

# JEGI Media & Technology Conference

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*Using customer data to create sustainable competitive advantage*

Presented: January 19, 2012  
2:30 – 3:00 p.m.

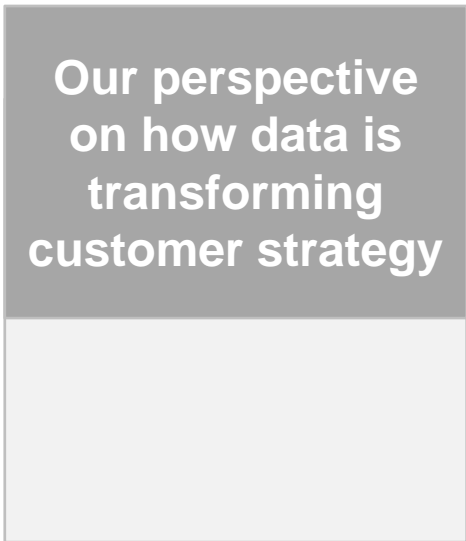
# Contents

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**Merkle overview**

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**Our perspective  
on how data is  
transforming  
customer strategy**

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**Our perspective  
on how the  
market is  
responding**

A rectangular thumbnail with a gray top half containing the text 'Our perspective on how the market is responding' in white. The bottom half is a light gray rectangle.

# Company Overview

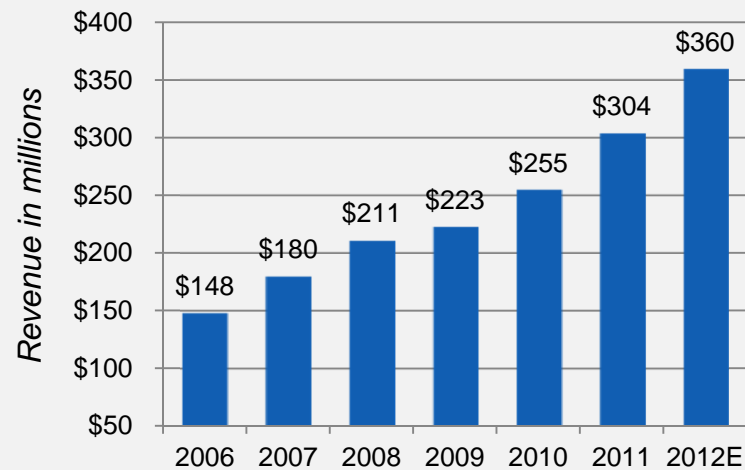
## Distinctive experience

- Privately held by current management since 1988
- 150+ world class clients
- Manage over 125 marketing databases
- Inform over \$10 billion marketing decisions annually

## Extraordinary expertise

- 1,500+ Employees
- 150+ statisticians producing over 1,000 models/year
- 200+ dedicated digital professionals
- 500+ marketing technology professionals
- 100+ creative professionals

## Sustained 25% growth since 1989



## Awarded and recognized

- Largest privately-held agency in U.S., Ad Age '11
- 8th Largest Direct Marketing Agency, Ad Age '11
- Recognized by SmartCEO Magazine as a Future 50 Company '11
- NCDM Awards '04, '05, '06, '09, '10
- Recognized by Forrester '03, '06, '07 & '10
- Multiple MAXI Award Winner '10 '11
- Multiple DMA Innovation Award Winner '10

Our clients represent many of the best global brands in the world

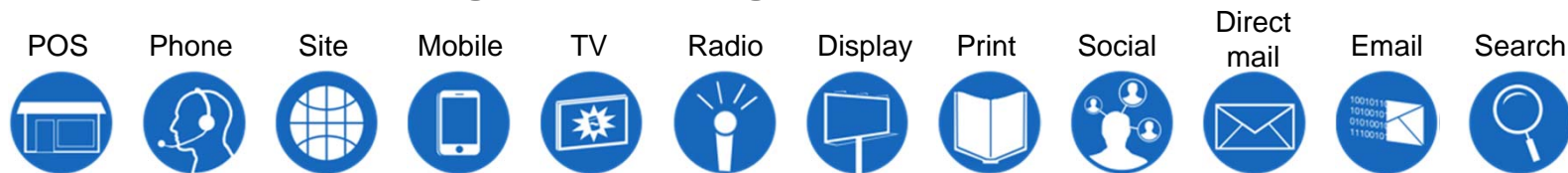


# The Customer Relationship Marketing Agency

## CRM Outcomes

Increased customer value | Improved marketing ROI | Improved media effectiveness

## Through optimizing customer touchpoints



## Integrating diverse capabilities

Consulting services | Database marketing services | Creative & communications services | Digital media services

## Utilizing industry experience to drive strategy

Insurance & wealth management | Retail banking & consumer finance | Travel, media & entertainment | Nonprofit | Retail & CPG/OEM | Life sciences

