

Accenture Marketing Transformation

# Create Your Own Upturn

How Marketing Can Drive  
Growth and High Performance

  
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# Growth

# No Time Like the Present

In the shadow of a prolonged downturn, the business outlook remains unclear, composed of equal parts optimism and caution. Are we on the verge of an upturn or stuck in neutral? Only time will tell. For now, winning enterprises will stay focused on the present to avoid becoming victims of the future. Even in uncertain times, opportunities for growth persist for companies that proactively seek them out and develop them effectively, while keeping a steady hand on cost and efficiency.

For many companies, that time is now, if marketing is prepared to show the way.

These are trying times for the front office. Senior marketing executives report mounting pressure during the past two years to deliver growth while responding to change and operating more efficiently. Even the most successful marketers find it increasingly difficult to reach these performance objectives.<sup>i</sup>

Seldom have so many game-changing forces converged: financial crisis, steep decline in consumer confidence and digital transformation, to name only a few. While these forces affect virtually every corporate function, their impact on the front office has been seismic, producing new complications but also new opportunities.

Uncertainty is always part of doing business, but in a recession it tends to dominate other factors. Organizations may go to extremes to reduce costs, minimize risk and manage short-term results.

However, successful companies will use these periods to uncover new opportunities, strengthen the value of their offer, and find new ways to reach and engage customers. History shows that companies can achieve long-lasting advantage by focusing on creating value and driving growth in recessionary periods—while still staying attentive to costs.<sup>ii</sup>

<sup>i</sup> Chief Marketing Officer survey, Accenture, 2010.

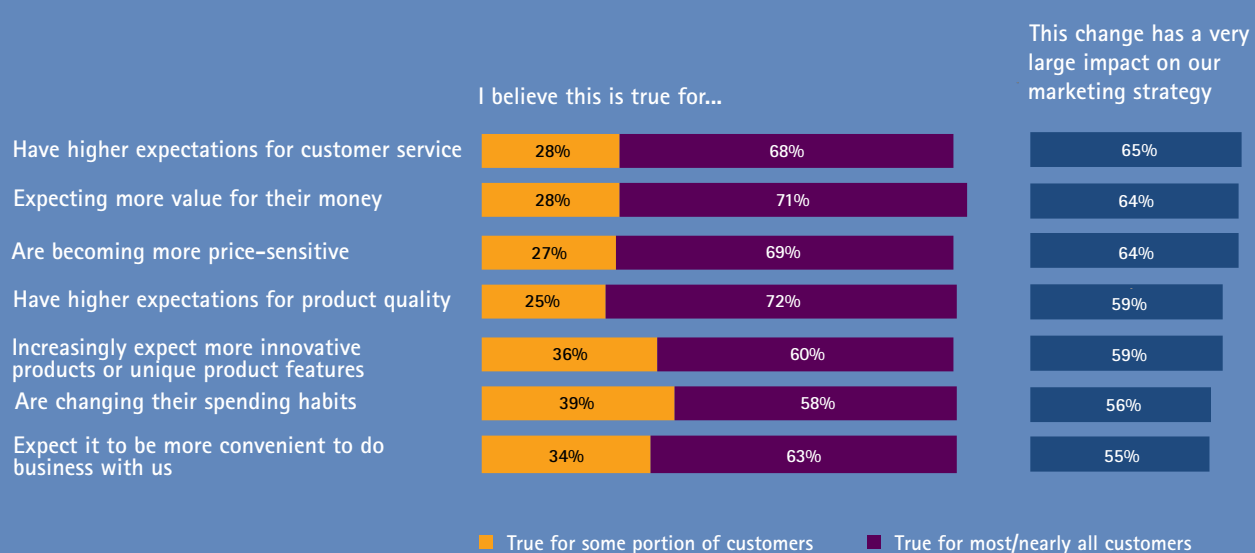
<sup>ii</sup> Jane Linder and Brian McCarthy, When Good Management Shows: Creating Value in an Uncertain Economy, Accenture, August 2008.

# Top Marketing Challenges

To learn more about how CMOs perceive their challenges and opportunities, Accenture recently conducted global, cross-industry research among 400 senior marketing executives of large companies. This research confirmed that senior marketing leaders operate in a profoundly-changing environment. Changing business and marketing objectives are impacting marketing strategies and organizations. Our research showed three of five senior marketers believe the marketing function will fundamentally change over the next five years, driven largely by changing customer attitudes and

behaviors. In fact, the majority cite a dozen customer factors as having a "very large impact" on their strategy, indicating the scope and complexity of change. Senior marketers see changing expectations as the most widespread customer change, with the greatest impact on marketing strategy. Interestingly, changing expectations involve two areas often considered outside the traditional marketing brief—product development and customer service.

