



The Evolving Marketing Platform

How Unica Makes Marketing Interactive



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INTRODUCTION

Marketers recognize that they are facing unprecedented change. Many, however, are responding by simply doing more of what they've been doing: shouting out their messages as broadly and loudly as possible. As marketers turn up the volume, buyers are tuning out: marketing costs are rising, and returns are declining. However, today's environment also offers opportunities for marketers who understand that the changes taking place provide new ways to reach and engage customers and prospects.

In this paper, we briefly review the dramatic changes in channels, customer behavior, and technology that are driving the need to reinvent marketing. Next, we show how the Unica Interactive Marketing™ solution helps you respond coherently, leveraging the extraordinary power of both addressability and interactivity. You'll learn how Unica's solution can help you engage each customer in a two-way, interactive dialogue that:

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

THREE TECTONIC SHIFTS HAVE FUNDAMENTALLY CHANGED THE MARKETING LANDSCAPE

Old marketing channels have faded, new channels have arisen, and all channels are becoming more personal and addressable. Meanwhile, customers have gained immense power, and they are leveraging it to the fullest. Three key shifts are fundamentally impacting the marketing discipline:

1. Marketing Channels Are Evolving at an Unprecedented Pace. Let's face facts, mass media channels have lost their reach. Events – like the Olympics – that are successful at reaching mass audiences have become exceedingly rare. Furthermore, as consumers gain more personalized choices and access to technologies that help them exercise choice, they are simply tuning out mass advertising. Traditional outbound direct channels are also suffering from plummeting response. Meanwhile, highly personal direct channels – from mobile to inbound call centers – are poorly suited to traditional “push” strategies. Finally, with an enormous and increasingly sophisticated audience to draw upon, online is becoming a richer, far more social medium.

2. Virtually Every Marketing Channel Is Becoming More Addressable. We are moving towards a time in which nearly all marketing channels will support targeted or individualized communication with customers. On the Internet, most sites can already address consumers either personally by name, or individually by cookie. Search sites capture detailed personalized information for both contextual and individual ad targeting. Subscription-based online channels such as podcasts or RSS are inherently addressable, as are emerging location-based

online marketing services. Traditional print media is becoming addressable as delivery shifts from print to online. Even stubbornly “mass” channels are becoming addressable. For example, the U.S. cable industry is developing set-top boxes to deliver targeted ads based on taste and lifestyle. By mastering today’s addressable channels, you also position yourself to profit from tomorrow’s¹.

3. Customers Are Empowered, and They’re Using Their Power to Behave in Radical New Ways.

The Internet has given users unprecedented access to independent information about companies’ offerings, claims, service, pricing, and approach to marketing. The result? Your customers have gained control over the marketing relationship and the flow of information – often, at your expense as a marketer. Social media gives customers a powerful “soapbox” that can shape brands. Customers today feel completely comfortable crossing channels at will. For considered purchases, they may move between online and offline channels several times before making a buying decision. For commodity purchases, they’ll buy wherever is most convenient at the moment. It’s no longer enough to simply deliver consistent messages across channels: you need strong cross-channel awareness of how each individual customer has responded to each of your messages, in every channel.

Interactive Marketing means engaging each customer and prospect in a cross-channel dialog that builds upon his or her past and current behavior.

MARKETING MUST BECOME MORE INTERACTIVE

These changes are systemic and permanent. All parts of your business are being challenged to work together toward improving the customer’s experience and enabling customers to do business with you seamlessly—when they want to, where they want to, and how they want to. This means that, as a marketer, you must have the capacity to:

- **Listen** to all the information provided by your customers and prospects – both explicit and implicit
- **Understand** past and present information to determine the best possible marketing action
- **Communicate** in a manner that is compelling, timely, and relevant

Moreover, you must be able to do all this across inbound and outbound channels – and do so in an integrated way. Your marketing must become fully interactive: capable of engaging each customer and prospect in a cross-channel dialog that builds upon his or her past and current behavior.

