Accenture Song

A life-centric approach to growth

Value networks: Building connections for growth

How to use data-driven insights to create profitable partnerships

Sales and Service

+ preference: organic

Data from digital interactions can be a virtual goldmine. The trouble is, much of it is going untapped: A new Accenture Research survey[1] shows 60% of companies aren't using real-time customer interaction data to predict customer preference. This problem is set to multiply exponentially as generative AI opens the door to a wealth of new opportunities—and an avalanche of new data.

Companies are still trying to turn the data they collect into meaningful insights that improve experiences and drive innovation. Those that don't risk falling behind. In our survey, **73% of executives said that a direct or indirect competitor had a customer insights advantage over them—and that it was influencing their own company's growth outcomes.** Without those insights, they miss opportunities to help customers, who are struggling to make decisions amid complex global circumstances[2] and an overwhelming array of options at every turn.

However, some businesses have found ways to make their customer data more digestible through deep analytics capabilities that use AI and machine learning for better insights. Their approach is life-centric[3]: it builds the business around understanding customers as multidimensional individuals constantly evolving in response to unpredictable external forces.

Pursuing life centricity is part of the path to Total Enterprise Reinvention[4], a deliberate strategy that aims to set a new performance frontier for companies and, in most cases, the industries in which they operate. Centered around a strong digital core, it helps drive growth and optimize operations. By activating technology and human-driven insights in tandem, companies are able to see customers in their full lives and meet previously unmet needs.

73%

of executives said that a direct or indirect competitor had a customer insights advantage influencing their growth.

Would you like to add insurance?

Yes, please   No, thanks

Our research suggests one strategy is particularly powerful for meeting those needs:

brokering customer-relevant value networks

Value networks connect individuals with businesses and prompt interactions that are beneficial to the group as a whole. Through them, businesses can drive growth in new ways—without significant costs. And customers get streamlined experiences that help (rather than hinder) their decision-making. Creating a successful value network requires two things: a **customer insights advantage** built on data and a **right to broker** established through brand trust and engagement.

What value networks look like

Consider the partnerships Spotify formed with ticketing platforms. The music streaming service has a customer insights advantage as a result of its rich user listening data. That data is valuable to ticketing providers, who need ways to target potential customers. Through partnerships, Spotify can use its insights to connect customers and ticket providers in ways that benefit all:
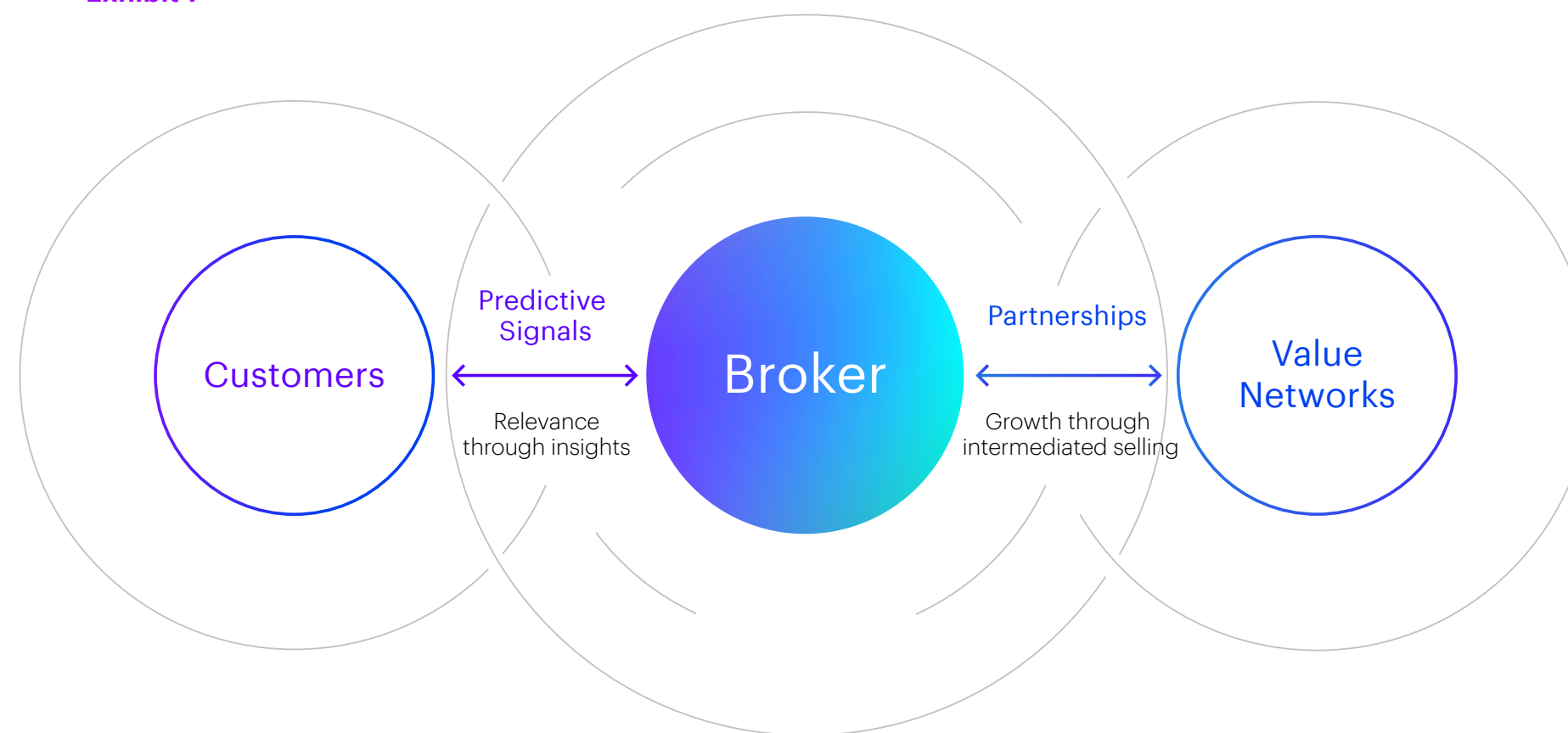
- Ticketing providers extend their reach and connect with the most relevant potential buyers.