## Delivered across multiple engagement types

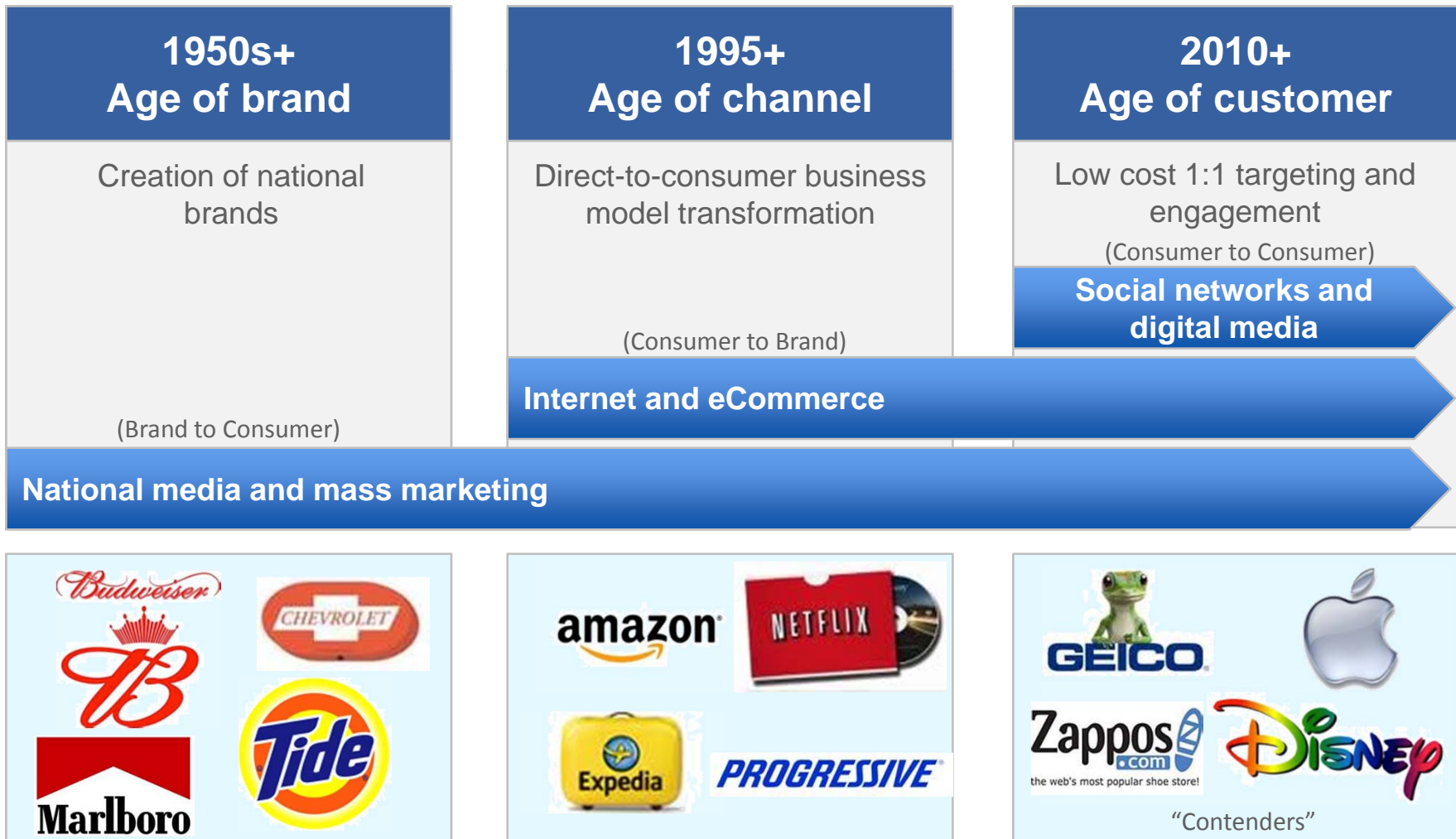
Consulting | Marketing services | Agency of record

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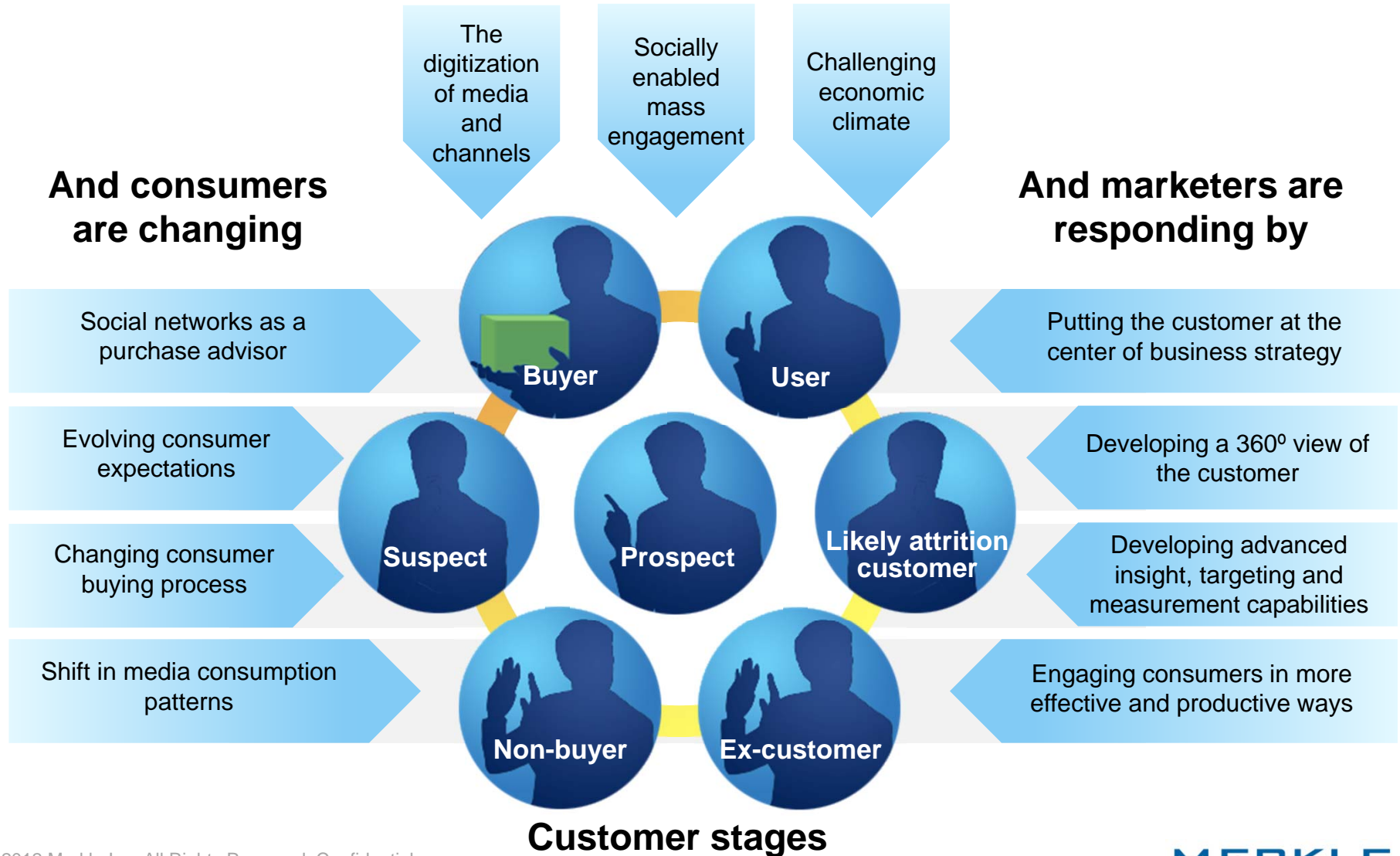
<p><b>Merkle overview</b></p>	<p><b>Our perspective on how data is transforming customer strategy</b></p>	<p><b>Our perspective on how the market is responding</b></p>
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# Marketers can again create long-term sustainable advantage



