

Accenture **Interactive**

Part of Accenture Digital

Orchestrate, Organize, and Operationalize

Delivering on the Promise
of Personalization @ Scale



High performance. Delivered.

Strategy | Consulting | **Digital** | Technology | Operations

Orchestrate, Organize, and Operationalize: Delivering on the Promise of Personalization @ Scale

Thanks to the digitization of everything, we now have the most hyper-reactive markets in history. However, innovation at this speed comes with an unintended consequence – a never-ending glut of options. We've moved from walking among 100,000 products in a 50,000 square foot store to having access to more than 10 million products on a 4-inch screen. This is making it increasingly difficult for consumers to make sense of all their choices in an impersonal digital world.

One of the more startling revelations of recent years is that people are more likely to make poor decisions, be less satisfied, and switch off entirely when confronted with the burden of increased choice. According to a recent Accenture Interactive study, nearly 40% of consumers have left a business's website and made a purchase on another site or in store because they were overwhelmed by too many options when trying to make a decision.¹ In addition, almost half of all customers have never purchased a product or service online that was featured as a personal recommendation for them.

Alternatively, opportunities exist when the right level of choice is offered. Just consider Amazon, which attributes 35% of its product sales to its personalized product recommendations.² Therefore, the ability to curate marketing and experiences unique to each individual is becoming table stakes for organizations in the digital age.

We know that customers are generally comfortable (70%) with collecting personal data as long as the business is transparent on how they use it. This improves to 75% if customers have control on how and when it is used.³ But while personalizing marketing and experiences across a wide array of customers is a top priority for most senior marketing and digital executives, their goal and approach may need to be

updated. Before tackling the challenges of personalization, one must step back and understand its ultimate goal. Personalization is no longer limited to cross-selling or up-selling. Nor is it about having the right product at the right place at the right time. The goal of personalization is to use data to make it easier for customers to find and consume what they want, how and when they want it.

As companies attempt to scale up their personalization efforts across all interactions, they are running into some significant challenges. Simplifying the topic in a thoughtful and thorough way helps to gain clarity on what may be required to move from selective personalization efforts to achieving personalization at scale.



Nearly 40%

of consumers have left a website because they were overwhelmed by too many options



Case Study

Consumer Goods: Comprehensive plan drives enterprise transformation

A leading North American consumer products company embarked on an enterprise wide transformation to deliver personalized experiences seamlessly across properties, communications and partners. To do so, it needed to develop a robust operating model that ensured the brands maintained strategic and creative freedom to deliver engaging experiences and communicate in a way that differentiates them. The company also wanted to decouple and centralize operational capabilities to improve consistency, quality and speed to market while driving out costs and complexity.

The company worked with Accenture Interactive and leveraged their proprietary customer, business and platform frameworks to develop its comprehensive plan for enterprise transformation around personalization. The plan encompassed market assessments by brand, development of the customer journeys, future state operating model design, the conceptual application architecture and conceptual data flows, and customer data models. With these elements in place the company was able to build a three-year roadmap and detailed cost analysis from which it could execute the transformation and stay on course toward its personalization goals.



Case Study

Hospitality: Meliá Hotels International Increase Sales with a New Digital Transformation Strategy

Accenture Interactive collaborated with Meliá Hotels International, the largest hotel company in Spain and one of the largest in Europe, to implement a new digital transformation strategy, which helped increase direct sales by 27 percent, achieve more than 336M Euros in 2015 in direct sales revenue, and add more than one million registrations to its re-launched Meliá Rewards program.

Their strategy has set customer personalization as a top priority for all digital sales channels and touches every stage of a customer's experience – from booking to staying with the hotel group and beyond. In addition, customer data is now analyzed and used to target new and existing customers. The re-launch of the Meliá Rewards program has even increased member participation, which now accounts for 80 percent of total direct sales.