- Customers get access to their favorite artists' performances and a simplified purchasing experience.

- Spotify captures new revenue as a booking agent and deepens its relationship with listeners.
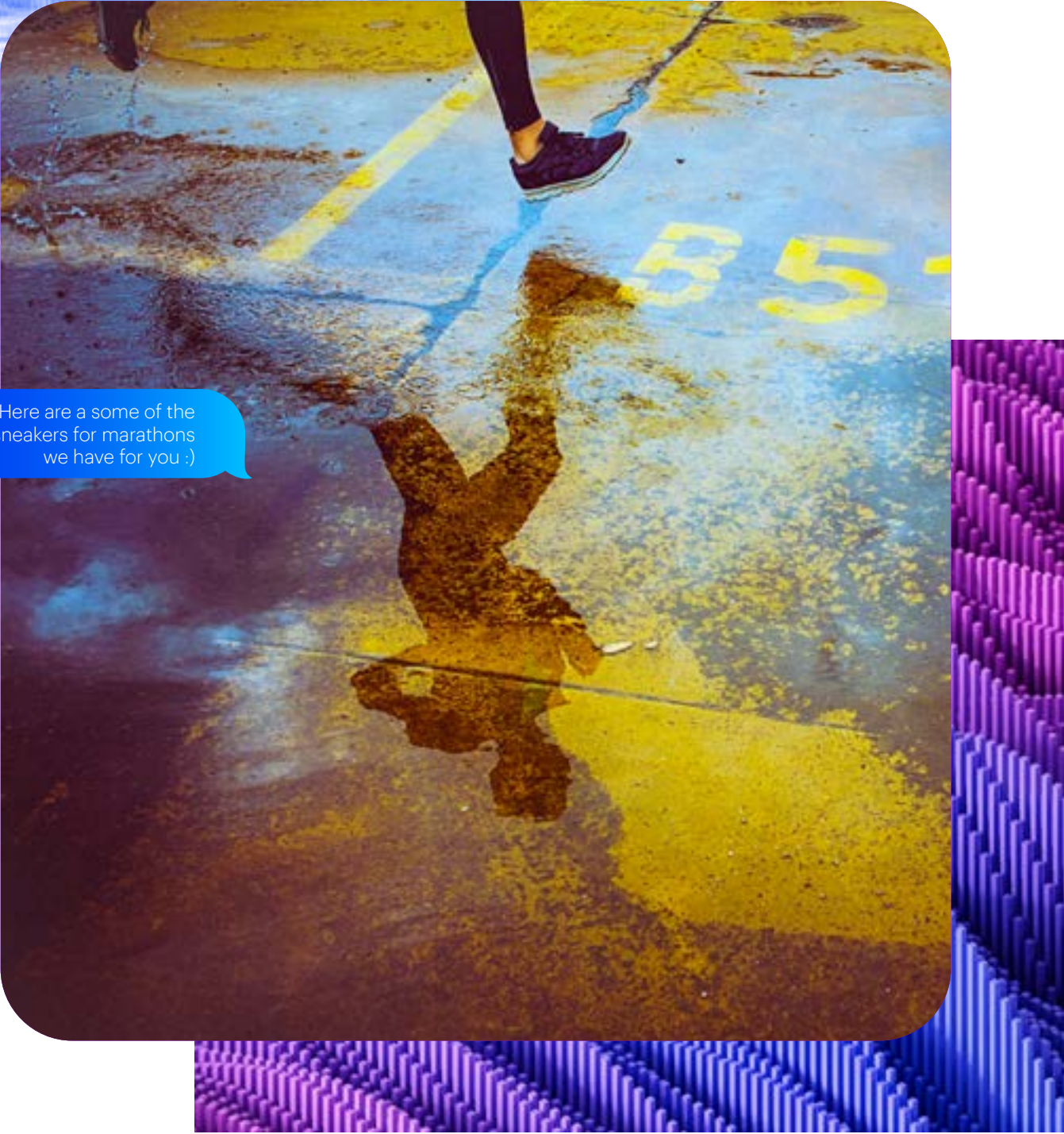