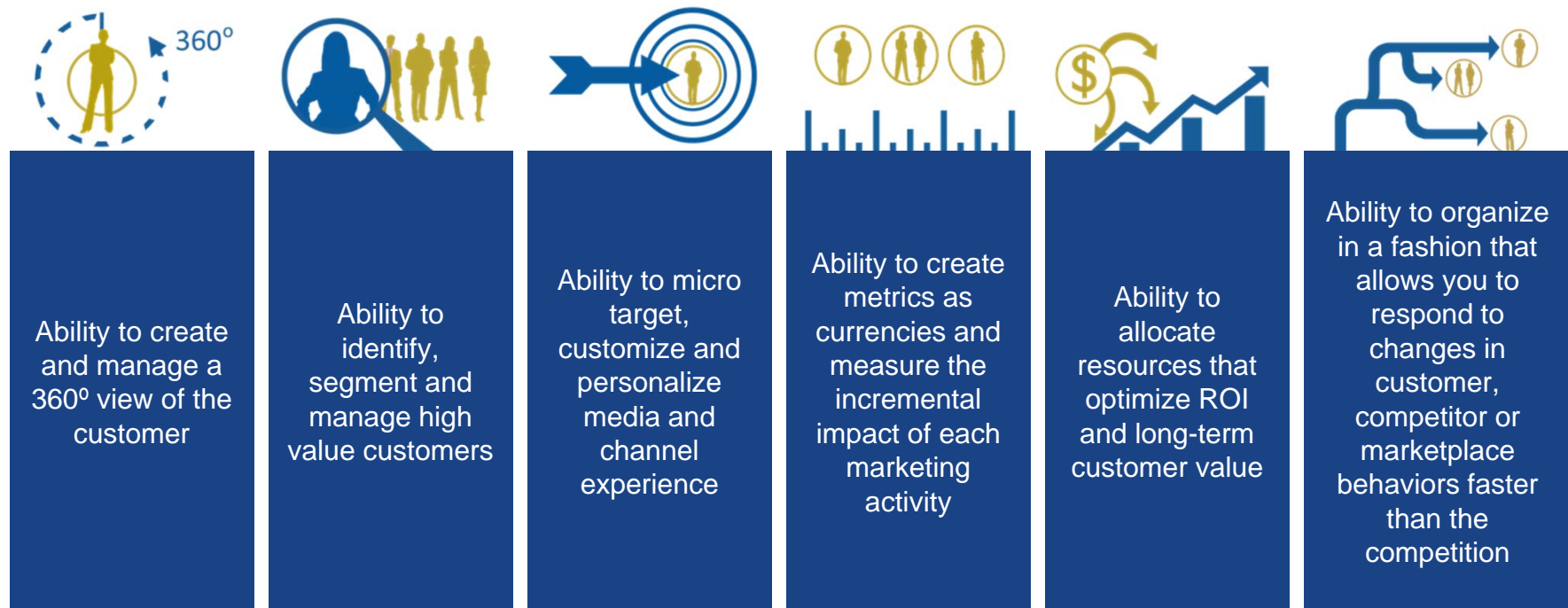
# Customer strategy is a preemptive business strategy

