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# Waste or Win?

The Case for  
Just-in-Time Marketing

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# Waste or Win?

## The Case for Just-in-Time Marketing

CMOs estimate that fewer than **20 percent** of the people they reach are potential customers for the product or service being offered.

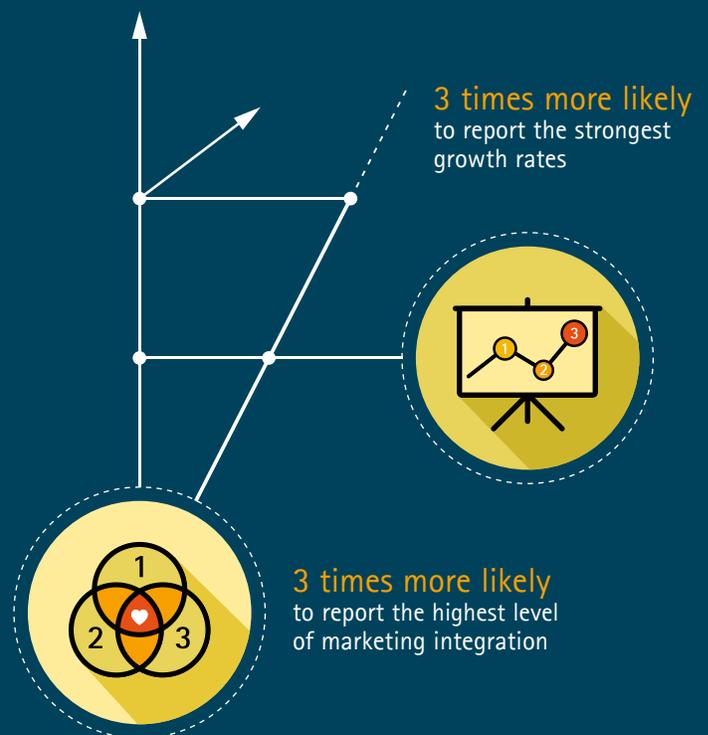
This is according to an Accenture global survey of CMOs across industries. On a cost-per-consumer-reached basis, this represents an estimated hundreds of billions of dollars being misspent annually. The study also reveals that a top tier of marketing organizations is succeeding at reaching relevant customers, controlling excess marketing output and boosting quality. They are enjoying stronger revenue growth as a result.

Most marketers don't think of the marketing organization as a factory. After all, there's no assembly line for creativity. But the operational side of marketing is actually like a factory that produces marketing assets and content instead of widgets. Content that does not grab consumers' attention or misses relevant consumers entirely is essentially excess inventory—waste.

## How can marketing organizations produce quality content that reaches the right customers?

Just-in-Time Marketing brings lean manufacturing practices to the "marketing factory" for flexibility, scalability, responsiveness and quality.<sup>1</sup>

Accenture research shows that companies that excel at Just-in-Time Marketing are three times more likely than peers to report the strongest growth rates over one and three-year periods.<sup>2</sup> To realize these benefits, marketing organizations need a distinctive marketing operating model that has an integrated approach to digital at its core.



# A complex marketing environment

Marketing is much different in the digital era than it was even a few years ago. These differences can fuel waste and inefficiency that marketing organizations cannot sustain, particularly in industries continually disrupted by competitive threats that are blurring traditional boundaries.

Broad awareness campaigns do not drive the sales they once did. Too many times, they target the wrong customers, creating unwelcome marketing messages that can damage brand reputations. These campaigns are often out of sync with the pulse of changing consumer desires. Messages can become irrelevant fast. This happens because products and services rapidly fade into obsolescence as the next big thing captures consumers' attention.

CMOs recognize the impact of this new reality. They report that of all the individuals they reach with their marketing messages, fewer than **18 percent** are actually in the market for the product or service on offer. It's no surprise, then, that less than half of CMOs say that they are "very satisfied" with the value for money they receive from marketing efforts.