To address the future digital requirements of the hospitality industry, Meliá Hotels International and Accenture have teamed to develop a new digital marketing strategy that Accenture Interactive will support. It consists of digital content production, marketing campaign management services and advanced customer analytics.⁴

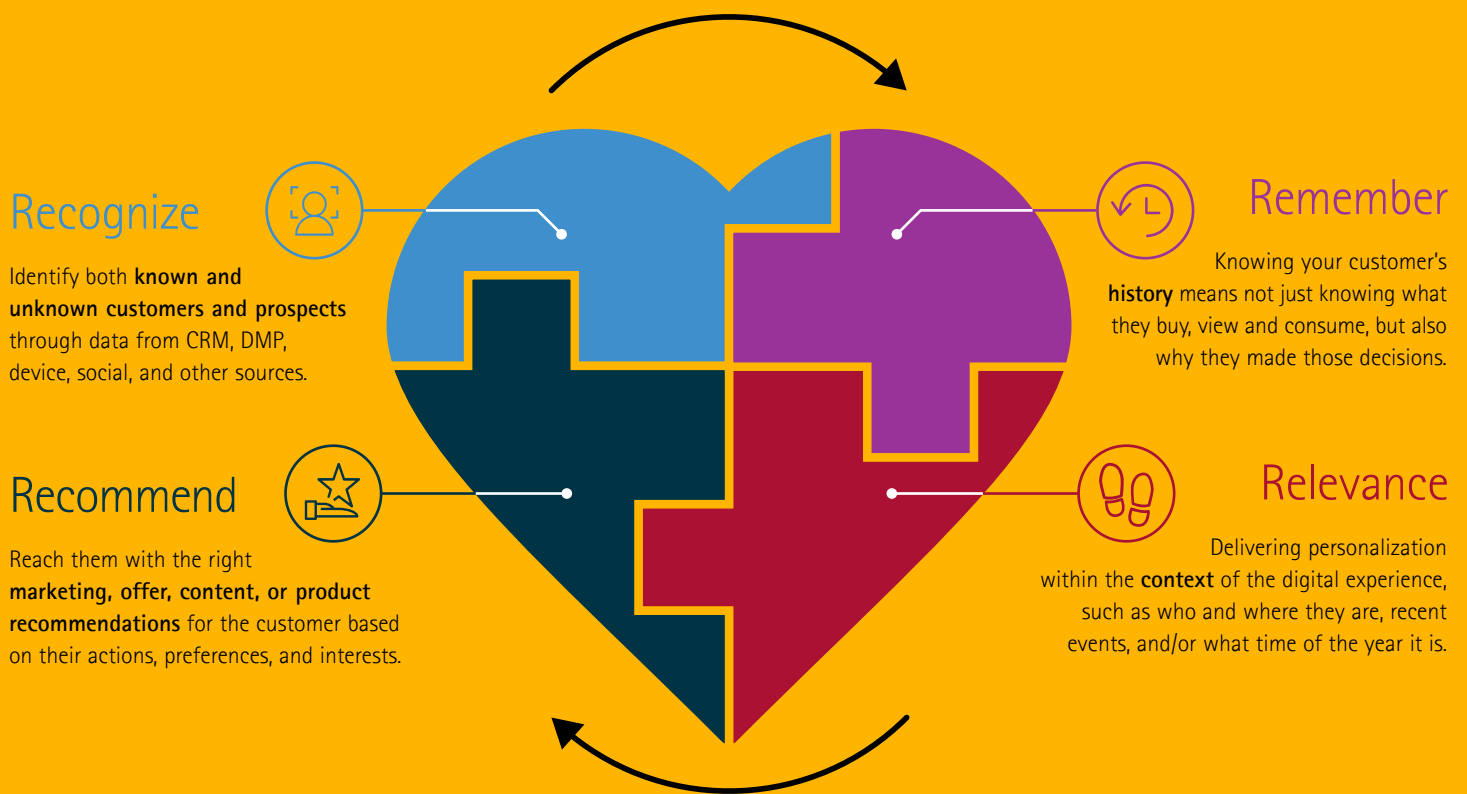


Simplifying a Complex Topic: The 4Rs of Personalization

Personalization is the act of dynamically curating experiences to each individual and context in a seamless manner across channels. This includes all interaction, such as marketing, shopping, and services experiences. Although concise, the definition itself doesn't help tackle this broad and critical topic. This is why Accenture developed the 4Rs of Personalization (see Figure 1).

Figure 1

Accenture 4R Personalization Framework



The 4R framework provides a construct for considering what is required to replicate the best offline personalized experience in a digital environment. Similar to the way one would expect to be treated by their favorite business (i.e. dry cleaner, restaurant, or sales associate), online customers expect you to know them better than they know themselves.

According to our Accenture Interactive study⁵:

More than half of consumers

are more likely to shop at a retailer in store or online that **recognizes** them by name.

56%

Two-thirds of consumers

are more likely to shop at a retailer in store or online that **remembers** their previous purchases.

65%

Approximately 3 in 5

are more likely to make a purchase in store or online when a retailer **recommends** options for them based on their past purchases or preferences.