To achieve interactive marketing, you must move away from traditional outbound “push” marketing campaigns and move to event-triggered, real-time, inbound, multistage, and multi-channel tactics. Specifically, it means adopting new tactics that:

- **React** to customer inputs or changes in behavior
- **Identify** the best treatment strategy in real time, based on knowledge of the customer and the context of the inbound interaction
- **Link** discrete interactions into a dialogue that lasts over time
- **Cross channels, and carry the dialogue** forward by leveraging a memory of the conversation and the context of the current interaction

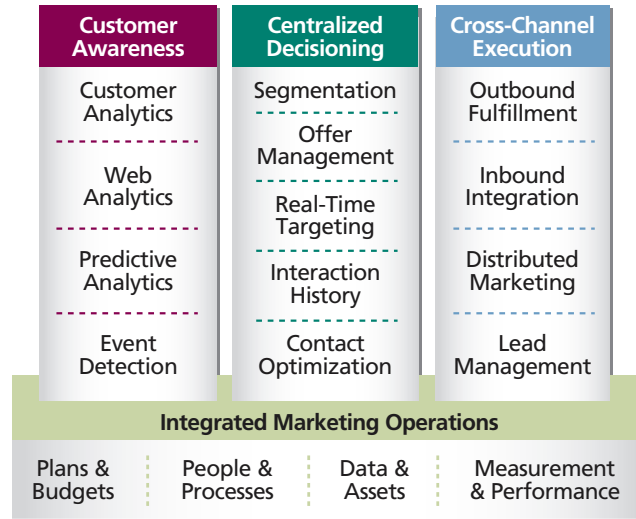
Interactive marketing requires the entire marketing organization to work together seamlessly. That’s a tall order that cannot be achieved without the help of technology. Most broad marketing software solutions were designed to support traditional outbound marketing. And, niche, channel-centric marketing solutions simply can’t achieve the interactivity required as customers traverse channels.

HOW UNICA ENABLES INTERACTIVE MARKETING

One solution has been built specifically to meet these goals: Unica Interactive Marketing. Developed by the world's leading provider of Enterprise Marketing Management (EMM) software, Unica Interactive Marketing reflects our experience supporting the marketing function in more than 600 enterprises on six continents. While many companies offer software that supports fragments of interactive marketing (e.g., in a single channel only), Unica is the only marketing software provider with the solution and experience required to truly make interactive marketing a reality.

Four crucial technology characteristics are essential to enable the transition to interactive marketing: customer awareness, centralized decisioning, cross-channel execution, and integrated marketing operations.

Unica Interactive Marketing



CUSTOMER AWARENESS

The key to listening is the ability to capture what a buyer is saying – both explicitly and implicitly. What do we mean by implicit behavior? We mean capturing not just a customer's purchase behavior, but also how the customer responds to the marketing messages that you are extending as well as his or her non-monetary behavior and interactions – like those on your website.

Your opportunity is to process all of this information to determine what to say next. This requires a technology solution that can leverage and process both a customer's history and present situation, identify actionable customer insights, alert you when potential customer opportunities arise, and predict marketing outcomes. To make all this possible, Unica Interactive Marketing brings together:

- **Customer analytics** that give you a visual analysis of customer behavior, preferences, and opportunities; and permits selection of customer groups for easy inclusion in targeted marketing initiatives, moving quickly from questions to insight to action – without programming or technical support.
- **Web analytics**, beginning with self-service analytics that allow you and your colleagues to improve marketing effectiveness by rapidly testing and enhancing your campaigns and website; and then also providing a rich "lather" of behavioral data to uncover individual customers' unspoken intentions, so you can converse with them more effectively.
- **Predictive analytics** designed for marketing specialists, not statisticians: easy tools for segmenting markets; predicting response, cross-sell and lifetime value; and determining exactly whom to target with which offers.

- **Event detection** that can monitor each customer's transactional behavior patterns and set off triggers when meaningful changes occur that suggest opportunities companies can reap if they act fast.

CENTRALIZED DECISIONING

Imagine a conversation between two people. What if one person couldn't remember what the other had said the minute before? Or if they could only remember part of the discussion – like what was discussed on the phone but not what had taken place over lunch? In your personal life, such a conversation would be deeply frustrating and profoundly alienating. Customers feel precisely the same way when they have such a conversation with you. That's why the ability to carry on a continuing dialogue over time and across channels is fundamental to the shift to interactive marketing.

Unica Interactive Marketing enables you to “think before you speak” to your customer, and speak based on a complete memory of your conversation with the customer to date. This is essential to engaging customers in an effective dialogue. To make this happen, Unica Interactive Marketing incorporates:

- **Segmentation capabilities** that enable you to group customers by like characteristics or behavior, in order to treat them – and communicate with them – in the most appropriate way.
- **Offer management** to choose which personalized message each customer should receive, depending on conditions. Offer management draws on a central offer repository that permits offers to be leveraged across all channels, ensures that they are presented consistently, and tracks and measures their success over time.
- **Real-time targeting**, combining the ability to perform segmentation dynamically during live customer interactions while taking into account their moment-by-moment behavior, and learning algorithms and arbitration rules for optimizing customer messages in real-time channels.
- **Interaction history** that creates a two-way memory of every marketing message and the customer's reaction to that message.
- **Contact optimization** designed to help manage marketing communications over time against business objectives and resource constraints.