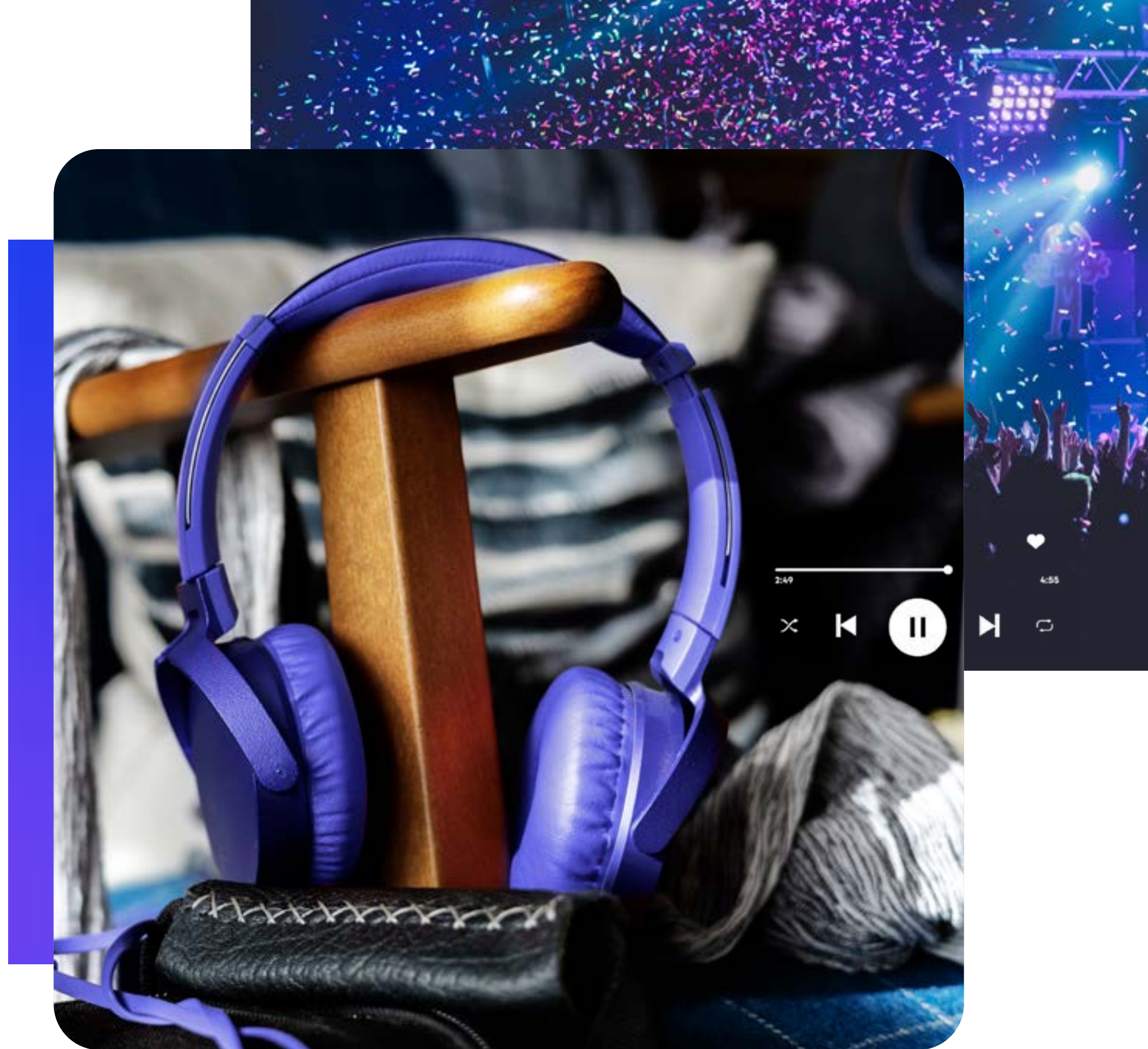
In this way, Spotify functions as a broker between customers and its partners. It established the right to broker through both unique insights and its position as a trusted consumer brand.