58%

Two-thirds of consumers

are more likely to make a purchase in store or online from a retailer that sends them **relevant** and personalized promotions.

65%

The framework also provides a construct to understand the technologies and capabilities needed to enable personalization. For example, a Data Management Platform (DMP) provides an opportunity to recognize your offline customer when they are online, even when they don't sign in, so that the experience can be curated based on their full relationship with the brand. To remember that same customer's preferences requires more than simply recording what they bought or viewed. Real preferences come from understanding "why" they made those choices. Does the customer prefer hypo-allergenic products, lavender scents, rooms with a king-sized bed, bundled orders, or generic options to branded products? New capabilities like

the Accenture Customer Genome Platform provide the possibility to create living profiles of unique customer preferences, and explore those using advanced analytics, such as artificial intelligence. This deep and evolving understanding of preferences is needed to generate relevant recommendations and offers for campaigns and shopping experiences, which are then enabled through a combination of technologies, such as recommendation engines, rules engines, and experience optimization tools.

As companies consider the capabilities and technologies they need to achieve personalization at scale, confirming the company can recognize, remember, recommend and be relevant is an important step toward success.



Personalized Marketing and Experiences: Closing the CMO–CIO Divide

The 4Rs provide guidance whether applying personalization to marketing campaigns or sales and services experiences (see Figure 2). For marketing, this involves using data to tailor and target campaigns with the intent to improve the marketing effectiveness of demand generation activities, such as search engine marketing, digital advertising, and email marketing.

It's imperative that personalization also continues throughout the demand process, providing customers with consistent, relevant, and optimized messaging and offers when they respond to campaigns, including the use of landing page optimization.

For sales and service experiences, customers expect that companies will use their data to make the experiences engaging and easy to use, such as the use of advanced analytics for personalized recommendations

and onsite search. This becomes even more critical as digital increases the burden of choice on customers, growing the need for personalization techniques requiring artificial intelligence and the Customer Genome to help customers make better, more confident and satisfied decisions.

Historically personalized marketing and experiences were often managed separately as the budgets and teams generally resided separately primarily in the CMO or CIO organizations respectively. However, with

a common goal of developing seamless experiences that are both consistent and relevant (a top priority of both CMOs and CIOs) we are seeing a growing collaboration between the two⁶. As this collaboration continues to mature we expect to see CMOs and CIOs partner more frequently on enterprise-wide transformations that are driven by personalization. Accenture is already seeing several major transformations that have started out with this full view in mind, which looks to be a rapidly growing trend.

Figure 2

The Two Sides of Personalization





Case Study

Telco: Personalized marketing makes big impact

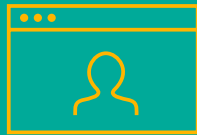
A large telecom company was not generating enough conversions in its marketing efforts to meet its quarterly goals. Even as it increased its marketing budget, conversions lacked and cost efficiencies were not being realized. To address this issue, the company embarked on an effort to refine and personalize the one-size-fits-all customer experience it was delivering.

With Accenture Interactive's help, the company implemented proprietary search and landing page technology to scale campaigns and create highly targeted user experiences. The team identified and mapped more than 500 user intents and aligned these user intents to advertising copy and landing page variations to create a seamless experience across channels.

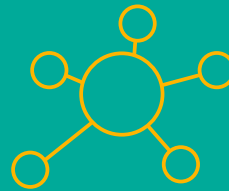
The impact was significant. Qualified leads during the six-month pilot period increased by 285%, the lead qualification rate increased 464% and order volume increased 169%. With such dramatic results the pilot program was quickly rolled out nationally.



Large telecom company



Proprietary search and landing page technology



500 user intents mapped



Qualified leads increased by 285%



A top priority of both CMOs and CIOs is improving the links between IT and marketing, sales and channel groups.



Advancing to Personalization @ Scale

Most companies have made some progress in their personalization journey, and efforts are accelerating across all industries. In fact, in recent Accenture research, 81% of organizations said providing a personalized customer experience was among their top three priorities.⁷