Figure 1: Changing customer expectations are impacting marketing strategy



Source: Chief Marketing Officer survey, Accenture, 2010.

# Marketing: A New Role for a New Era

The global recession and anticipated long recovery period have compelled many companies to revisit their growth strategies. While challenging, this situation also affords exceptional opportunities: to rethink value propositions, reengineer channel strategies and—when it comes to marketing—reinvent traditional roles.

The traditional focus of marketing has been to build the brand and help shape positive customer experiences. Although these are mission-critical functions, today marketing can play an even more integral role by driving the corporate growth agenda.

What creates growth? According to Accenture's ongoing High Performance Research initiative, the key ingredients for growth include keen customer insight, the ability to create and shape demand, and the ability to provide a compelling customer experience.<sup>iii</sup> Who better than marketing with its unique position on the enterprise frontline to shape and lead the growth agenda by mastering these capabilities?

The good news is that marketers have never before had such powerful tools for understanding and engaging customers. Yet, our experience and new Accenture research with senior marketing executives indicates that marketers also face a wider range of challenges, which impedes their ability to devise and execute new strategies for growth, and make even their traditional jobs harder to perform effectively (see Figure 1).<sup>iv</sup>

## Defining the Way Forward

How can CMOs address these challenges and help set their enterprises on a new trajectory? Accenture believes they should focus on four key areas (see Figure 2):

- First, master the use of customer analytics—customer data management and advanced customer segmentation—to understand where new opportunities lie.
- Second, use the insights gained through analytics to ensure that the value proposition is designed, priced and

presented to a consumer in the most relevant and impactful way.

- Third, make the best use of traditional and emerging channels to manage the presentation of the brand in a multi-channel environment.
- Lastly, underpin relevant offers and profitable engagement with a highly efficient, effective marketing operation to help generate capital to fund new growth strategies.

Using this framework, we have helped many leading organizations build the capabilities they need to support growth. Within this framework, we offer a comprehensive set of integrated capabilities that are mutually reinforcing—strong in themselves but even stronger when combined.

<sup>iii</sup> Paul Nunes, Marketing Mastery Matters, Accenture, May 2006.

<sup>iv</sup> Accenture CMO Circle, proprietary Accenture research, 2009-2010.



Figure 2: Essentials capabilities for growth

### Find the sweet spots

Building excellence in data-driven insight

- Efficient data capture and management
- Improved analytical capability
- Insight-driven approaches to acquisition and retention

### Innovate the offer

Turning insight into action

- Innovation and profitability in products and services
- Differentiated pricing
- Optimized and efficient sales channels
- Speed to revenue

### Drive the engagement

Creating relationships with customers

- Increased trust and loyalty
- Fully integrated sales, service and marketing
- Engage in social CRM

### Release fuel for growth

Marketing operational efficiency

- Defined, efficient and scalable processes
- ROI-led marketing investment
- Strategic planning
- Training and development
- Right organization structure

# Steering the Enterprise Toward Growth

## Releasing the Fuel

Companies need to generate cash to fuel growth-oriented programs. Accenture helps you improve the operating efficiency and cost performance of key marketing investments—people, processes and technologies—and release the “oxygen” you need to fuel growth opportunities. Our scientific, data-driven approaches enable you to quantify the return on marketing spend, evaluate which investments are producing the best returns and determine how to redirect resources from regular business operations to growth mode.

- **Marketing operations optimization:** We help you optimize marketing operations to better source, manage and deliver value from marketing investments, processes, technology, resources and organization.
- **Marketing measurement optimization:** We help develop and implement performance metrics and analytical decision support solutions that increase return on marketing investment.
- **Trade promotion management:** We offer a closed-loop process that enables you to evaluate the success of past promotions and use this analysis to improve future plans.

- **Merchandizing and trade marketing:** Our scientific methods and sophisticated analytics enable you to identify and optimize available product assortments and portfolios in order to satisfy more customer needs profitably.

- **Media management:** We offer a complete suite of capabilities for maximizing media value across traditional and digital channels for everything from media auditing to defining the right media strategy.

## Finding the Sweet Spots

In addition to generating cash needed to fuel growth programs, organizations need to identify the sweet spots—the most promising opportunities for creating customer loyalty, improving profitability and generating new revenue streams. Accenture helps unlock the value of customer data and develop deep insight into what customers and prospects want and how they behave. We then use this insight to make profitable marketing decisions.

- **Customer data management:** We provide the strategy, data resources, governance models and support services you need to integrate customer data from multiple sources and deliver the

necessary information to support the most sophisticated analysis.