These connections can offer proof of concept for vertical growth expansion; for example, Spotify has announced the launch of its own ticketing platform[5], direct to music venues. And they also help position Spotify as a source for all things music, deepening the company's relationship with users and broadening its brand identity.

Exhibit 1

Customers ← Predictive Signals → Broker ← Partnerships → Value Networks

Relevance through insights

Growth through intermediated selling

Opportunities to build profitable value networks are exploding as generative AI changes how companies interact with customers—and the insights they can draw from those interactions. It opens the door to more conversational experiences through business messaging and other ways of uncovering people's broader needs and interests.

For example, a customer might ask a sporting goods company's chatbot which sneakers are best for marathon runners. From that interaction, the company can recommend its own products more effectively. At the same time, it can activate a value network that connects the customer with trusted partners offering marathon registration, training programs, travel packages or specialized gear. In this case, generative AI is fueling both new data opportunities and stronger customer relationships.

These two components—a customer insights advantage and a right to broker—are the keys to driving growth through value networks.

As businesses face broader economic uncertainty and fast-evolving customer demands, value networks offer low-cost avenues for innovation and expansion. They also allow companies to widen their strategic aperture to ensure future relevance.

Achieving a customer insights advantage

To benefit from value networks, companies need to tap into data to understand who their customers are, how they interact with the brand and how they use its products and services. Instead of treating people merely as buyers, they should recognize them as complex individuals who play many roles, each providing new opportunities for value creation. Analytics alone are no longer enough—businesses must also monitor the external forces (including technology, culture, politics and more) that profoundly impact people. This life-centric approach to data capture and analysis is key to developing a customer insights advantage.

Few companies are achieving a true customer insights advantage—but those that are reap the benefits. Our research found those that had a competitive advantage enjoyed a **+4.9-percentage point higher** average earnings before interest and taxes (EBIT) growth rate over a two-year period (Exhibit 2).

A strong digital core is fundamental to developing this advantage—and to all other strategic needs of an enterprise as it transforms itself through Total Enterprise Reinvention. Instead of static, stand-alone parts, companies need to invest in a modern, cloud-based IT foundation that is focused on interoperability and allows access to data at scale. When data is captured across systems and examined through advanced analytics and AI-enabled tools, it helps companies understand customers more holistically. Once they do, they can better deliver the relevant products and services that drive growth. Some 87% of companies reported moderate to transformative value creation from data they generated directly.

Exhibit 2

Average two-year EBIT growth based on customer insights advantage:

Industry-leading advantage   +4.9pp   **21.0%**

No advantage   **16.1%**

Netflix, for example, tied customers' viewing data to content metadata to better predict which shows customers would watch. That knowledge aided bigger investments: By 2021, Netflix had built its own studio business[6], which accounted for over 30% of their original content spend. Similarly, Indonesian telecommunications company Telkomsel used its unique data insights about its local market to create a proprietary customer-engagement platform[7] that helps its B2B clients to personalize their own customer journeys. The new platform will help increase cross-sell and upsell rates, and can be scaled to meet the needs of other industries.

Given the benefits, it is unsurprising that 95% of the companies we surveyed are prioritizing their own predictive analytics for cross-selling and up-selling over the next three years. Companies that don't count customer insights as a competitive advantage may need to learn the lessons of those that do. Through our research, we discovered that these companies:

- **Develop direct data sources from customer behaviors and interactions.** For example, they capture information about customers' product usage and define discrete data points to help predict other relevant interests. Also, they sift through unstructured conversational interaction data with sales and service representatives to identify new sources of prediction.