## MACRO trends are changing the landscape

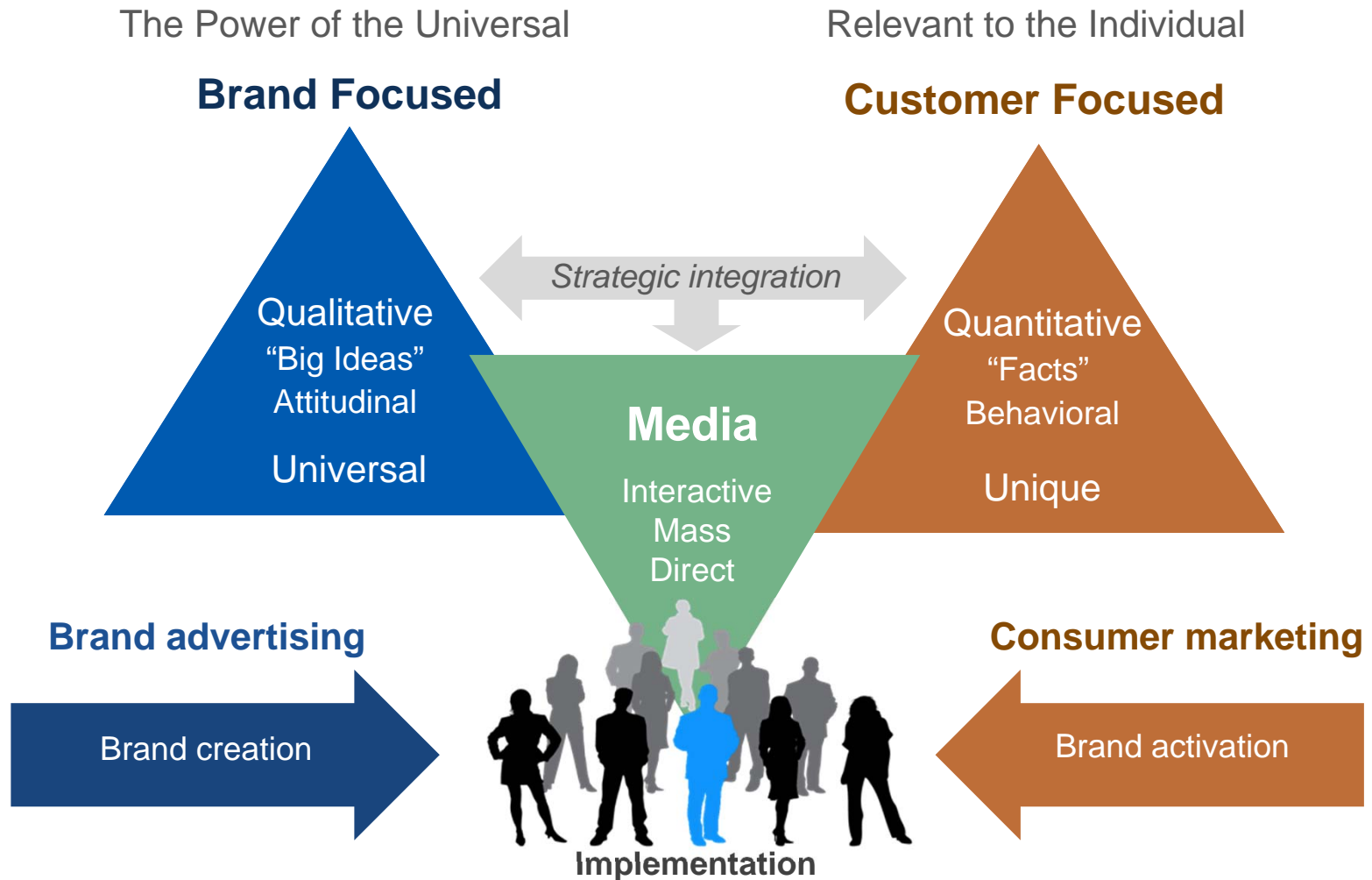


# What creates sustainable competitive advantage for marketers?

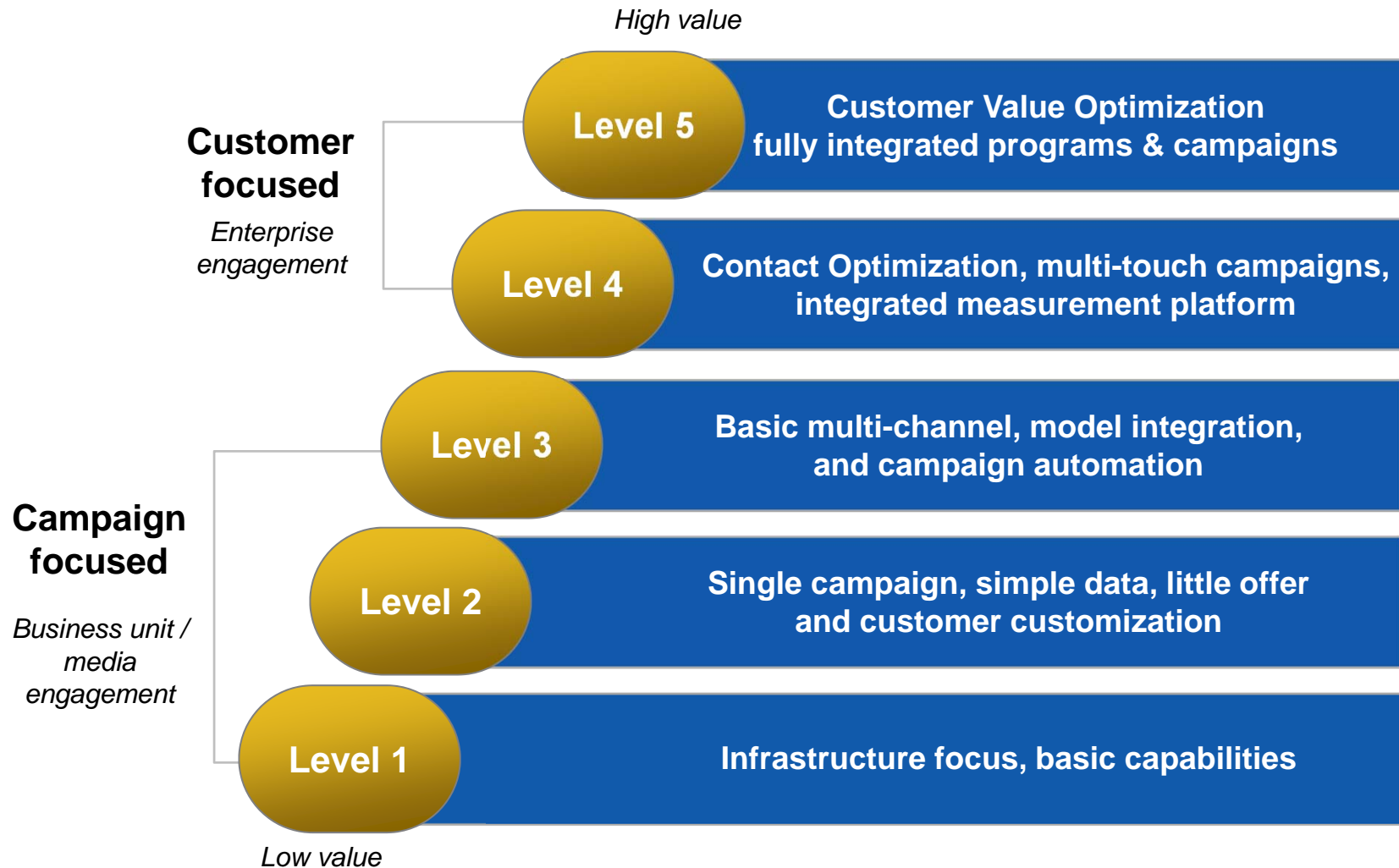
There are six core capabilities that must be mastered in order to create sustainable competitive advantage.



