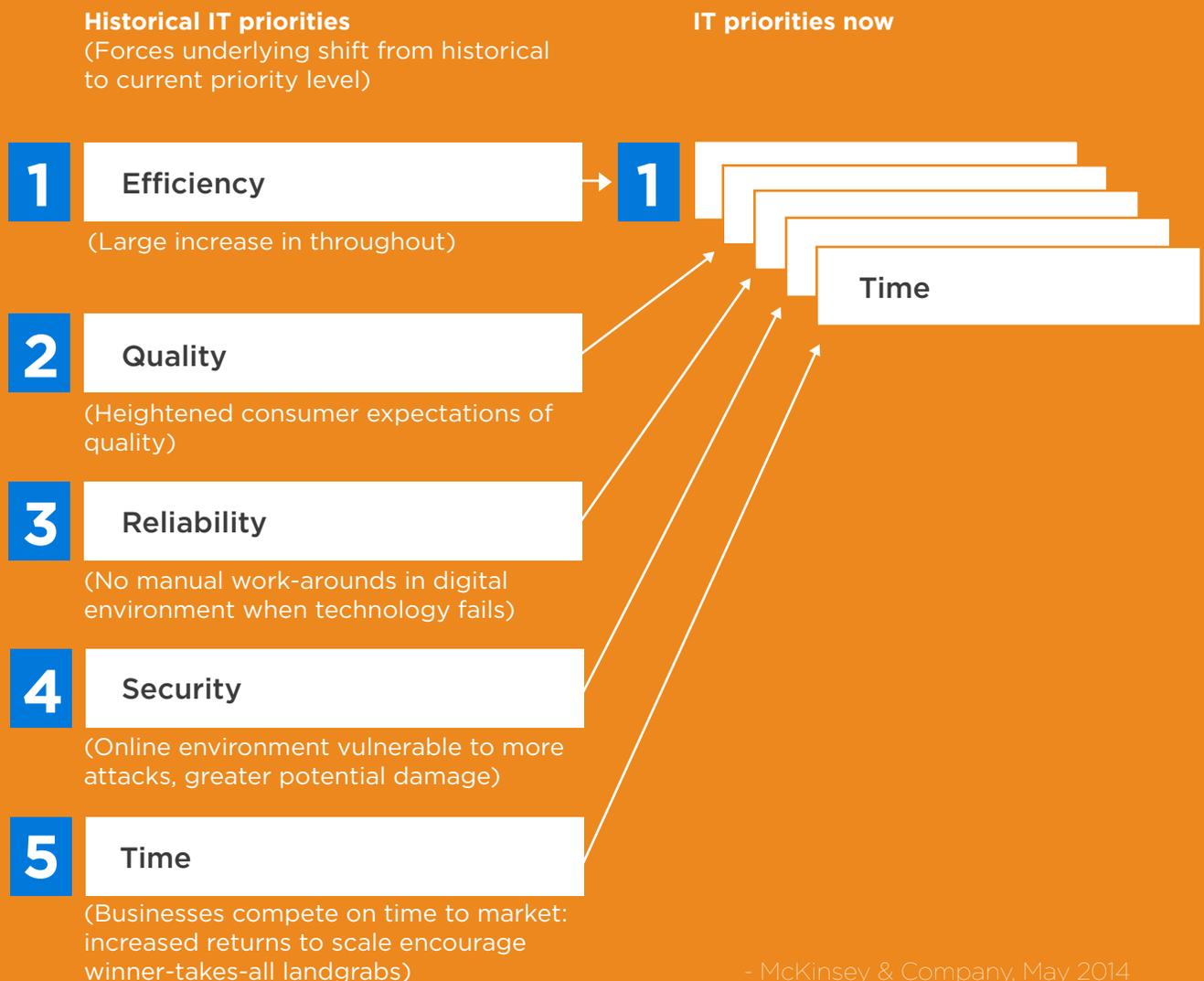
Strong digital marketing performance will require the transformation of in-house IT functions, which now face the demands of highly automated processes, sophisticated analytics, and hyper-connected, digitally-empowered customer. In efforts to cope, the temptation to frantically cut and paste technology solutions to address ad hoc marketing requests may become a necessary evil. However, it will ultimately create more confusion and shift internal marketing operations further away from a cohesive technology infrastructure.