- **Establish effective data orchestration across departments, channels, geographies and partners.** For example, with de-siloed data fully accessible, they can share customer service insights with product development teams to improve their product-market-fit.

- **Enable a culture of data analytics to manage and serve customer relationships more effectively.** For example, they create a unified foundation of analytics across the organization for better access and insights, and establish incentives for collaborating with data.

Exhibit 3

What companies with a customer insights advantage are doing:

01.
Develop direct data sources from customer behaviors and interactions.

02.
Establish effective data orchestration across departments, channels, geographies and partners.

03.
Enable a culture of data analytics to help manage customer relationships more effectively.
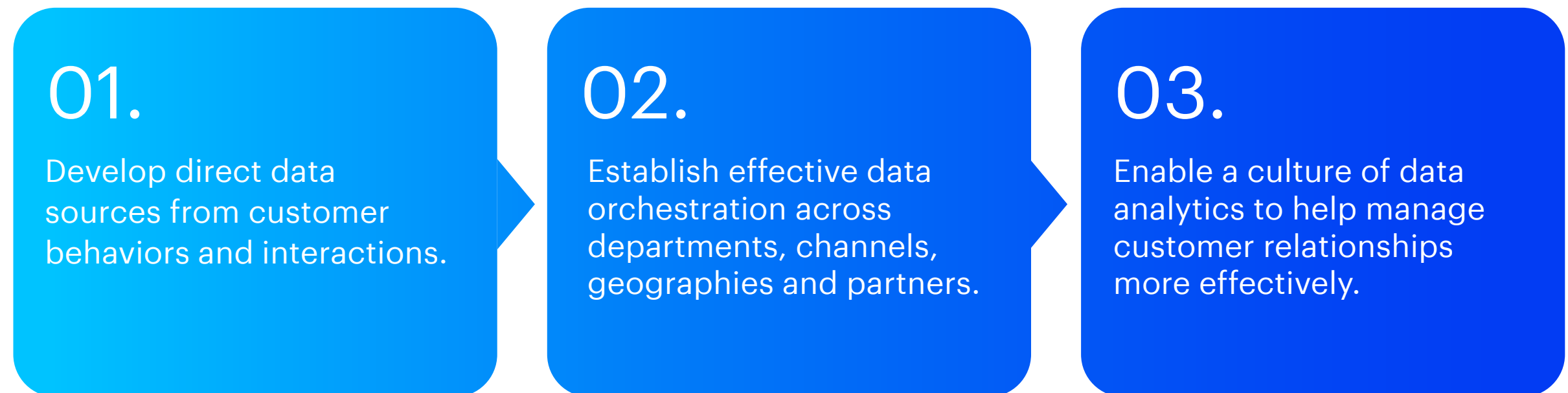
Establishing the right to broker

The second component to driving growth through value networks is **establishing the right to broker**. A company's role as a broker is powerful: it positions the company at the center of a relationship between strategic partners and customers with the promise of delivering value across the network.

The right to broker has two requirements: first, customers must trust the company's ability to recommend relevant products and services; second, the recommendations must be relevant to their needs. Customer trust and relevance can be difficult to maintain: 95% of executives say their customers are changing faster than their business can keep up[7]. When a business has a customer insights advantage to work from, however, new avenues for building trust can emerge.

Expert data collection and analysis are essential for establishing the right to broker, as predictive signals can help identify trapped value within a network. As the data reveals customer desires outside a company's own capabilities, partnerships offer a way to meet them with

minimal cost. These partnerships, however, only work when they deliver products and services that customers trust as much as the original brand. To maintain the right to broker, companies must partner with organizations that share their values and meet their quality standards.

Based on our research, companies with superior partner advantages are more likely to have stronger profitability growth than their competition (Exhibit 4). However, only 1 in 5 companies say they are selling a partner's products and services "very well" using predictive analytics. Selling a partner's products is a major emphasis for companies, with 88% of executives we surveyed identifying it as a priority for the next three years. As a result, business ecosystems may look very different in the future, as companies build value networks that benefit all and serve shifting customer needs. The role of data and predictive analytics is increasing, and companies can capture new avenues of growth more effectively if they establish the right to broker now.