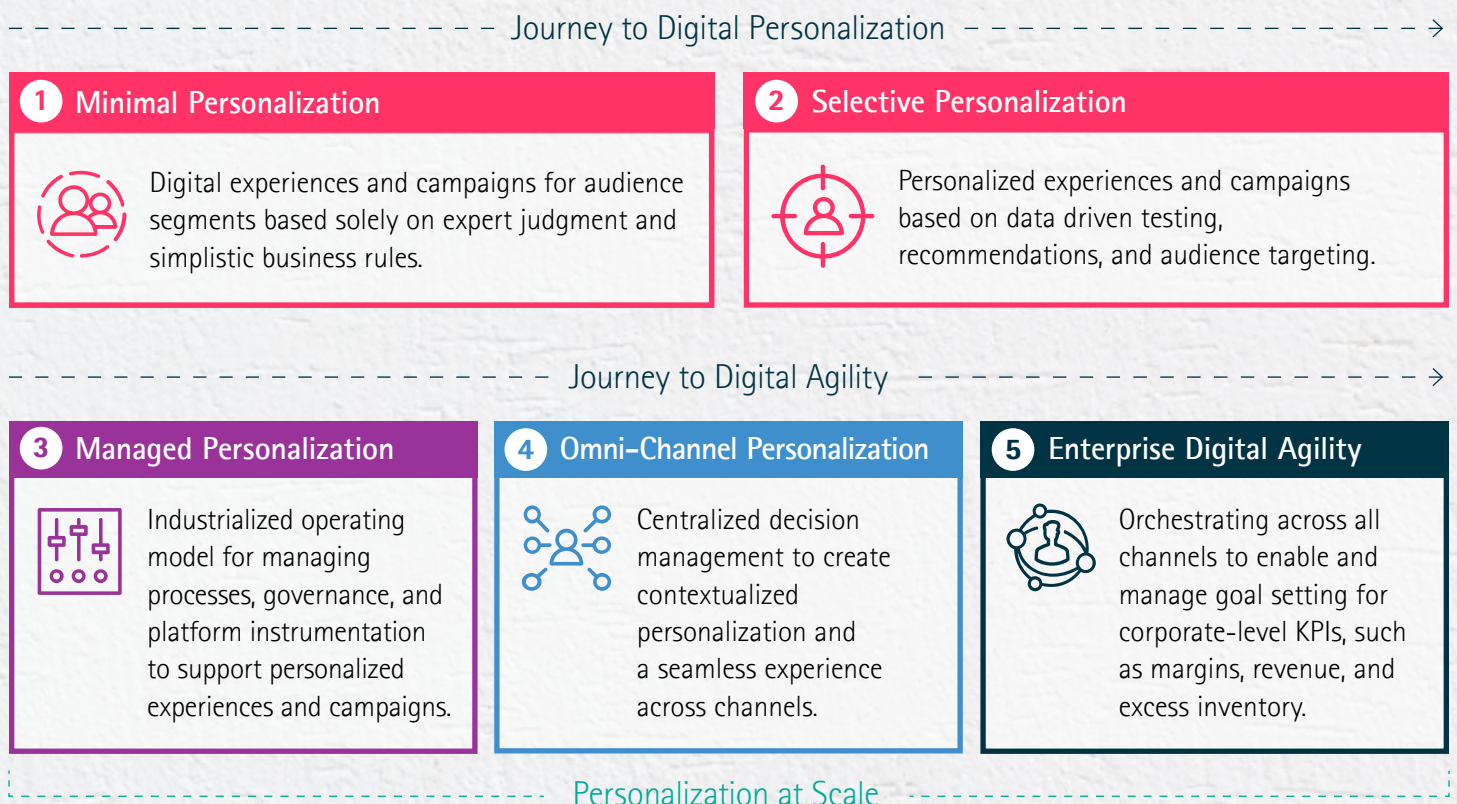
It's no wonder; the business case is compelling. Research shows that marketers saw an average increase of 20% in sales when using personalized web experiences⁸ and using personalized calls to action (CTAs) resulted in a 42% higher conversion rate than generic CTAs.⁹

But, many companies are dissatisfied with their inability to scale personalization capabilities. Insufficient resources is one of the top challenges, as well as content and data limitations among others. Perhaps because of these challenges, most companies are executing personalization in limited areas such as personalized emails or product recommendations, placing them

at stage 2 of Accenture's Personalization Maturity Model (see Figure 3). The opportunity to achieve a greater ROI occurs as companies move from selective personalization to managed personalization, or stage 3. This is achieved when there is an industrialized operating model and platform to support personalized experiences and campaigns.