IMPACT OF DIGITIZATION

In response to a highly-digitized consumer, marketers must tackle some tough obstacles to rally their resources, and implement new ones. The impact of “digitization,” both of customers themselves as well as inside your marketing organization, is changing technology department demands in three critical ways.

1. **Omni-channel marketing and customer engagement evolves every day** as the digital world puts technology directly in the hands of the customer requiring increasingly sophisticated technology to monitor and capture real-time data.
2. **Everything matters now.** It used to be that efficiency was the driver behind internal digitization priorities, but now time-to-market, reliability and security all vie for IT attention.
3. **Marketing organizations are making significant investments in technology,** giving the partnership between marketing and IT leaders more senior management visibility than ever before.

Managing all this technology can be a daunting proposition when companies need to decide on platforms for content management, marketing automation, CRM, social media management, and digital messaging. Marketing and IT leadership must work together with the common objective of providing omni-channel experiences for customers. Both of these internal groups are experiencing major shifts, moving toward the point of convergence where the customer sits. In order to satisfy both internal and external demands of digital technology, businesses have to knock down the in-house silos of marketing and IT organizations, and focus on delivering a fluid customer experience.



THE DIGITAL TALENT POOL

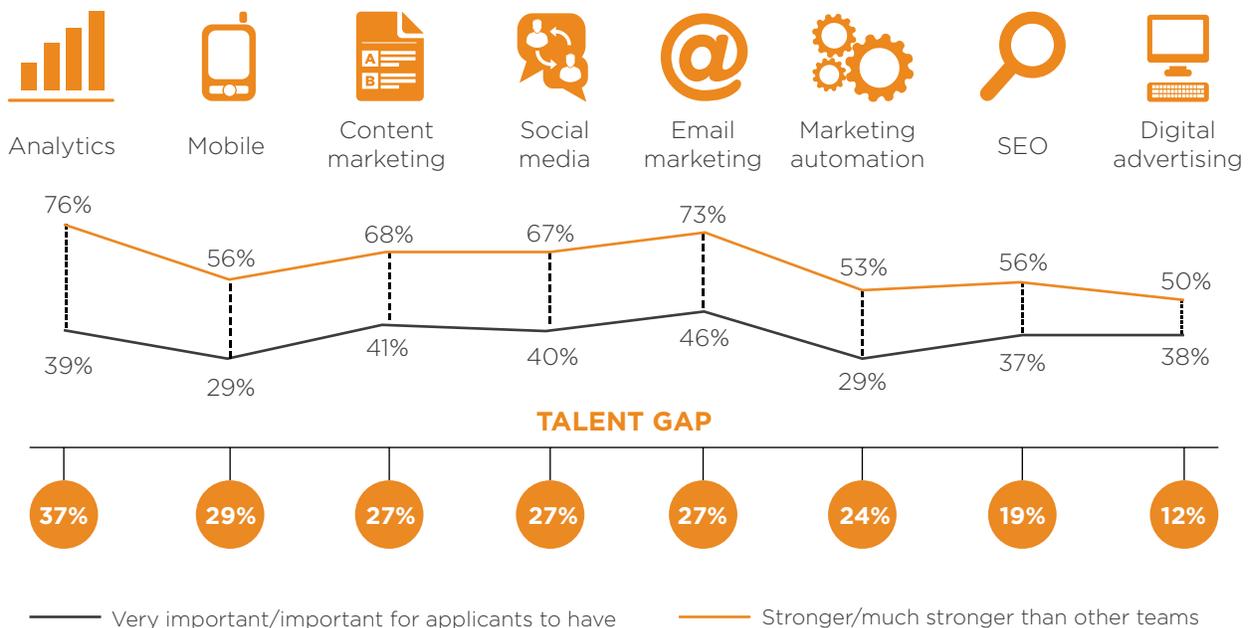
“There’s a vast gap between the digital marketing expertise needed by organizations and the talent actually available to them at every level.”

- Online Marketing Institute, The State of Digital Marketing Talent.