Exhibit 4
Average two-year EBIT growth based on superior partnership advantage:

Industry-leading advantage	+5pp **18.4%**
No advantage	**13.4%**

Building effective value networks

These two components—a customer insights advantage and the strategic partnership advantage of an established right to broker—combine to create **value networks**. Businesses building these networks are dedicated to serving their customers more holistically. They create a foundation of insights and analytics, identify customer needs and continuously evolve their approach to partnership expansion based on fast-changing demands.

Value networks don't just identify what customers want—they also help create an ecosystem that is meaningful and relevant to them. Brokers need partners whose brand values are similar to their own. If a company has a strong point of view around sustainability, for example, it needs to ensure that partners reflect that perspective, too. Working with organizations that do not provide a similar experience or reflect similar priorities may hurt brand reputation and undermine customer trust.

Our research found that companies with an industry-leading competitive advantage in both customer insights and superior partnerships yielded +10.8 percentage point higher profitability growth over a two-year period (Exhibit 5). Additionally, companies adopting next-generation AI and advanced computational methods—while tapping ecosystem partners and networks—are more likely to see financial growth.

Exhibit 5

Average two-year EBIT growth:

Combined industry-leading advantages in customer insights and superior partnerships
+10.8pp **25.2%**

Neither advantage
14.4%
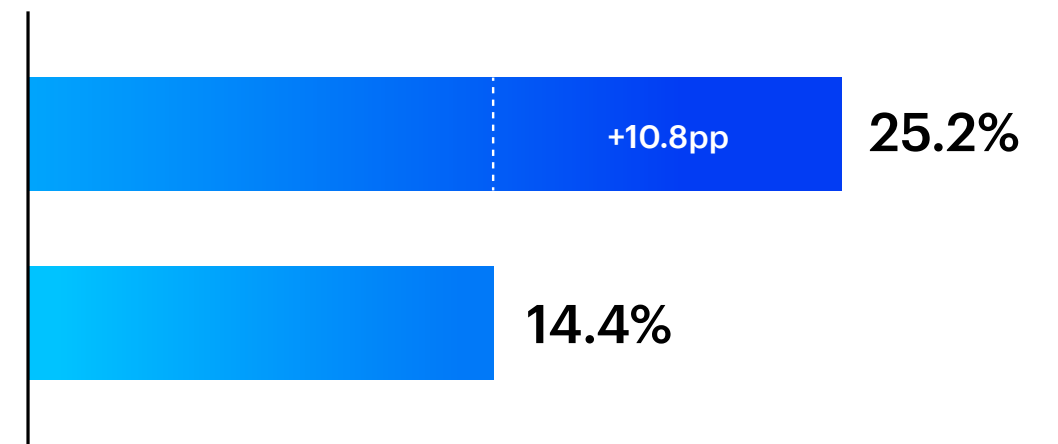
To fully enable value networks, C-suite leaders must take four steps:
see, solve, simplify and scale.

01. See customers and the business in a new light by identifying sources of data that can inform decision-making and serve as a foundation of knowledge

These may include structured behavioral data or unstructured conversational data from across marketing, sales and service functions. Organizations should begin by taking a bird's eye view by mapping out their current content and channel eco-system. This is vital to ensure the company is communicating partner content via the most appropriate channel for the customer and seeing opportunities holistically.

Emerging technologies enable this on a granular level by, for example, identifying and classifying natural language patterns within conversational data. These patterns can be used by companies as a means of uncovering new market opportunities. data. These patterns can be used by companies as a means of uncovering new market opportunities.

02. **Solve** for shifting scenarios by transforming that data into insights and identifying new ways to connect to customers' lives

This is best done by using both technology and human-driven analysis to analyze data and identify opportunities for brokering within a value network. For example, unstructured customer interaction data (such as e-mails, calls or messaging transcripts) can be evaluated by AI applications to determine predictive signals. Those signals can help organizations be more intentional in their communication. Consumers are being inundated with content, so companies must make sure that what they are saying has meaning and relevance—and that the message is coming at the right time, in the right way. Companies pursuing Total Enterprise Reinvention will find that as they strengthen their digital core and break down organizational silos, new data opportunities will emerge.