Marketing functions are both brand- and customer-focused. Integrating these is the key to successful marketing.



# Customer Relationship Marketing evolution



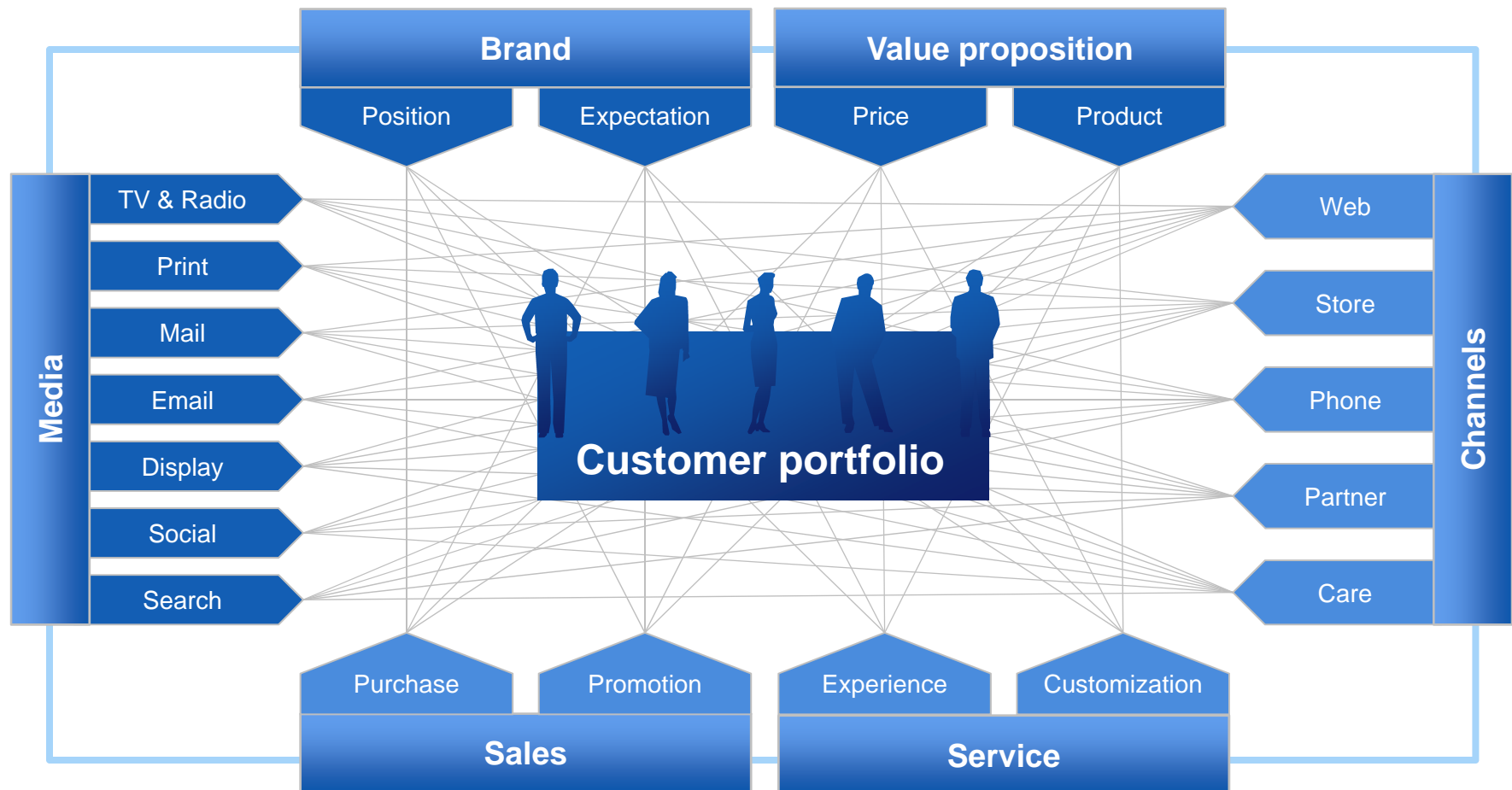
## A new approach: Connected CRM

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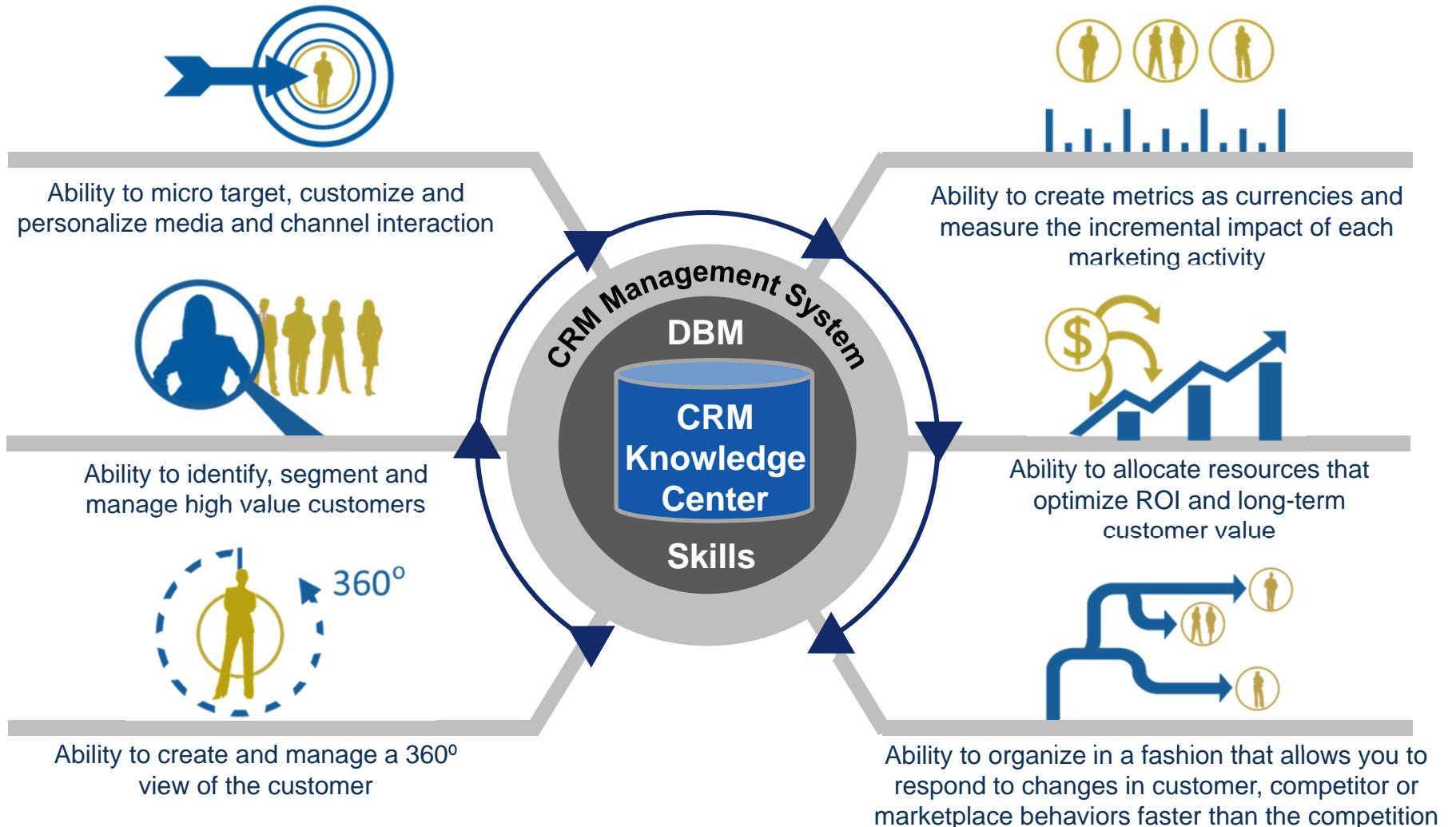
A systematic way to identify, serve and retain high value customers better than competitors by delivering customer interactions that improve financial results, create competitive advantage and drives shareholder value.

Connected CRM becomes increasingly complicated as channels and media options grow

## How do we operationalize this complexity?



# Managing the success requires new competencies, all of which depend on customer insight linked to a CRM knowledge center



A robust technology platform, database skills and a clearly defined CRM management system are the key enablers of Connected CRM.

# Connected CRM High Level Business Architecture

How do we operate a Connected CRM model?

## Insight and strategy layer

- Enterprise segmentation development
- Lifecycle management
- Customer value management
- Set customer and marketing strategy
- Governance and privacy strategy

