

Know Your IBM

Category number: 16

Category name: Best channel marketing initiative

Programme/initiative name: Know Your IBM

Agency: MMI Motivforce Marketing & Incentives

Brand or client: IBM

URL or microsite: www.kyirewards.com

Summary

IBM's Business Partner (BP) distribution channel represents 30% of IBM's total sales and 40% of new SME business opportunities – the organisation is therefore heavily dependent on its BPs to win and protect market share against aggressive competitors. The Know Your IBM (KYI) loyalty program is IBM's primary sales and learning channel initiative targeting BP participants. It is critical to building relationships with BPs, increasing their knowledge of products and services, and growing overall revenue. KYI is structured into two components: Learn and Earn whereby participants are rewarded with points for completing year-round online learning modules; and Sell and Earn which rewards participants for selling certain IBM products/services. IBM set stringent objectives for 2014 in order to drive KYI to new levels of engagement cost effectively in 14 languages across 131 countries worldwide. All objectives were exceeded and KYI 2014 delivered o an exceptional ROI of 50:1. Factors contributing to this success included: innovative local market gamification campaigns; bespoke analytics for each participant identifying their educational progress; and effective communications tailored to individuals following development of a new real-time reporting tool measuring email open rates.

About the client company

IBM is one of the world's largest multinational computer and IT consulting corporations, with headquarters in Armonk, New York. IBM manufactures and markets computer hardware and software and offers infrastructure, hosting and consulting services in areas ranging from mainframe computers to nanotechnology. The company was founded in 1911. IBM operates in 170 countries and has 380,000 employees.

Strategy – broader business issues the company is facing

IBM's channel business is going through a fundamental shift with a goal to grow channel revenue whilst educating and maintaining the loyalty of channel partners so that they are effective in selling an increasingly complex suite of solution offerings that customers are demanding from today's IT industry.
The importance of IBM's distribution channel (referred to as Business Partners) is emphasized by the fact that over 30% of IBM's total product business and 40% of all new business opportunities for the SME market are generated through this indirect channel. As a result IBM is heavily dependent on its Business Partner channel to win and protect market share against aggressive competitors such as HP, Oracle, Dell, Cisco and EMC. The nature of the IT channel is that Business Partners have a competitive choice in all markets when deciding with whom to partner. Competition in the lower priced entry-level server market is particularly aggressive and is categorized by price discounting, large vendor rebates, channel incentive programs and competitions. Further, in some software market segments such as security and hosting, IBM is one of 300 vendors targeting the same Business Partners with educational and sales programs.

Objectives of the campaign

The KYI (Know Your IBM) program is IBM's primary channel initiative targeting Business Partners with loyalty rewards for undertaking product training modules and deeper certification (to increase their knowledge about IBM products and services) as well as selling nominated IBM products. In 2014, the primary task was to drive the KYI program to new levels of engagement, cost effectively, in 131 countries across 14 languages; encouraging greater participation in learning and skills enhancement, which would ultimately generate revenue via increased selling.

Specific objectives for 2014:
• Achieve 9,700 active resellers as participants in the program (defined as having completed the minimum number of learn modules and sold the minimum threshold of qualifying IBM products) who primarily target SME corporate customers,
• Achieve 100,000 completed educational modules by participants
• Achieve 1,000 certifications (attainment of an advanced education level for a particular product)
• Achieve a specific revenue target (this information was provided to the judges but is commercially sensitive and therefore confidential)

The KYI program was structured into the following components:

a) **Learn and Earn** – this component provided rewards for undertaking learning activities, such as:
   - Quick Learn modules about various IBM products and solutions, which are completed online via the KYI Rewards website;
   - Skills Enhancement - these courses took one to two hours to complete and provided deeper learning of solutions like Cloud and Analytics
   - Pre-Certification Tests – KYI participants completed an assessment test. Based on their answers, we presented a customized skills road map focussing on the individual's education requirements to prepare for certification.
   - Certifications – an official IBM test that places sellers and their company at a distinct advantage to grow potential revenue and market share. KYI participants earn points for achieving a pass rate of 70% or more

b) **Sell and Earn** - points are awarded for claiming sales of eligible IBM products, offerings, or services which are claimed via the KYI website. Bonus points were awarded to participants who registered sales of IBM products that were featured in the online learning modules.