	From:	To:	Example:
Telco	Delivering home internet	Connecting technology to users' everyday needs	Building and managing the next smart home
Media	Producing content	Inspiring personal expression through content creation	Fostering social influencer networks and offering content creation tools and creative talent guides
Consumer goods	Selling athletic apparel	Enabling a fitness-oriented lifestyle around athletic goals	Partnering with health companies to provide supplements or training programs
Hotel	Providing overnight stays	Offering a complete "home away from home" experience	Helping parents rent gear that eases traveling with kids, or connecting them to childcare
Industrial equipment	Leasing large equipment	Bundling cost-effective building solutions	Enhancing equipment through IoT products and services, or offering localized connections to support supply chain stability

03. Simplify for relevance by fusing data and partnerships into useful value networks

Targeted customer reach offers benefits to all involved. Those benefits are drawn from negotiating business model terms (such as transaction revenue share and impression fees), as well as the potential exchange of data. A warm handover approach can help. This means that in the initial stages of partnership, data and design teams across organizations collaborate to ensure customers will have a smooth and standardized experience.
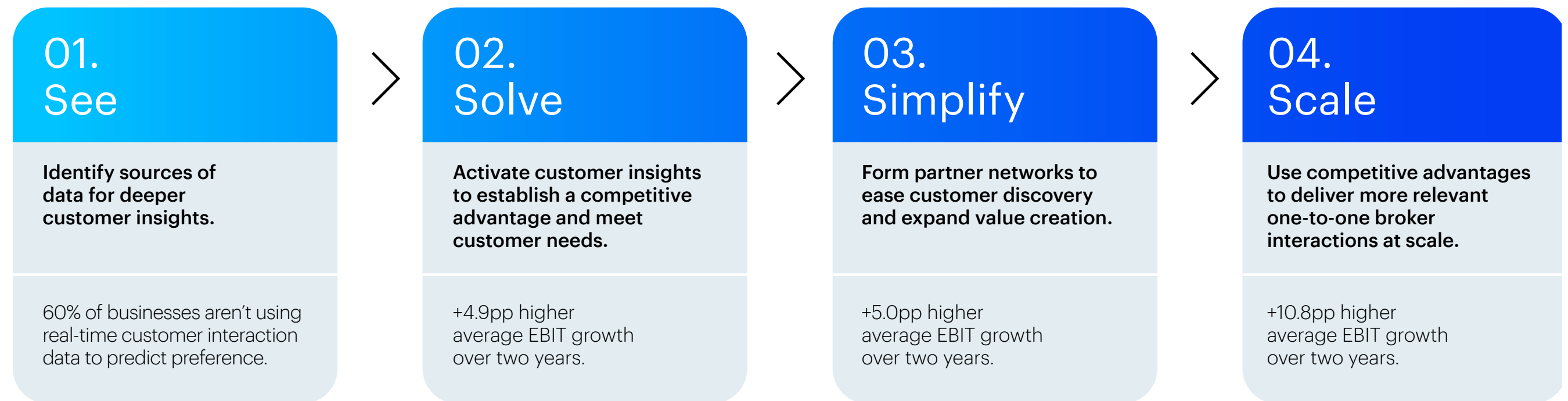
As they move from one partner to another, any duplicative information should be transferred, without the user needing to re-supply it. Brokers are best positioned to direct the quality of the customer experience and transactions across partners, to ensure continuity.

04. Scale for growth by activating cross-selling opportunities

Typically, companies with a higher frequency of customer interactions gain an advantage in brokering. Technology can help: conversational AI interfaces, such as virtual agents or agent-assisted software, can enable cross-sale opportunities by guiding purchasing decisions in response to customer queries and engagement.

The goal should be to maximize cross-sell opportunities through interactions that are as seamless as possible—even across the lines of multiple organizations. Life-centric experiences should be adaptable to customer's changing preferences and flexible across all channels.

Exhibit 6

Maturity model
Steps to building out your life-centric value networks:

01. See	02. Solve	03. Simplify	04. Scale
Identify sources of data for deeper customer insights.	**Activate customer insights to establish a competitive advantage and meet customer needs.**	**Form partner networks to ease customer discovery and expand value creation.**	**Use competitive advantages to deliver more relevant one-to-one broker interactions at scale.**
60% of businesses aren't using real-time customer interaction data to predict preference.	+4.9pp higher average EBIT growth over two years.	+5.0pp higher average EBIT growth over two years.	+10.8pp higher average EBIT growth over two years.

Networked for new opportunities

Consumers' lives are more complex and unpredictable than ever. Generative AI and other new technologies are rapidly altering how companies can interact with and understand them. And relevance is both harder to maintain and increasingly important. Value networks offer a way forward. By using data-driven strategies to build a customer insights advantage and establishing a right to broker through strategic partnerships, businesses can realign with their customers' needs. They can offer new products and services without intense capital investment,

simplifying their path to profitability—and simplifying customers' complex decision-making in the process. Taking this kind of life-centric approach—which sees customers in their full lives and allows businesses to better adapt to them—is part of a continuous, ongoing process of transformation through Total Enterprise Reinvention. Value networks that create cost-friendly growth opportunities help businesses deliver on the promise of customer relevance— and build a path to future growth.