# Pressure of getting personal

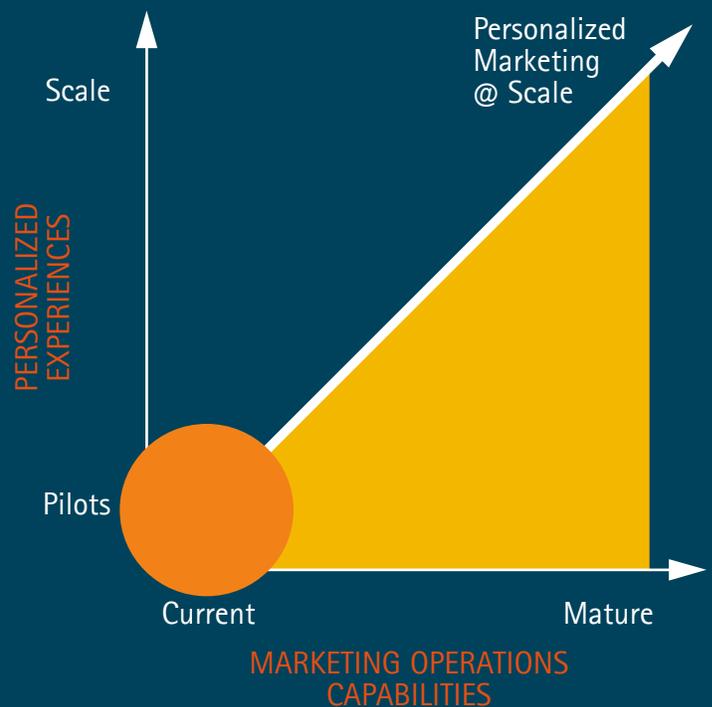
Marketers have recognized that broad awareness and standard messaging have lost their luster, and they are now pivoting to customized journeys and personalized marketing experiences. This shift reflects marketers' acknowledgement that consumers are shaping marketing in ways that they never did before.

Consumers know more about products, services and offers today. They are no longer beholden solely to what marketers choose to communicate to them. They have fingertip access to rich market information from independent sources, initiate and control marketing dialogues, and expect one-size-fits-one attention. These consumer behaviors make personalized marketing non-negotiable.

But as critical as personalized experiences are to win customers, delivering them can mean the potential for waste and inefficiency if not done correctly. For example, getting personalized direct marketing right starts with the right customer data insight, which organizations commonly struggle to collect and analyze. In fact, **35 percent** of retail marketers report that although they have useable data, they do not know how to use it.<sup>3</sup>

Even so, organizations are putting their marketing factories into overdrive to personalize marketing communications to convert more sales. Many attempt to leapfrog the necessary foundation building that is needed to master personalized marketing at scale.

They quickly discover they cannot move beyond piloting concepts to provide personalized experiences at scale without the right operating model and operational capabilities (Figure 1). Without increased operational effectiveness, organizations will be limited to the scale of the personalized marketing experiences they can deliver.



**Figure 1**

Personalized marketing at scale is impossible without optimizing marketing operations

## Double edge of digital

There is no argument that digital has opened up exciting capabilities and channels to build meaningful one-to-one personalized connections with customers. However, more opportunities create more decisions and more chances to make missteps that create waste. For example, some marketing organizations are wasting billions marketing to Internet bots posing as real consumers. One study puts the 2014 loss figure at **\$11.6 billion**.<sup>4</sup>

Digital can be a liability for marketers too when it comes to how they integrate it into the marketing organization. As digital marketing came of age, it often evolved as an isolated specialty area. Talent, tools and work streams are separated between the new digital activities and the traditional marketing activities. These divisions remain in many organizations, creating redundancy, additional costs and quality lapses that add up to waste.