- **Segmentation and analytics:** We develop and scale actionable segmentation and insights—based on sophisticated analytics such as propensity to purchase or likelihood to switch—and rapidly integrate these insights into downstream decisions about precision targeting, loyalty, pricing customer experience and segment strategies.

## Rethink: Competing on Analytics

Plenty of companies have analytical capabilities in a few pockets of their organization. Here is a quant manifesto for the more ambitious: Develop analytical muscle in multiple parts of the enterprise to solve the issues that matter most for high performance.

Accenture research confirms that high-performance businesses—those that substantially outperform competitors over the long

term and across economic, industry and leadership cycles—are five times more likely to strategically use analytics compared with low performers.

High performers know that technology on its own cannot make a company into an effective analytical competitor. Executives also know that it is a mistake to equate analytics with data collection and storage.

# Helping the Royal Shakespeare Company Boost Audience Size and Revenues

Accenture helped the Royal Shakespeare Company achieve high performance through audience analytics, segmentation and targeted marketing.

Accenture's unique and robust capabilities can help senior marketing executives identify, fund and execute initiatives that can reignite growth. The Royal Shakespeare Company provides an example of how Accenture combines and leverages these services to drive impressive results.

## The challenge

Despite its global reputation for excellence, the Royal Shakespeare Company (RSC) realized that it needed to reach a much broader and more diverse audience, while retaining its core, loyal customers. Specifically, to secure its financial future and status as a theatrical force in the 21st century, the RSC knew it needed to expand its audience base and encourage more repeat visits by theatre patrons while diversifying the artistic program. Improving audience analytics was critical to the RSC's sustained success. If it better understood its audience, it could use this information to help plan productions and target its marketing efforts more effectively. By selling more tickets, the RSC would achieve a stronger financial return, which would bolster funding appeals to patrons and sponsors. The RSC requested Accenture help it accomplish these objectives.

## Addressing the obstacles

Accenture deployed a team of professionals highly skilled in CRM and marketing analytics to help the RSC be as successful at CRM as it was artistically. The theatre company required the same methodologies and leading-edge analytics software that would enable a global retailer or a financial multinational to achieve high performance. Working collaboratively with the RSC, Accenture profiled the theatre company's current and potential audience. This profiling effort was important because it would serve as the foundation for a comprehensive marketing strategy for the theatre's Stratford-upon-Avon and London audiences. The Accenture team began by loading more than seven years' worth of ticket-buying data into systems at Accenture's Customer Insight Center in Milan, Italy. The data set comprised more than two million patron entries that included names, addresses, shows attended and price paid for tickets. Using data processing technology from its alliance partner,

Teradata, a division of NCR Corporation, Accenture created a new RSC audience database that could be easily and quickly segmented based on customer behavior. The Accenture Customer Insight Lab in Bangalore, India, performed the necessary data checks, refreshed the data model as needed and reported on changes and results.

## Reaping the benefits

Accenture has played a key role in boosting the theatre company's marketing productivity and has helped to pave a course for high performance. Based on the new analytical capabilities, the RSC marketing team produced a series of targeted mailings and initiatives that have increased the core audience base by 30 percent. Specifically, since Accenture began working with RSC:

- The number of RSC's Stratford ticket buyers has increased by more than 50 percent, to more than 320,000.
- The number of audience members in the Stratford segment defined as "regulars" - which makes the greatest overall contribution to the RSC - increased by more than 70 percent, from 40,000 to more than 68,000.
- The number of audience members in the Stratford family show segment increased by more than 20 percent.
- Pre-season targeted mailings for London audiences sold out significantly earlier than previously. This allowed the RSC to more accurately predict its financial turnover and work towards attracting more diverse audiences.
- The RSC has identified a new and valuable London-based segment known as "newcomers."

In addition to developing effective and actionable segmentations, Accenture has helped the RSC meet its revenue target more quickly. By meeting its commercial targets faster and earlier in the season, the RSC is able to concentrate its efforts on filling capacity and building a loyal customer base for years to come.

## Innovating the Offer

Customer insights need to be translated into tangible results. For some companies, this might mean differentiating on price. For others, it might mean offering new products and services, or engaging in new partnerships and alliances. Regardless of how you choose to compete, you must optimize customer engagement through all available marketing, sales and service channels: phone, online, social media and in-store.

Accenture helps you build on your customer insights to create compelling, profitable new offers, and identify the most appropriate channels and campaigns through which to bring these offers to market. Key to achieving such optimization is mastering the data, analytics and strategy that enable companies to develop and deliver a consistent, meaningful and integrated customer experience.

- **Market and customer strategy:** We work with your marketing team to develop customer-centric strategies for market development, brand positioning, value proposition development, customer experience and marketing communications that help drive profitable growth and sustain competitive advantage.
- **Customer-centric marketing:** We translate customer strategies into meaningful, competitive customer

experiences that span the customer life cycle; define the business, technology and operating requirements for delivering and managing these experiences; and help track and manage their impact on business performance.