Authors

Dawn Anderson

Senior Managing Director,
Sales and Service Lead,
Accenture Song

in

Grace Hughes

Senior Manager,
Content and Conversation Design Lead,
Accenture Song

in

.

Contributors

Erika Simpson

Managing Director, Sales and Service,
Accenture Song

Dilnisin Bayel

Managing Director, Sales and Service,
Accenture Song

Julio Bezerra

Managing Director, Sales and Service,
Accenture Song

Chris Hergesell

Managing Director, Sales and Service,
Accenture Song

Carlos Horn

Managing Director, Sales and Service,
Accenture Song

Penelope Hampton

Global Marketing Lead, Sales and Service,
Accenture Song

Tamara Wichary

Associate Director,
Marketing and Communication,
Accenture Song

Konstanty Chyb

Research Senior Analyst,
Accenture

Konrad Suchecki

Research Manager,
Accenture

Gabriel Schmittlein

Research Senior Analyst,
Accenture

Linda Ringnalda

Research Associate Manager,
Accenture

James Velasquez

Research Manager,
Accenture

Sotirios Papoutsis

Research Specialist,
Accenture

References

1 Accenture Song, Value Networks executive survey, October 2022, (n=1,700). Unless otherwise noted, all data and analysis come from this source.

2 Accenture, "The human paradox," July 26, 2022, https://www.accenture.com/us-en/insights/song/human-paradox

3 Accenture, "The life centricity playbook," September 22, 2022, https://www.accenture.com/us-en/insights/song/life-centricity-playbook

4 Accenture, "Total Enterprise Reinvention," January 17, 2023, https://www.accenture.com/us-en/insights/consulting/total-enterprise-reinvention

5 Spotify, "Spotify Takes to the Stage: Connecting Artists With Concertgoers," March 8, 2023, https://newsroom.spotify.com/2023-03-08/concerts-tours-new-features-live-events-feed/

6 S&P Global Market Intelligence, "Netflix amortized content spend estimated at $13.6 billion in 2021, "September 23, 2021, https://www.spglobal.com/marketintelligence/en/news-insights/blog/netflix-amortized-content-spend-estimated-at-13-6-billion-in-2021

7 Accenture case study, "Dialing up growth," https://www.accenture.com/id-en/case-studies/communications-media/telkomsel-dialing-up-growth

8 Accenture, "The life centricity playbook," September 22, 2022, https://www.accenture.com/us-en/insights/song/life-centricity-playbook

Accenture

Accenture is a leading global professional services company that helps the world's leading businesses, governments and other organizations build their digital core, optimize their operations, accelerate revenue growth and enhance citizen services—creating tangible value at speed and scale. We are a talent and innovation-led company with 738,000 people serving clients in more than 120 countries. Technology is at the core of change today, and we are one of the world's leaders in helping drive that change, with strong ecosystem relationships. We combine our strength in technology with unmatched industry experience, functional expertise and global delivery capability. We are uniquely able to deliver tangible outcomes because of our broad range of services, solutions and assets across Strategy & Consulting, Technology, Operations, Industry X and Accenture Song. These capabilities, together with our culture of shared success and commitment to creating 360° value, enable us to help our clients succeed and build trusted, lasting relationships. We measure our success by the 360° value we create for our clients, each other, our shareholders, partners and communities.

Visit us at www.accenture.com

Accenture Song

Accenture Song accelerates growth and value for our clients through sustained customer relevance. Our capabilities span ideation to execution: growth, product and experience design; technology and experience platforms; creative, media and marketing strategy; and campaign, commerce transformation, content and channel orchestration. With strong client relationships and deep industry expertise, we help our clients operate at the speed of life through the unlimited potential of imagination, technology, and intelligence.

Visit us at www.accenture.com/song

Accenture Research

Accenture Research creates thought leadership about the most pressing business issues organizations face. Combining innovative research techniques, such as data science led analysis, with a deep understanding of industry and technology, our team of 300 researchers in 20 countries publish hundreds of reports, articles, and points of view every year. Our thought-provoking research developed with world leading organizations helps our clients embrace change, create value, and deliver on the power of technology and human ingenuity.

Visit us at www.accenture.com/research