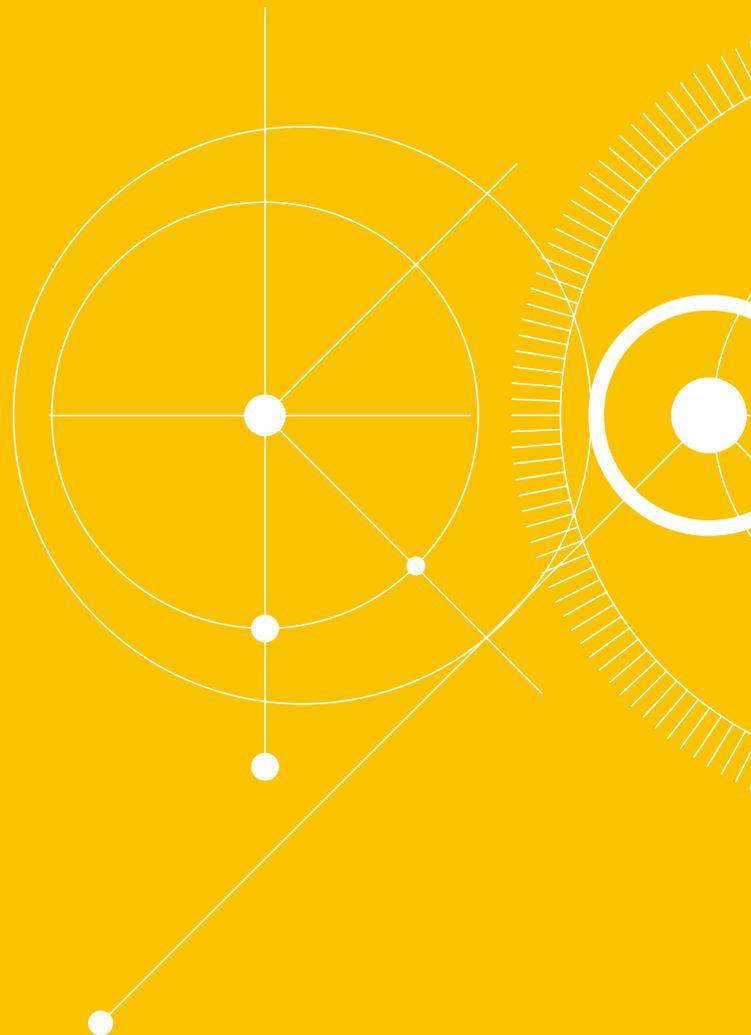
Just-in-Time Marketers are not inherently more digital and by and large do not invest more in it. However, our research indicates that they are **three times more likely** than other companies to remove silos and report the highest levels of integration among their digital and traditional marketing efforts and talent.<sup>5</sup>

### The marketing factory on overload

Not long ago, effective email marketing involved creating an email, testing it and sending it. Not anymore.

Marketers segment customers based on geography, demographics, purchase history and other characteristics culled from internal and third-party data sources. They develop multiple versions of the email for distinct customer profiles, sometimes in multiple languages. They customize email versions by device for viewing across multiple platforms, such as laptops, tablets and smartphones. They tailor landing pages for these customer segments and device types.

This cascade of marketing assets wreaks havoc on content production and the marketing operations organization. The marketing factory that had an inventory of 100 SKUs five years ago has one million today—and counting.



# Time for something different

Just-in-Time Marketing can help marketers tackle waste, drive personalized marketing at scale and enable operational effectiveness that helps keep the focus only on the marketing initiatives that can convert to sales. In effect, Just-in-Time Marketers are boosting the quality of their output. And it is no surprise that they report significantly stronger growth than their peers do as a result.

It is a practice rooted in lean manufacturing approaches that reduce unnecessary inventory by producing only what customers want, when they want it, always to precise specifications and superior quality. Think of Just-in-Time Marketing as an outside-in approach that is obsessed with customer needs, market drivers, continuous improvement and early course corrections.

Just-in-Time Marketers are operationalizing a marketing paradigm that shakes the foundation of marketing operations as we know it.

While few companies are truly Just-in-Time Marketers today, Accenture research identifies a top tier that lead their peers in customer knowledge, channel capability and messaging agility—three capabilities that define Just-in-Time Marketing. Based on our experience working with clients, companies who lead their peers in these capabilities are also likely to exhibit the following qualities:

## Performance satisfaction

57 percent of Just-in-Time Marketers (versus 36 percent of their peers) are very satisfied with their ability to insert the right message at the right time across 10 (five traditional and five digital) marketing tactics.

## Continuous improvement

They are dedicated to driving out the inefficiencies from their marketing approaches.

## Future focus

They are confident that they can improve the efficiency and effectiveness of future marketing efforts.