The target audience

KYI targets IBM's Business Partners (BPs) in 131 countries globally. Over 10,000 BPs were invited to participate.
IBM is one of at least 10 major hardware and up to 300 software vendors targeting BPs with similar products and services for resale to end user customers. Each of these competitors is also pushing educational content to the same target market. Providing a B2B learning loyalty marketing program that stands out from the crowd, so that BPs opt to participate voluntarily; one which differentiates IBM's products and services from competitors' offerings through education; and meets the needs of time-starved BPs, is of critical importance to converting sales.

Media, channels or techniques used

KYI rewards individual sellers with KYI points for their commitment to undertaking Learning and Selling Activities. Participants redeem KYI points for items in the extensive KYI merchandise catalogue.

KYI Portal – the program is delivered via the Know Your IBM website (www.kyirewards.com). This provides Business Partners with one-stop online access to educational resources, learning activities, news, promotions and points redemption. Convenient user-friendly access to KYI was also deployed via a mobile enabled website and KYI App.

Local Market Gamification Campaigns – designed for specific regional markets to drive engagement e.g. an online Race Around the Planet game for Western Europe and North America: KYI miles were earned for completing certain modules, but additional points could be earned via stopovers in each destination where participants left a blog in the visitor's book, answered questions about the destination, played a game to win a random prize and got their virtual passport stamped. This promotion resulted in an 82% increase in module completions during the campaign period.

eDM Communications - participants in each market received targeted email communications announcing new course modules, account statements, and eligible KYI product promotions prompting them to engage with the KYI Portal. Translations of all communications had to be 100% precise in 14 languages

Experiential Rewards – top sellers in the program were rewarded with exclusive incentive trips and events.

Timescales of the campaign

Know Your IBM operates on an annual basis from 1st February to 31st January. Planning of the 2014 program was in the final quarter of the preceding year (i.e. October – December 2013).
40 Quick Learn Modules were released during the course of the year.
Longitudinal reporting captured time and date when online modules were completed and were compared with the individual's sales activity. If a change in sales activity was not evident, a follow up call was made by the local IBM account management team to assess any potential issues that may have impacted on applying the knowledge to sales.
Participants received an electronic copy of their monthly activity statement outlining completed modules, sales registered and their final points balance. The

activity statements were customized for each country featuring motivating rewards and images specific to that culture.
A real-time online communications reporting tool measured email open and click-through rates. This information was cross referenced with email content, words used, embedded images and headline. This data created a communications profile on every participant. Individual marketing communications and tactics were then developed to achieve greater call to action.

Budgets

These details were provided to judges in the original submission but are commercially sensitive and therefore confidential.

Results

- 11,749 active resellers participated in the 2014 KYI program (2,049 over target)
- Education Modules completed were 120,095 (20,095 modules over target)
- 1,387 certifications were completed (38% over target)
- The campaign exceeded its revenue goal by 15%, an exceptional ROI of 50:1

Client testimonial

We regard the 2014 KYI offering as a phenomenal success, particularly as it exceeded our most optimistic expectations in what was a very tough trading year globally. The logistics of such a program cannot be understated, over 11000 participants, in 131 countries, involving 14 languages. Despite these considerable challenges the 2014 KYI results were outstanding. The communication tactics and online executions were simply first class. The innovative campaigns and high-class recognition events for our top achievers have set a new benchmark in this very important offering. A sincere thanks to the MMI team for their hard work in planning, operating, and executing KYI's strategy and fulfilment in so many countries.

Ryan Faithful, Global Deployment Manager "Know Your IBM" Program, IBM Corporation

Supporting material supplied

KYI Website & Mobile App – graphic KYI website learning – home page KYI sample eDM comms KYI sample China comms KYI Race Around the World – local market gamification KYI Ping Pong – local market gamification KYI Bespoke Analytics example KYI Business Partner Testimonials KYI Video Link

Submission ends