Marketers have changed the way they engage consumers, but have their changes taken them all the way back to the “factory floor” where marketing is produced? It’s time to produce marketing “Just-in-Time.”
Overview

Marketing has changed dramatically in recent years because of new consumer behaviors, technologies and competitive pressures. Today, the emphasis is on building and nurturing personalized relationships to increase engagement and loyalty. The ongoing issue for companies, however, is that most marketing departments are still planning and executing in a factory model that tends to overproduce marketing that underperforms.

Accenture research has uncovered a select group of just-in-time (JIT) marketing masters who are more adept than their peers at reaching a greater share of in-market customers with the right message at the right time. Thanks to this, they are able to be more effective and efficient with their marketing spend—with positive financial results. These companies are not inherently more digital, and are not necessarily spending more on analytics. Rather, they are integrating digital and analytics capabilities into their operations in a more forward-looking way.

The problem of marketing waste

Modern marketing has been through many stages in its history, and each stage has improved the connection with the consumer. Today, marketers are using personalization and granular targeting in an attempt to create strong and engaging relationships with customers to build loyalty (See sidebar, “Eras of Marketing Thought”). This evolution has required, at each stage, a new set of consumer, technology and competitive dynamics.

Although companies’ strategic intent has evolved, their approach to the creation of marketing has not necessarily kept pace. In fact, exclusive Accenture research finds deep dissatisfaction among CMOs with current approaches. Fewer than half of the 500+ CMOs surveyed (41 percent) are “very satisfied” with the value-for-money of their mix of marketing tactics. (For more on the survey methodology, see “About the research”). When surveyed about marketing channels—five traditional and five digital—CMOs reported that only 18 percent of the individuals that marketers reach are the right customers for the product or service on offer. Extrapolating from estimates of global advertising spend, this amounts to hundreds of billions of dollars being misspent each year.

Eras of marketing thought

Marketing has evolved significantly—from a focus on products and sales to relationships. Today we are entering the just-in-time era, where marketers have the opportunity to reach a greater share of in-market customers with the right message at the right time.

<table>
<thead>
<tr>
<th>Era</th>
<th>Role of Marketing</th>
<th>Required capabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production Era (1860-1920s)</td>
<td>To sell created products to consumers at scale. Hard selling is necessary, backed by advertising.</td>
<td>No notable capabilities. Market research; create relevant advertising, convincingly sell products.</td>
</tr>
<tr>
<td>Sales Era (1920-1950s)</td>
<td>To research and understand consumers to better tailor marketing messages and products to their needs and desires.</td>
<td>In-depth customer research; create products based on those insights, and engage through various marketing tactics.</td>
</tr>
<tr>
<td>Marketing Era (1950-1990s)</td>
<td>To build bilateral relationships with customers to increase their loyalty via input into products and business direction.</td>
<td>Building customer relationships and loyalty, create or co-create customer-centric products, engage through a variety of tactics.</td>
</tr>
<tr>
<td>Relationship Era (1990-2010s)</td>
<td>To be present at the time of need and latent desire at the right time with the right message or offer to convert a sale.</td>
<td>Reaching the right customer through real-time customer knowledge, deep channel expertise, and messaging agility.</td>
</tr>
</tbody>
</table>
The new approach of just-in-time marketing

Today, marketers can learn from tested manufacturing practices and take a new JIT marketing approach—producing only the marketing that’s required, at the time that it’s needed, with the right message or offer that will convert a sale. JIT marketing is about producing smartly and more nimbly. Operating in a just-in-time way means creating marketing in response to signals of direct demand, empowering people closer to the “action” with decisions, and embedding new demand-sensing capabilities into marketing processes.

To understand JIT marketing, think just-in-time manufacturing and “Kanban”—an inventory control system to maintain levels of production based on actual market demand instead of factory capacity. Rather than beginning with the premise that a certain quota should be produced, the idea is to produce only when demand comes online. To do this, manufacturers had to put a variety of elements in place, and also re-tool their supply chain and factory floors, to be able to sense demand and react in a timely way before losing the sale.