## Targeting and experience layer

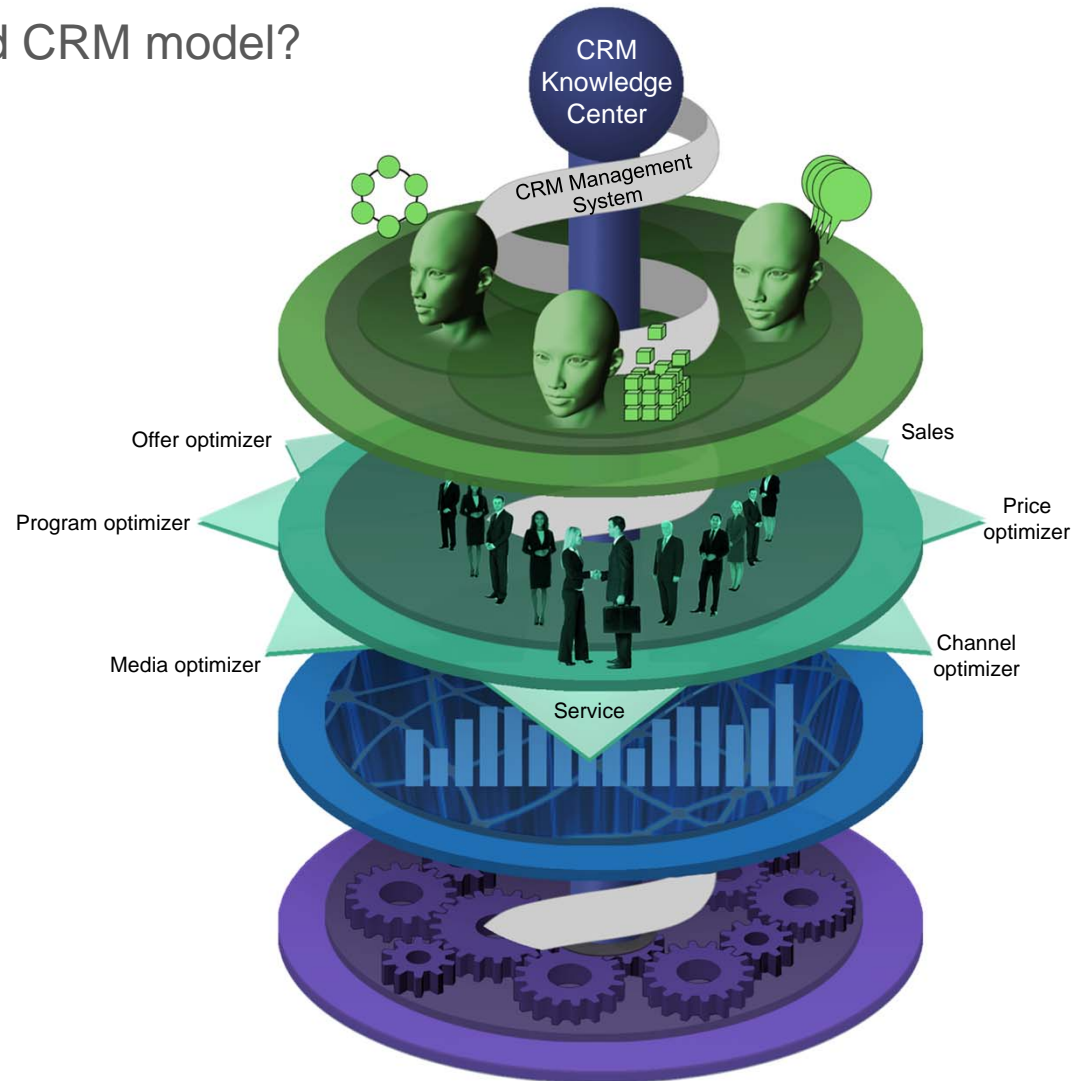
- Target and customization
- Offer and treatment development
- Creative and messaging
- User experience

## Measurement and optimization layer

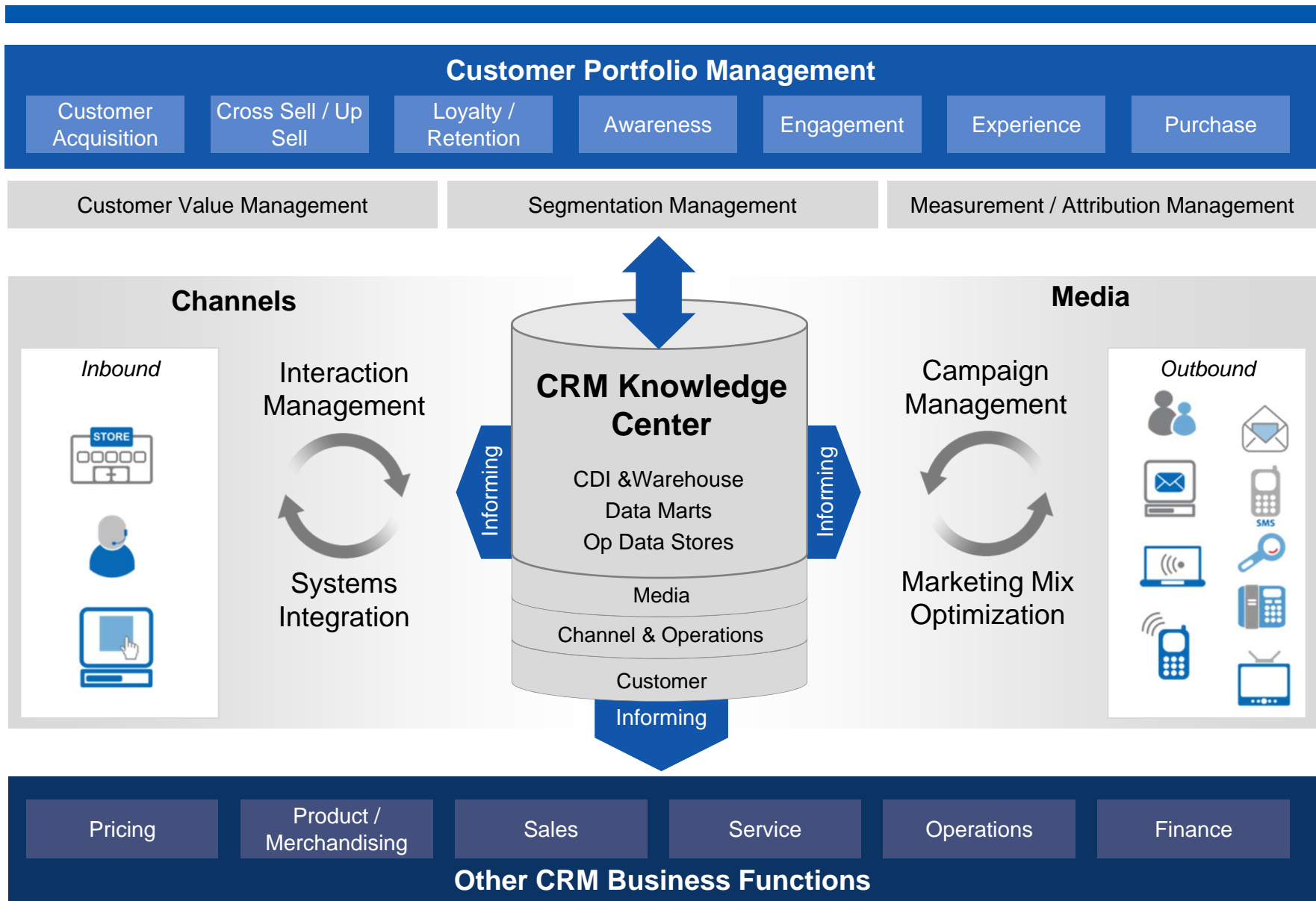
- Attribution
- Test and control
- CRM mix
- Resource allocation
- Customer value metric