# Leading by example

So what does Just-in-Time Marketing look like? These companies are realizing exciting results with Just-in-Time practices:

## Doing more with less

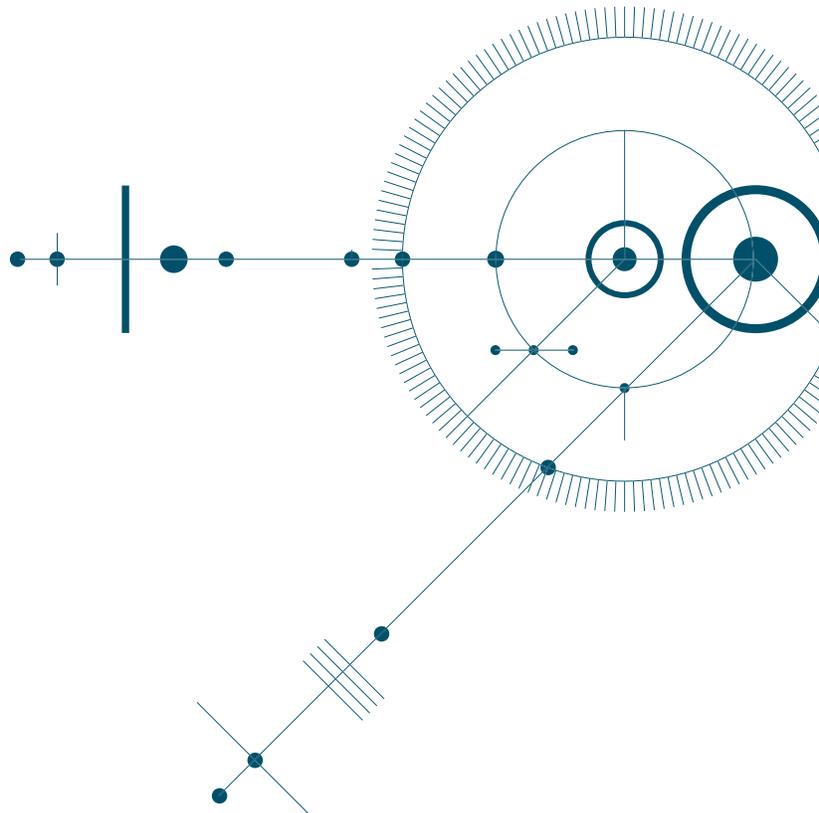
The marketing department of a large communications company knew that it had to become more nimble and less dependent on traditional channels to attract price-sensitive, digital-savvy customers in a hyper-competitive market. Marketers wanted to execute in a faster, industrialized and decentralized way to reach the right customers—all while cutting costs. By transforming the marketing operating model, the marketing organization evolved from a product-centered to a consumer-centered one. The organization saw savings of over **20 percent** in operational expenditures, decreased time to market for campaigns, improved resource use, and enhanced integration of digital and traditional marketing teams.

## Building new capacity and scale

The digital marketing team of a leading biotechnology company knew that their existing marketing operating model was not fully aligned with the dynamic pharmaceutical environment. Patients have become more active in their healthcare decisions, and physicians expect on-demand medical education. The goal was to transform the marketing model so that the organization could be more patient-centric and function as an integrated, omnichannel organization that scaled capacity as new drugs came to market. The company continues to execute against a marketing operations roadmap and is putting technology in place to enable a centralized view of digital campaign activity across all brands.

## Putting customers first

A financial player recognized that it had to expand from mass marketing direct mail campaigns into other marketing mediums. It was time to move into the digital age. The company initially thought a new technology system could support the change, but soon realized that success also meant looking at the bigger picture to define a new operating model. The company created a streamlined, centralized marketing organization that leveraged economies of scale and targeted customers more effectively with personalized offers to reduce consumer annoyance and waste.



# Transforming marketing operations

Accenture believes that operating model changes are essential to enable Just-in-Time Marketing capabilities. There are three things that marketing organizations can start focusing on today across marketing operations to lay a foundation for change.

## 1. Transform the operating model

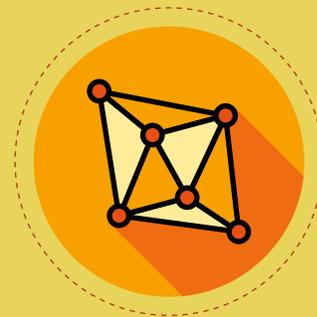
The right operating model enables the marketing strategy to execute the right way. To support Just-in-Time Marketing capabilities, organizations need a digital-powered operating model that positions them to delight customers and re-orient the business.