A similar approach is being employed by JIT marketers. These companies have been able to dramatically reduce their marketing inventory (meaning, wasted effort and spending). They are thus more nimble than their competitors, able to change their marketing approach quickly and to react in a more targeted way. Many are even moving away from the prolonged, mass market, long-term planning approach used historically. Instead, they are employing a hybrid strategy that mixes long-term objectives with a short-term JIT focus. That gives them the opportunity to focus on their individual customers and immediate demand.

The JIT marketers are also better at understanding how consumers’ preferences are constantly changing, which channels they prefer at which time, and how best to engage them on those channels. JIT marketing is in part about effective “listening,” often through social media and digital analytics, so companies get closer to their customers and then deploy JIT principles to capture the immediate demand.

There are still big things to be noticed using big data sets, but now marketers must attend to the small things as well, using local information to make a local decision. In effect, JIT marketing returns marketers to the era of the small shopkeepers who could notice trends and respond with different products or different placement of products and merchandise by always observing how people walked the aisles in their shops.
Just-in-time marketing masters

Among the companies we surveyed, a select group of masters can be seen who are leveraging a just-in-time approach to marketing. Scoring highest on JIT capabilities set them apart in our study. The masters excel across three dimensions:

Customer knowledge:
They have the consumer data needed to plan and execute effective marketing strategies.

Channel capability:
They have a nimble, multi-channel marketing infrastructure to optimally communicate and execute value propositions.

Real-time marketing flexibility:
Their marketing mix tailors value propositions at the right price, the right time and through the right channels.

These companies are present at the time of need and latent desire with a message or offer to convert a sale. They are reaching customers through real-time customer knowledge, deep channel expertise and messaging agility. They are able to achieve better financial results and outcomes. They are more likely to describe themselves as companies that:

• Make minimizing inefficiencies in marketing one of their highest priorities.
• Are very satisfied with their ability to target in-market customers.
• Are very satisfied with their ability to insert the appropriate message at the right time across a range of marketing tactics.
• Have more confidence in their ability to improve their efficiency and effectiveness in the future.
Impacts and implications of just-in-time marketing

Just-in-time marketing has numerous implications across multiple dimensions of an enterprise:

Planning
Many if not most CMOs spend months on long-range marketing plans. Today, that is no longer a differentiating approach; marketing planning cycles have to change. CMOs and their teams need to be more comfortable with uncertainty, and marketing plans need to be much more fluid and responsive.

Global consumer products company P&G, for example, is now taking what it calls a “sense and respond” approach. According to “Inbound Logistics” magazine, P&G’s business has traditionally been driven by internally generated sales forecasts. Today, the company is moving toward becoming a consumer-driven supply network. P&G “is trying to sense and respond to consumer demand, and collaborate with its supply base to ensure that product is always in stock at the retail level. P&G, in effect, is trying to line up real-time supply with real-time demand.”¹

Operating models
JIT marketing masters leverage distinctive operating models to enable more nimble marketing capabilities. These companies are neither inherently more digital than peers, nor do they necessarily invest more in digital or analytics capabilities. What they do differently, however, is integrate digital capabilities more firmly into their marketing operating models.

Analytics efforts for JIT marketing organizations are not solely focused on complicated models and large data sets. In parallel, JIT marketers deploy an analytics capability to deliver data that is more surgical—for example, around the attraction of a particular offer. They take a more nimble, compartmentalized analytics approach about a point in time—what offer is most likely to motivate a purchase based on signals and data at a particular moment.

Consider how a leading car rental company implemented an analytics platform that enables the entire front office to significantly reduce marketing wastage and improve accuracy in its targeting. The system continually analyzes the habits and preferences of repeat customers and suggests offers to front-line employees that are not just profitable for the company, but are also highly likely to be taken advantage of by individual customers.

Organization
Organisational, JIT marketing requires the integration of digital and traditional channels and tools within the marketing organization. Those who are listening to social media channels, for example, should be in close proximity to decision makers, if they are not actually the same people. Insights from customer service and customer care also need to be better integrated with the marketing organization because these are effective listening channels.