CROSS-CHANNEL EXECUTION

Traditional campaign management systems were often designed to support outbound push marketing. But today's customers seamlessly move across channels in the course of making a single buying decision. That's why Unica Interactive Marketing is completely “channel neutral.” It can communicate through any outbound or inbound channel with equal ease, and manage conversations that continue through as many interactions as necessary to help customers reach their goals. Unica Interactive Marketing capabilities that support effective cross-channel execution include:

- **Outbound fulfillment** to support list creation for delivering mail-ready files to letter shops and fulfillment houses, high-volume email execution, and smooth integration with third-party vendors for fulfilling to any outbound channel.
- **Inbound integration** to capture real-time contextual information from customer touchpoints – like websites, inbound customer service interactions, kiosks, and even face-to-face points-of-sale – and forward offers to be presented immediately during a current interactive session.
- **Distributed marketing**, providing campaign execution capabilities to store or branch managers and your colleagues in field marketing, enabling them to take advantage of

their closeness to the customer, within the framework and rules set by the central marketing organization.

- **Lead management** to capture, score, and rapidly route leads and responses to marketing contacts.

INTEGRATED MARKETING OPERATIONS

In most companies, making interactive marketing work requires you to manage multiple “moving parts” and collaborate smoothly across many disparate groups throughout the marketing organization. Unica Interactive Marketing facilitates this by simplifying collaboration and cross-channel planning, design, execution, and measurement. It achieves these goals by supporting an unmatched spectrum of marketing functions and capabilities through one unified interface and integrating seamlessly with other tools you may already own. Unica Interactive Marketing enables marketing organizations to effectively manage:

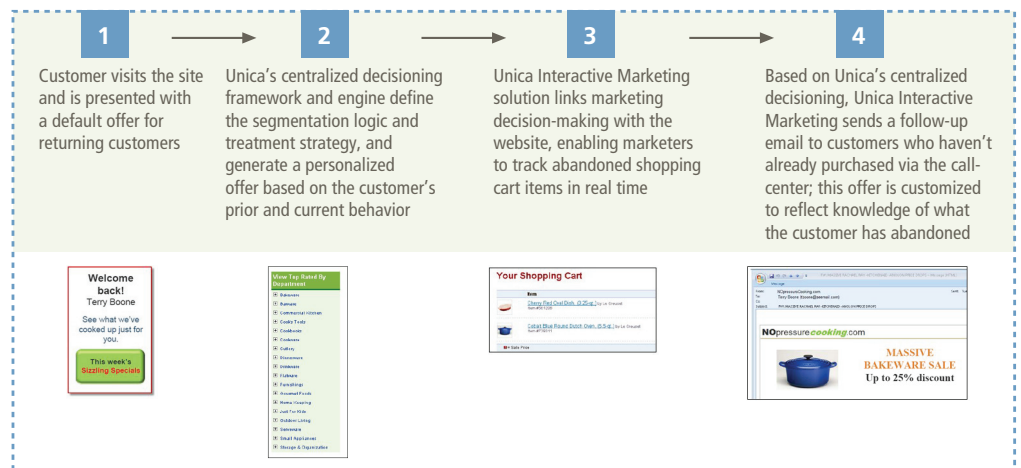
- **Plans and budgets** in order to provide universal visibility, top-down budget allocations, and full tracking of forecasts and expenses.
- **People and processes**, including a master marketing calendar to track programs and maximize their visibility; as well as tools for assessing resource availability, assigning jobs and tasks, driving project schedules, managing reviews, and improving collaboration.
- **Data and assets**, through tools that capture reusable information and work, manage project and campaign data, and provide secure access to all creative assets.
- **Measurement and performance**, through easy-to-use reports to full-fledged dashboards for interactive monitoring and drill-down investigation.

WHAT INTERACTIVE MARKETING LOOKS LIKE: THREE BRIEF CASE STUDIES

In effective interactive marketing, customers benefit from a seamless, integrated experience that cuts across channels. The following three illustrations show what true interactive marketing looks like – and how Unica Interactive Marketing makes it easier to achieve.