The ability to better plan, execute and optimize is at the heart of the operating model for Just-in-Time capabilities. The model must be operationally industrialized, as well as support test—learn—optimize approaches that ensure marketing initiatives are highly responsive to data insights related to changing customer demands and market trends. To enable this approach, organizations can make changes across these four areas:<sup>6</sup>

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### Processes and capabilities

Most marketing organizations have evolved into their current operating model with little attention paid to the design and effectiveness of current processes. However, without a standardized and industrialized set of marketing execution processes most organizations can expect slower cycle times, higher labor costs and increased costs of quality.



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### Technology and data management

Capabilities provided by marketing resource management software improve data integration and extraction, workflow management, marketing spend management and visibility into the operational metrics and performance of the marketing organization.



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## Organizational design and talent management

Alignment of organizational roles and responsibilities is essential for Just-in-Time Marketing to reduce duplicative work efforts, capture economies of scale and use leading practices across local, regional and global marketing activities.



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## Sponsorship and governance

Executive sponsorship and an empowered governance structure will provide the necessary stewardship and decision-making capabilities to achieve continued operating model optimization, legal and regulatory requirement compliance and guide future technology investment decisions.



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## 2. Support continuous planning

Supporting Just-in Time Marketing capabilities also requires continuous planning with both media mix optimization and digital attribution on a regular basis. Measurement frameworks must be aligned so that budgeting decisions are consistent across channels for the varying marketing planning cycles. This enables organizations to determine where and when to spend marketing investments across which assets—from television, radio and direct mail to web, mobile and social. A constant and regularly updated view of the future helps marketers develop necessary assets smartly and within required timeframes.

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## 3. Measure results, and measure again

To stay on top of waste and inefficiency, leading marketing organizations take a full view of their performance, assessing the value of campaigns and tracking benefits over time. They establish key metrics to benchmark and then focus on identifying and making necessary improvements. They monitor specific and quantifiable metrics for every asset and campaign such as speed to market, cost of quality, number of handoffs, number of FTEs and number of hours worked.



# No time to waste

Companies around the world spent **\$600 billion** on advertising in 2015.<sup>7</sup> All of them have a choice to make for the future.

They can risk their investment or they can reinvent marketing efficiency and effectiveness with Just-in-Time Marketing practices and unlock new value. This is about developing and communicating only what's needed, when and to whom while keeping up with consumer expectations for personalized experiences.

In an environment where consumers are savvy, competitors are hungry and every marketing dollar counts, the choice to retool the marketing factory is clear. And the possibilities to change the way that marketing works are exciting.

## References

<sup>1</sup> Joshua Bellin and Paul F. Nunes, "Lean, Targeted, Digital: How to Gear Up for Just-in-Time Marketing," 2015 <https://www.accenture.com/us-en/insight-outlook-gear-up-just-in-time-marketing.aspx>

<sup>2</sup> Accenture Institute for High Performance, "Building the Just-in-Time Marketing Organization," 2016 [www.accenture.com/justintimemarketing](http://www.accenture.com/justintimemarketing)

<sup>3</sup> FitforCommerce, "Let's Get Personal! Omnichannel Personalization in a Hyper-Connected World," February 2015 Retrieved on January 22, 2016 at <http://www.fitforcommerce.com/items/annual-report-personalization>

<sup>4</sup> Joshua Bellin and Paul F. Nunes, "Lean, Targeted, Digital: How to Gear Up for Just-in-Time Marketing," 2015 <https://www.accenture.com/us-en/insight-outlook-gear-up-just-in-time-marketing.aspx>

<sup>5</sup> Accenture Institute for High Performance, "Building the Just-in-Time Marketing Organization," 2016 [www.accenture.com/justintimemarketing](http://www.accenture.com/justintimemarketing)

<sup>6</sup> Accenture, "Marketing Operations: Personalization in Sight," 2014 <https://www.accenture.com/us-en/insight-marketing-operations-personalization-sight-operational-effectiveness.aspx>

<sup>7</sup> Accenture Institute for High Performance, "Building the Just-in-Time Marketing Organization," 2016 [www.accenture.com/justintimemarketing](http://www.accenture.com/justintimemarketing)

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## Learn more

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