Should a company create a center of excellence (COE) for its social media and related JIT marketing functions? This can work for some companies, although the center needs to be a lean one. The danger in some cases is that the COE can become too isolated from the business. One global fast-moving consumer goods company, for example, handles social media in a different way. The firm uses job sharing to staff its social media center. This way, different parts of the business are aware of each other and speak more frequently. The company even requires employees to keep a portion of their current responsibilities. In that way, the insights get put into action as they occur by the people doing the work.

Platforms
JIT marketers also need new tools and platforms so they can be nimble and reactive without being too reactive. Nielsen has developed real-time ad measurement methods that only ask a handful of questions but can return results in days after the ads run rather than months. In this way, companies can make changes while still in flight. And many of the advanced experience platforms have been built with varying journey management and triggers that can change messaging and content on the fly.

Information technology
Our survey results suggest that rigidity of IT platforms may limit development of JIT marketing capabilities, and that achieving IT independence is a characteristic of the JIT masters. JIT marketers are five times more likely to have “complete” independence when making technology investment decisions. Technologies like SaaS and open source programming can provide the opportunity to create solutions that are relatively easy to stand up and operate. These allow for execution of compartmentalized efforts that can be up and running in months and then adjusted based on what is learned.
Becoming a just-in-time marketer

What can a traditional marketing organization do to transform itself into a just-in-time master? Here are a few recommendations.

Hone operations
Sharpen operations and train people to execute quickly; to react smarter and more nimbly; to glean insights and turn them around in days or weeks, not months. Like the shopkeeper of the past, learn to hone and trust your judgment. This is what marketing today is about. In many cases, it can be important to spend less time studying the problem and more time executing, refining, and then adjusting and improving over time. Put talent and decisions closer to the front line, then aggregate the insights and act on them.

Become an effective “listener”
Traditionally, marketers have received feedback through elongated studies—brand tracking studies performed each quarter. Now, marketers need to listen through social media for cues to take immediate action. Organizations need to become more comfortable making use of unstructured data such as social media and making decisions based on a combination of insights and instincts.

Leverage extended teams and As-a-Service providers to gain maturity faster
Companies can more quickly gain maturity in JIT marketing by leveraging experienced marketing services providers. Embedded in these providers’ solutions are capabilities such as digital, customer and marketing analytics; managing outbound communications to customers and prospects across digital channels; and monitoring of social channels. Financial services provider UBS, for example, has social media monitoring managed by Accenture. Through this service, UBS gets multi-country social media insights analyzed and reported on a daily basis. This service has given UBS the capability to monitor and respond in near real time to online activity that could affect its brand and reputation.²

Put added attention on individual reactions and leading indicators
Traditional strategy has provided insights at the broad segment level and shared data in aggregated insights. However, innovation and better performance may come from leading indicators or the “tip of the spear.” JIT marketing can provide a way to solve for more individual and specific situations. A JIT approach can give marketers insight into the consumers who could be predictors of what the norm will be in the future.

Conclusion:
Making smart investments
JIT marketing masters are differentiated from their peers not only by the investments they have made in the recent past, but the investments they plan to make in the coming years. JIT masters are more likely than other survey respondents to have invested over the past three years in improving or expanding their IT infrastructure; improving or expanding their digital channels; and acquiring or training specialized talent.

Moreover, JIT marketers are doubling down on their priorities over the next three years—more likely than their peers to improve or expand their IT infrastructure; acquire or train specialized talent; improve or expand customer research and segmentation; and improve or optimize messaging and content to drive pull.

In an era when only 18 percent of the potential customers that CMOs reach are actually in-market, marketing organizations need to try something else. JIT marketing masters are investing in the capabilities, models and technologies that can transform their operations and give them an edge in the marketplace.
References


About Accenture

Accenture is a leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations. Combining unmatched experience and specialized skills across more than 40 industries and all business functions—underpinned by the world’s largest delivery network—Accenture works at the intersection of business and technology to help clients improve their performance and create sustainable value for their stakeholders. With approximately 373,000 people serving clients in more than 120 countries, Accenture drives innovation to improve the way the world works and lives. Visit us at www.accenture.com.

Authors

Mark Hosbein
Managing Director
Accenture Operations
Mark.hosbein@accenture.com

Joshua Bellin
Research fellow
Accenture Institute for High Performance
joshua.b.bellin@accenture.com