Figure 3

Accenture Personalization Maturity Model



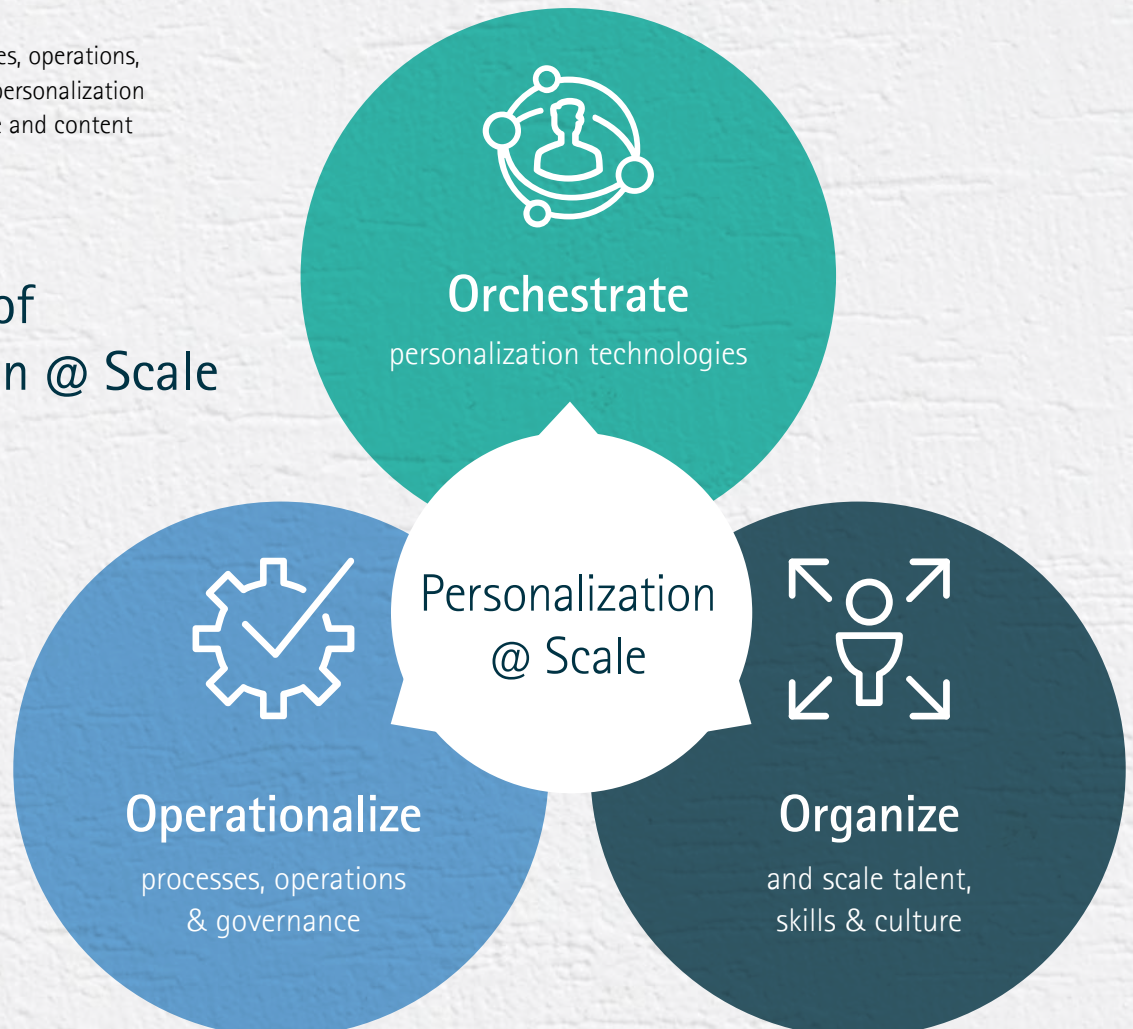
As many are finding, reaching stage 3 can be a major undertaking. Accenture's experience points to three critical areas that companies must address in order to ramp up and achieve personalization at scale (see Figure 4):

- **Orchestrate** the various personalization technologies, including DMPs, recommendation engines, optimization tools and rules platforms (among others) to curate a seamless personalized experience.
- **Organize** and scale up the necessary talent with the right skills and culture to enable personalization at scale across all customer interaction points.
- **Operationalize** the processes, operations, and governance to embed personalization in all campaign, ecommerce and content management interactions.

Here again we are seeing an increase in the instances where CMOs and CIOs are jointly leading personalization transformation initiatives. They recognize that shared accountability and leadership is critical to their collective success given the challenges and the resulting future state spans across both organizations.

Figure 4

The Three Os of Personalization @ Scale



Delivering on the Promise

Thanks to digital technology, companies now interact with their customers through many channels: ecommerce, email, mobile apps, kiosks, sales rep tablets, and more.