When faced with burgeoning digital marketing initiatives and the reality of a gap in talent, many companies decide to outsource all or part of their digital marketing. Some businesses find that their campaigns require advanced skills and that training current team members just isn't feasible. The approach to fill a digital marketing talent gap can vary. In many cases, companies are willing to outsource creative, design, web development, and social media because those skills are non-industry reliant as opposed to more

industry-specific marketing roles which determine strategy, pricing, product, and distribution, for example.

In addition to becoming more technically adept digital marketers are still expected to possess the more traditional marketing skills. These softer skills include being adaptable, creative, able to identify opportunities, hungry to learn, and collaborative. Their already highly complex roles will continue to evolve, and digital marketers will see both the challenge and the opportunity in their chosen work field.



- Econsultancy, "Skills of the Modern Marketer," 2014.

▶ GETTING BUY-IN

Ironically, the digital marketing group in an organization has the biggest challenges in terms of generating revenue for a business, but it typically lacks the appropriate resources to work at full power. As noted, talent gaps impede progress and so does underfunding.

UNDER PRESSURE

According to a study conducted by Leapfrog Marketing Institute, marketers have honed in on mobile and digital over the last five years, but many companies are still not able to execute them properly. CMOs are pleased to have stabilized or slightly larger budgets, but they are under tremendous pressure to deliver measurable ROI.

The study indicates that the rise of mobile technology and customers' adoption of it is happening at a

pace that surpasses companies' adoption abilities. Corporate structures also appear to be holding marketing back. The inherently siloed nature of corporations in general becomes heightened when technology outpaces the internal ability to put it to good use. In recent years, CMOs and chief technologists have been working together more and learning each other's departments, yet the traditionally siloed nature of companies is slowing progress for marketers, particularly in terms of digital initiatives.

SILOS ARE TO BLAME

In addition, omni-channel programs, which are considered critical to the future of businesses, are the least developed in organizations. Silos are to blame again because information is simply not shared appropriately.

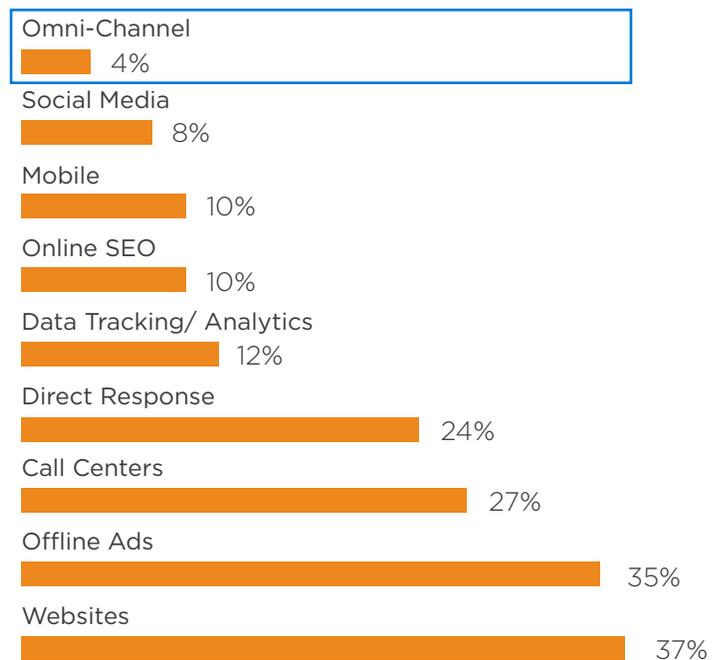


CRITICAL TO EFFECTIVE MOBILE MARKETING OMNI-CHANNEL CAPABILITIES LAG

Companies want and need the capabilities provided by omni-channel to make one-to-one connections, especially with the rise of mobile, but are too often restrained by silos and a lack of integration.

EXTREMELY WELL-DEVELOPED

Responses to closed-ended questions: How important is each area to help you achieve your marketing objectives? How well developed is each area in your organization? How much expertise do you, personally, have in each area?



