



LUCY BY EQUALS 3 DELIVERS MARKETERS A BETTER HALF

ANALYST

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THE BOTTOM LINE

Equals 3 gives marketers their own cognitive companion, Lucy, that can perform research, audience segmentation, and media planning. By expanding the scope of intelligence in marketing, Nucleus predicts Lucy has the potential to improve the strategic capabilities of marketers and drive higher return on investment (ROI) than basic marketing solutions.

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THE SOLUTION

Lucy is a multi-tenant, cloud-based cognitive computing solution with information gathering and analytic capabilities that help marketers research, segment, and strategize much faster and more effectively. Lucy is an IBM Watson partner, which means IBM's cognitive computing platform, Watson, is the smarts behind Lucy's natural language processing, predictive analytics, unstructured data analysis, and data security capabilities. Equals 3 launched Lucy in May 2016, and, in addition to its own internal development team, Equals 3 benefits from the use of IBM Watson artificial intelligence (AI) technology. Equals 3 describes Lucy as a solution that enables marketers to experience a cognitive solution for the first time. While Lucy is certainly not designed for companies with limited resources, implementing her is easier and less expensive (starting at an annual license cost of \$50,000 for five users) than implementing the more complex, bespoke Watson platform.

THE LUCY COEFFICIENT

There is certainly no shortage of technologies which lay claim to being intelligent, female personal assistants. Siri, Cortana, Alexa... the list goes on. What makes Lucy different from other cognitive companions, and from marketing solutions which leverage artificial intelligence? Other intelligent assistants are similar to Lucy in that they go to a knowledge repository to try and find the best answer to a question. However, they are not for enterprises, and cannot be trained on a company's data. Lucy also performs new tasks that other marketing solutions which leverage intelligence do not. Many top-tier marketing solutions have cognitive learning capabilities and advanced analytics that can do things like manipulate in-progress campaigns according to customer behavior, improve targeting and personalization, and drive more conversions. Lucy, however, expands the scope of intelligence in marketing by performing new tasks on behalf of marketers, including research, audience segmentation, and media planning.

- **Research.** When a marketer asks Lucy a question, she runs a natural language query to look through large amounts of structured, unstructured, and application program interface (API) data from the marketer's own database, public data sources, and integrated subscription databases. She draws up a list of responses, scoring them based on her degree of confidence in their accuracy. As marketers reinforce Lucy's behaviors by awarding her four stars for the right answer, Lucy learns and improves. Lucy can also render visualizations of structured or respondent level survey data, making data more comprehensible without relying on a data scientist. If marketers want to create a PDF or a PowerPoint presentation based on Lucy's findings, Lucy can automatically draft an entire PowerPoint presentation.
- **Audience Segmentation.** Lucy's audience capabilities help marketers create segments. By evaluating customer generated content – from social posts, customer service inquiries, or user reviews, for example – Lucy can assemble complex customer profiles that explain personality, needs, and values. From those profiles, marketers can drill down to archetype groups, such as the citizen, rebel, magician, or visionary, which all have certain attributes. Lucy can tell marketers what words and images, for example, will resonate with those archetypes, so they can more effectively target that group. Segments can be exported, and marketers can develop adjustable models to help them play out different marketing approaches and optimize them for the greatest impact.
- **Media Planning.** Lucy's media capabilities help marketers and media planners determine what channels to market through, and how much money to spend on

each. Her channel allocation capabilities are customizable, so when users alter parameters such as cost and test out different approaches, Lucy's forecast changes.

THE BENEFITS OF LUCY

The question is, what impact could Lucy have on marketers, and on the companies that invest in her? Nucleus expects Lucy would make marketers more strategic, and deliver higher ROI than basic marketing solutions.

BENEFITS TO MARKETERS

Lucy has the potential to benefit marketers in many of the same ways as micro-marketing; by taking the time consuming, no value-added tasks off marketers' plates, marketers can focus on more strategic initiatives. In this case, the no value-added task might be sifting through mounds of data and reports to conduct market research, putting together a PowerPoint, or testing marketing strategies. Instead of handing those tasks over to sales, they would be handed over to Lucy. Lucy could also improve the strategic capabilities of marketers by providing deeper insight into customers so that they can develop more effective marketing strategies.

BENEFITS TO ENTERPRISES

Nucleus analyzed nearly 30 case studies from the past 7 years and found that, on average, advanced analytics deployments deliver 2.2 times more ROI than basic analytic capabilities (Nucleus Research, p226 – Advanced analytics delivers 2.2 times more ROI, December 2015). In the hands of marketers, advanced analytics increase productivity and positively impact a company's bottom line. Nucleus estimates that Lucy – which has natural language processing, predictive analytics, and unstructured data analysis on top of advanced analytics – is a supporting technology in driving that kind of ROI.

CONCLUSION

Equals 3 has a big year planned for Lucy, continuing to enhance her with more conversational and personality insight capabilities in the coming months. Whether Lucy becomes one of the forgotten names of cognitive companions or one of the Watsons is yet to be determined. Lucy is still relatively new, but we think she has a lot of potential. As time passes, we will be interested to see if Lucy is living up to her potential for the customers that implement her.