## Organization and infrastructure layer

- Management systems
- Governance
- Skills and competencies
- Technology platform



# Role of the CRM Knowledge Center in Connected CRM



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**Merkle overview**

**Our perspective on how data is transforming customer strategy**

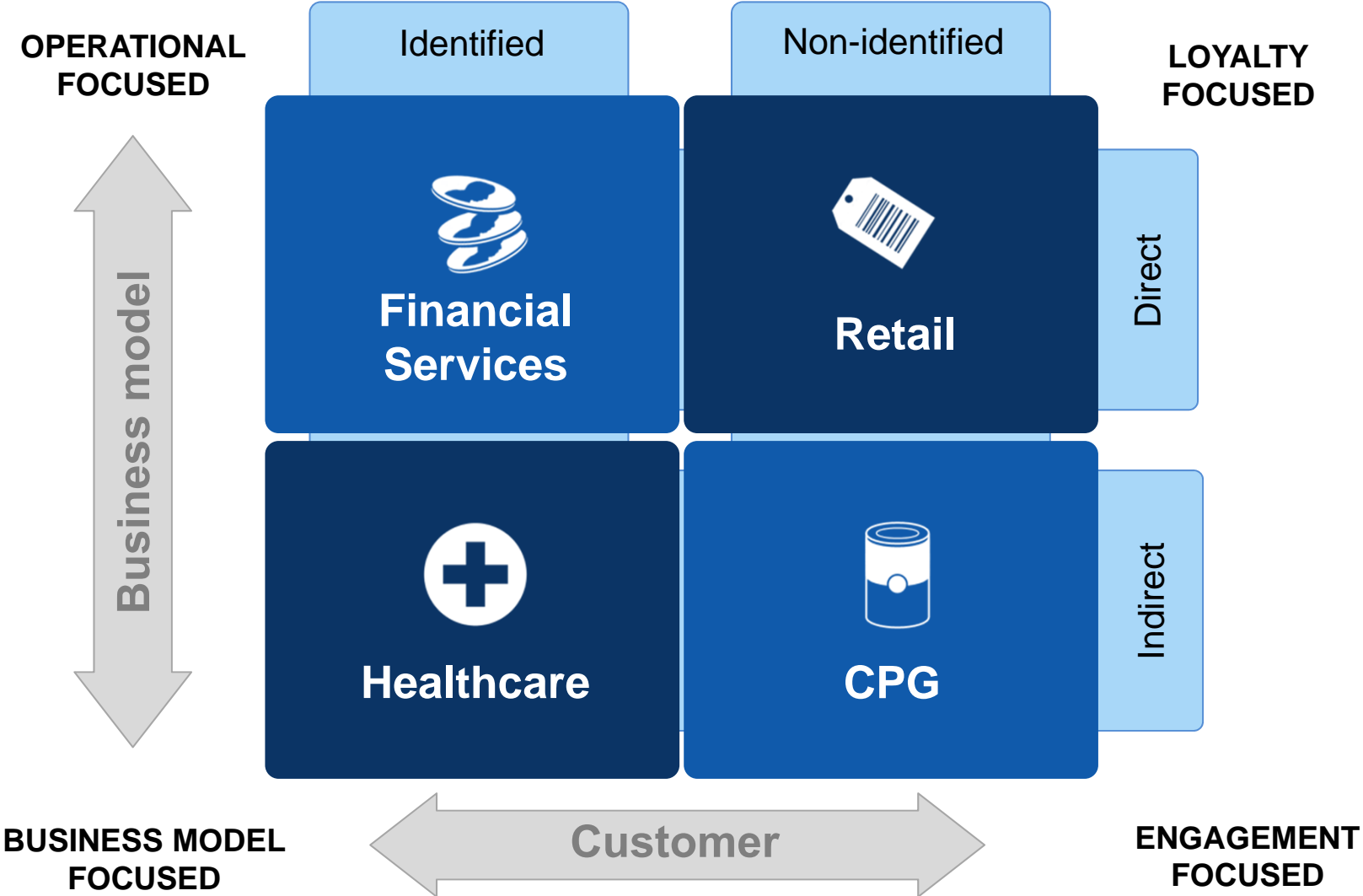
**Our perspective on how the market is responding**

## Market trends

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- Big shift to put customer at the center of the strategy
- Line managers want point solutions; executive suite wants business results
- Volume of “interesting capabilities” has increased dramatically
- Can’t do anything sustainable without the data, therefore, more enterprise mentality and CIO involvement
- Organizational design, computer systems and business process continue to be major constraints

# CRM Transformation- Business Models Matter



# Competitive Landscape



Thank you

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