- Forbes Insights with Teradata, "Breaking Down Marketing Silos: The Key to Consistently Achieving Customer Satisfaction and Improving Your Bottom Line," July 2014



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Digital marketing initiatives are in a constant state of trial and error. Because they are relatively new and rapidly evolving, ROI is challenging to prove in this dynamic environment. C-level buy-in is sometimes slow in coming and that means silos remain and budgets are hard-fought.

Today's marketing leaders have many organizational and technological options to address the silo problem, yet truly rectifying it calls for taking a strategic, data-driven approach toward creating a culture that unifies decision-making by focusing squarely on the customer experience.

- Lisa Arthur, CMO, Teradata Marketing Applications & Author of "Big Data Marketing"

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CREDIBILITY AND **ORGANIZATIONAL HEFT**





GAIN MORE CREDIBILITY

So, what can digital marketers do to gain more credibility and organizational heft? One important effort is to help team members grow their digital skills or seek external expertise to minimize the talent gap issues. It is also critical to break down internal silos by sharing digital plans with technology, finance and marketing departments from the get-go. And, although this may be slower in coming, document campaign results with fervor and share the results both laterally and vertically in the organization. Digital will subsequently gain more credibility, cooperation and healthier budgets.

Help team members grow their digital skills, or seek external expertise, to minimize the talent gap

Break down internal silos by sharing digital plans with technology, finance and marketing departments from the get-go.

Document campaign results with fervor and share the results both laterally and vertically in the organization

▶ ARE YOUR DIGITAL MARKETING PRACTICES FUTURE-FOCUSED?

- How collaborative are your marketing, technology, and financial departments?
- What digital talent gaps have been identified in your organization?
- Have you considered augmenting your team with digital strategists and program consultants to optimize your efforts?
- Do you need an unbiased eye to identify projects that need the expertise of specialized digital marketing professionals?
- Do you have regular communication with C-level execs to discuss and promote digital marketing's impact on the enterprise?



CONCLUSION: WHAT IT LOOKS LIKE FROM THE FRONT

Within the past five years, digital marketing has evolved from a peripheral task to a top priority staple for any company that seeks to make one-to-one connections within an often competitive and crowded marketplace.



It's clear that the customer is in charge and will continue to drive how your company engages. And the way you engage your customer will have a significant impact on both their experience and their loyalty. The more you know and listen to your customers, the better you'll understand them and the market as a whole. That knowledge, applied intelligently, is the path to improve your ROI.

What constitutes a good customer experience isn't too difficult to determine because, after all, we're all customers at some point. We all appreciate personal dialogue and focused attention. So how do you achieve a personal connection when the conversation is digital and the cues to pick up on are web browsing patterns and click-throughs? By applying advanced analytics, you can predict customer behavior and deliver a highly personalized communication or offer at the precise moment when the customer is most receptive to receiving it.



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Marketers who are serious are going to **CONNECT**

with their customers and not just **BROADCAST** to them. For too long, the online ecosystem has become a world of persistent billboards that follow people to an inbox or a page anchor on a website. Successful marketers will connect with customers and create/maintain an ongoing data-driven dialogue ... and that data must go both ways. Marketers must listen to their customers even when they want the information flow to throttle-back. Smart marketers are also going to treat first party opt-in as the currency of marketing's future.

- Mark Hodges, Sales Director, Teradata Marketing Applications

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FROM THE FOREFRONT OF CUSTOMER ENGAGEMENT

What may have been perceived as being invasive just a few years ago will now be just business as usual. Customers expect that you will know them and appreciate such things as purchase recommendations based on past behavior. This level of relevancy is becoming critical to how customers view service quality and their overall experience with your brand. When that experience is strongly aligned with their needs and an understanding of what they value most throughout the entire customer journey with your company, customers will give you their loyalty.

Advanced marketing technologies and analytics will continue to drive relevant customer conversations, moving companies closer to generating not only sustainable growth but also repeat buying based on customer loyalty. With an ever-growing level of digital customer engagement, marketers will continually gain fresh insight about target customers and markets.

From the forefront of customer engagement, digital marketers now hold the keys to long-term brand viability for companies. As the strategies and tactics continue to evolve, these digital marketers are driving their companies ever closer to the coveted one-to-one customer relationship at exceptional speed.

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