By making it easier for customers to find and consume what they want, when and how they want it, it is easier for customers to interact and conduct business, which, in turn, propels growth for the enterprise. Using data-driven intelligence from across interactive touchpoints also enables executive leadership to drive performance at a level of precision not previously experienced, equipping them with a powerful new lever for both growth and profitability.

The trek toward personalization at scale and true business agility is a multi-year journey. Having a clear vision of the effort and a steadfast eye on the goal help to confirm the company is making it easier for the customer along the way and, therefore, generating the desired return on investment.

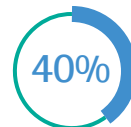


Case Study

Automotive: Personalized shopping engages customers

An automotive OEM recognized its shopping website delivered a poor user experience and its online lead rate and volume had plateaued. The website lacked personalization capabilities, preventing it from delivering targeted offers by user zip code or business center location.

Accenture Interactive worked with the OEM to develop creative concepts, wireframes, and website mockups resulting in new custom-designed experiences for each brand. The team configured and deployed a solution to enable site personalization based on user geography, user intent, and other visitor context. This was also integrated with client data APIs to deliver targeted offers by user zip code. In addition, Accenture Interactive designed and deployed a new operating model for the client to support an ongoing test and learn program for optimizing new creative and further refining personalized content.



increase in lead rate

by targeting users at the zip code level and creating more engaging online experiences with personalized content and offers.

To learn more about how to achieve personalization @ scale, make life easier for your customers and deliver high performance to your organization visit [accenture.com/personalization](https://www.accenture.com/personalization) or contact:

Jeriad Zoghby, PhD

Managing Director,
Global Lead Personalization
Accenture Interactive
jeriad.zoghby@accenture.com
@jeriad

Scott Tieman

Managing Director,
North America Lead Personalization
Accenture Interactive
scott.w.tieman@accenture.com
@Scott_Tieman

Xavier Cimino

Managing Director,
EALA Lead Personalization
Accenture Interactive
xavier.cimino@accenture.com
[@XCimino](#)

Irwin Lim

Managing Director,
APAC Lead Personalization
Accenture Interactive
irwin.lim@accenture.com

References

- ¹ Accenture Interactive Marketing Pulse Personalization Survey, 2016
- ² Marshall, Matt, "Aggregate Knowledge raises \$5M from Kleiner, on a roll," VentureBeat, December 10, 2006, <http://venturebeat.com/2006/12/10/aggregate-knowledge-raises-5m-from-kleiner-on-a-roll>
- ³ Accenture Interactive Marketing Pulse Personalization Survey, 2016
- ⁴ Accenture Helps Meliá Hotels International Increase Sales with a New Digital Transformation Strategy, August 3, 2016, <https://newsroom.accenture.com/news/accenture-helps-melia-hotels-international-increase-sales-with-a-new-d>
- ⁵ Ibid
- ⁶ See Accenture's research "CMO-CIO Alignment 2014" for further insights on CMO and CIO collaboration, <https://www.accenture.com/us-en/insight-cmo-cio-alignment-digital-summary>
- ⁷ "The Internet of Me," Technology Vision 2015, Accenture, <https://www.accenture.com/us-en/internet-of-me.aspx>
- ⁸ Mummert, Hallie, "The Tipping Point for Personalized Website Experiences," Monetate, <http://www.monetate.com/blog/the-tipping-point-for-personalized-website-experiences>
- ⁹ Hussain, Anum, "Personalized Calls-to-Action Convert 42% Better," HubSpot, October 8, 2013, <http://blog.hubspot.com/marketing/personalized-calls-to-action-convert-better-data>

About Accenture Interactive

Accenture Interactive, part of Accenture Digital, helps the world's leading brands drive superior marketing performance across the full omni-channel customer experience. Accenture Interactive offers integrated, industrialized and industry-driven digital transformation and marketing solutions. To learn more follow us @AccentureSocial and visit accenture.com/interactive.

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 384,000 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.

Copyright © 2016 Accenture.
All rights reserved.

Accenture, its logo, and
High Performance Delivered
are trademarks of Accenture.

This document is produced by consultants at Accenture as general guidance. It is not intended to provide specific advice on your circumstances. If you require advice or further details on any matters referred to, please contact your Accenture representative.

This document makes descriptive reference to trademarks that may be owned by others. The use of such trademarks herein is not an assertion of ownership of such trademarks by Accenture and is not intended to represent or imply the existence of an association between Accenture and the lawful owners of such trademarks.