- **Loyalty management:** We help increase the loyalty of profitable customers while improving profitability and growth potential, using unique assets and capabilities that encompass loyalty analytics, strategy and program development, execution and measurement.
- **Category, product and brand management:** We support growth leadership by helping you prioritize portfolio innovations; evolve these innovations to create market-ready product propositions; define entry, channel and supply chain strategies and enable the organization to deliver the innovations.
- **Pricing management:** By helping you build a sustainable, comprehensive pricing capability, we enable you to identify the best opportunities for generating value through pricing, develop and implement strategies for capturing these benefits, and make more effective pricing decisions throughout the sales and marketing processes.

## Engaging the Customer

To support long-term growth, organizations need to engage customers in consistently meaningful, profitable interactions. Accenture helps you deliver these interactions across all available channels: phone, online, social media and in-store.

- **Digital marketing optimization:** We help embrace the importance of digital transformation, including Social Media, as a critical driver for customer acquisition, growth and retention. We establish a systematic, data-driven capability that is enabled by technology, organization and processes for continuously improved return on digital investments.
- **Campaign management and multi-channel interactions:** We design and implement the functional and technical capabilities you need to deliver multi-channel marketing dialogues and interactions that support customer acquisition, growth, retention and win-back.

## Recalibrate: Fine-tuning the Value Proposition

As recession-chastened shoppers continue to trade down and even out of many discretionary categories, at least temporarily, coping with purchasing volatility constitutes one of the biggest challenges for many companies. Meanwhile, ongoing uncertainty about consumers' real needs and desires requires companies to study their behavior and attitudes even more closely.

As non-essential spending shrinks, companies must look across the spectrum of their marketing efforts, making adjustments in product mix, pricing, promotion and channel strategy to deliver the innovation today's customers value.

This sort of attention to detail may not resolve the big challenge of this downturn—the decline in discretionary spending. But by providing offerings with a clear range of desirable benefits, and by delivering them at the right price point, leading companies will show a clear way forward. Indeed, for nimble companies with the right value proposition, the new frugality offers an important opportunity for growth.

Accenture is poised to help clients succeed in the rapidly changing global marketplace by positioning companies to create their own upturn.

## Leading the Way to High Performance

For many marketing leaders, the transition to the post-recession economy may seem like a mixed blessing.

While stronger sales and lessened pressure on margins will be welcomed, the new environment demands different skills, resources and strategies than those developed during the recession. And while functions such as finance, operations and sales have played dominant roles during the crisis, all eyes turn to marketing for longer-term growth.

Accenture's experience with leading companies across many business cycles tells us that now is the time for marketers to:

- Invest actively in initiatives to make their marketing organizations more efficient.
- Concentrate on truly understanding their most important customers.
- Generate attractive and differentiated new offers.
- Create a customer experience that will foster long-term, profitable relationships.

By taking these steps, companies can position themselves to achieve high performance in the post-recession world.

### To Learn More

To learn more about Accenture Marketing Transformation, please visit [http://www.accenture.com/Global/Consulting/Customer\\_Relationship\\_Mgmt/Marketing-Transformation/default.htm](http://www.accenture.com/Global/Consulting/Customer_Relationship_Mgmt/Marketing-Transformation/default.htm).

To read more research and insights relevant to Chief Marketing Officers, please visit <http://www.accenture.com/Global/Consulting/CMO>.

To discuss how we can help your organization with marketing transformation, call us toll-free at +1 877 889 9009. Outside the United States and Canada, please dial +1 312 842 5012.

## Reset: Embracing Social CRM

Digital channels—particularly social media—enable customer dialogue much earlier than the traditional message cycle and at many more touch points. As a result, the distinctions between marketing and sales are blurring and, in some cases, may disappear. At a minimum, these channels will further fragment customer engagement. During the next five years, we believe

these emerging channels will become an essential part of the customer experience. Companies that embrace these channels now will be best positioned to uncover unmet needs, influence consumer choices and encourage brand advocates, while addressing the impact of fragmentation.



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## About Accenture CRM Solutions

Accenture's Customer Relationship Management service line helps organizations achieve high performance by transforming their marketing, sales and customer service functions to support accelerated growth, increased profitability and greater operating efficiency. Our research, insight and innovation, global reach and delivery experience have made us a worldwide leader, serving thousands of clients every year, including most FORTUNE® 100 companies, across virtually all industries.

## About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with more than 176,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US\$21.58 billion for the fiscal year ended Aug. 31, 2009. Its home page is [www.accenture.com](http://www.accenture.com).

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