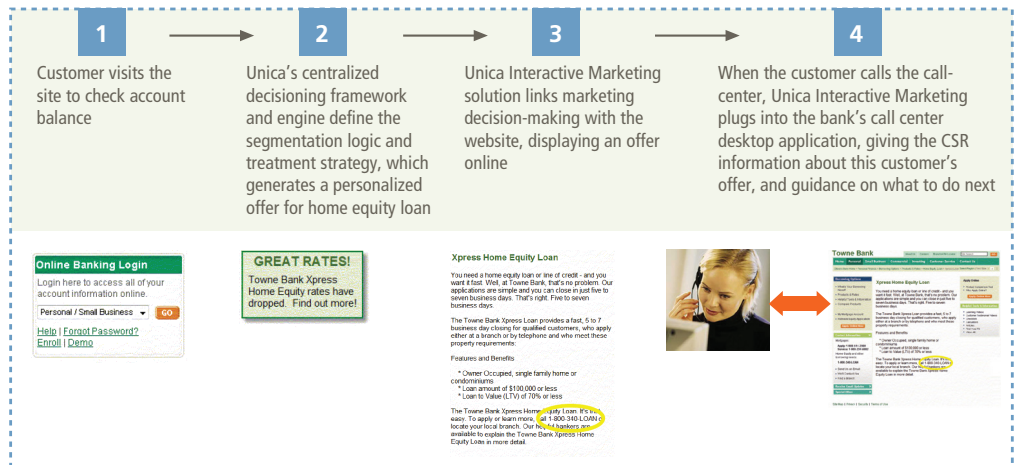
Interactive Marketing in Online Retail

An online retailer has identified two business challenges: driving related impulse purchases and recapturing abandoned shopping carts:



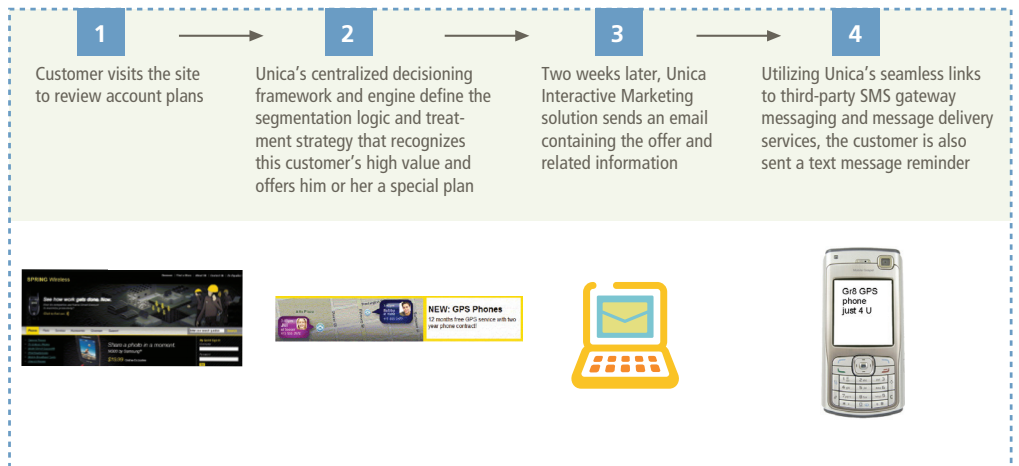
Interactive Marketing in Banking

A bank needs to cross-sell more effectively and bring more consistent marketing to all of its customer touchpoints:



Interactive Marketing in Telecommunications

A telecommunications service provider wishes to reduce costly customer churn:



CONCLUSION

Today, customers demand more personally relevant messages than ever before, and every marketing channel is evolving to support that. Marketing organizations need to leverage these changes proactively and, if they do, they can gain a powerful competitive advantage. Conventional marketing must become interactive marketing that senses virtually every customer opportunity and automatically delivers the most compelling message to each customer, in the best inbound or outbound channel, at the perfect moment.

You can't make this happen without marketing technology solutions that are designed specifically for this purpose. Most aren't. One is: Unica Interactive Marketing. Backed by the world's leading experts in Enterprise Marketing Management, Unica Interactive Marketing doesn't just make interactive marketing possible: it makes it realistically and rapidly achievable.

¹ Addressable TV Marketing Arrives: Advanced Cable Boxes to Yield Customizable Ads, Wayne Friedman, *Variety*, May 2, 2008.



ABOUT UNICA

Unica Corporation (NASDAQ: UNCA) is a leading global provider of Enterprise Marketing Management (EMM) software and services. Focused exclusively on the needs of marketers, Unica delivers the most comprehensive EMM suite on the market. Unica's EMM software streamlines the entire marketing process for brand, relationship, and online marketing—from analysis and planning to project management, execution, and measurement. Offered on premise or on demand, Unica's solutions deliver key EMM capabilities, including: Web and customer analytics, cross-channel lead and campaign management, and marketing resource management. Today, more than 600 companies worldwide depend on Unica for their EMM solutions. Unica is headquartered in Waltham, Massachusetts, with additional offices in the US, Australia, France, Germany, India, the Netherlands, Singapore, Spain, and the UK. For more information, visit www.unica.com.

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