



Portals Must Evolve to Capture New Customers in the Web 2.0 World

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Point of View

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What is the fate of the portal in today's always-on, Web 2.0 world? The answer: It's more important than ever as a tool for communications, entertainment and high-tech companies to deliver the right information, in the right format, at the right time to their customers—preferably before they know they even need it.

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Today's portal business requirements: to reshape information management from being just a back office or business intelligence function, into a discipline that delivers highly relevant, "just-in-time" information that retains customers and closes sales.

What is the fate of portals—those centralized repositories of essential information for consumer and business users—in today's world of Netflix, Facebook, Flickr and YouTube? Those sites are intensely user-determined, with ever-changing, more dynamic interfaces that often provide what users want before they even know they need it.

Have no fear: new technologies and business processes are helping communications, entertainment and high-tech companies update their customer-facing portals in a way that helps them keep pace with these changes. In particular, new Web 2.0 interfaces are making portals easier to use. Meanwhile, social networking capabilities have transformed consumer portals into extended knowledge-sharing environments. Enhanced self-service capabilities further push this do-it-yourself paradigm.

Putting portals with these capabilities into play isn't just "nice to have." Rather, customers demand them: If a company's user experience doesn't match that of Gmail or Amazon.com, then people will go elsewhere to find

the experience they are seeking. And while many communications, entertainment and high-tech companies already have portals, few have yet transformed them into low-cost, persistent gateways for creating new and personalized customer interactions across marketing, sales and service functions.

This, then, is today's portal business requirement: to reshape information management from being just a back office or business intelligence function, into a discipline that delivers highly relevant, "just-in-time" information that retains customers and closes sales. Accenture Information Management Services helps companies achieve high performance through effective information management. Committed to innovation, we believe that a successful portal strategy secures an immediate return on investment by dynamically aggregating content, functions and features into a high-performance workspace relevant to the user's specific role and responsibilities.

The new portal mandate

To accomplish this mandate, portals must do four things:

- Profile customers dynamically.
- Deliver information in context.
- Provide accurate and relevant recommendations.
- Constantly highlight the bigger picture.

This means that portals must put anything a customer needs within easy reach—a broad mandate to be sure, and one that few companies in any industry have achieved. For example, Accenture's High Performance Business research finds that on average, only 22 percent of companies' customer interactions are conducted online and processed automatically.¹

Hence the opportunity: a company that can combine its capabilities in innovative ways to deliver information in a user-friendly and engaging manner via a portal will become an essential part of its



customer's buying decisions. Likewise, this company is likely to attract and retain more customers, by demonstrating knowledge of their interests and desires and then applying that insight to provide more relevant value-added services and content. In this way, by thinking about technology the way their customers do, business leaders can achieve High Performance.

The four habits of highly effective portal practitioners

Today's portal lives or dies based on a single metric: delivering customer satisfaction and relevance. This goes for any industry, but is especially true for communications, entertainment and high-tech companies, which must attract and retain customers in a highly competitive marketplace. And the surest—and also often the best—technique for luring and retaining customers is to create a satisfying user experience, which increases customer loyalty, retention and, therefore, profits. As business knows well, keeping your customer costs a fraction of finding a new one.

To better appeal to customers, portals must pursue the four capabilities outlined below:

1. Profile customers dynamically

Achieving high performance in the digital age requires understanding consumers in motion. A portal must recognize a customer's preferences, track his or her activities and interactions across multiple sites and maintain a constantly evolving profile of the customer based on his or her latest activities. This is a non-stop endeavor that must encompass every marketing, sales and service channel.

Autobytel—one of the largest online automotive marketplaces in the world, which has connected 27 million car buyers with local dealers and generated billions of dollars in revenue—discovered that first-hand, when it looked for a way to reduce its reliance on dealer leads for profit and increase its advertising revenues. Working with Accenture Information Management Services, Autobytel introduced a new, much more engaging portal for its customers, which consolidated multiple systems

and included an intuitive search function—crucial for car buyers. By offering a better user experience and more in-depth information, Autobytel learned more about its users, and translated this into substantial year-on-year increases in advertising revenue.

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¹ Source: "High Performance IT 2008: There's No Substitute for Substitution" (Accenture)

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2. Deliver information in context

Delivering information in context leads to numerous business upsides. For example, imagine an entertainment portal through which a consumer can watch a movie preview on her smartphone, purchase a movie ticket and then get directions to the theatre. When the movie becomes available via DVD and for download, the portal then offers a reduced rate for purchasing either one. In both cases, contextual information makes for happy customers, while also providing the opportunity to up-sell to an existing client.

But to maintain an accurate and up-to-date profile of each customer, portals must persist across multiple devices, including PCs, laptops, kiosks, mobile devices and perhaps even televisions. On all these devices, companies must also offer a rich experience.

3. Manage information

More than just presenting information, portals must make sense of what users do or do not want to do, to the extent authorized by the customer. Such real-time insights, based on context and actual customer preferences, will help companies point customers toward information, services and products that they may find interesting.

Such data is also crucial for business intelligence purposes—to create a near-real time feedback loop for business leaders to finetune their business model and practices. For example, Accenture helped electronics retailer Best Buy better track each of its customer's purchases across multiple transactions. This allowed the retailer to gain greater insight into customers' wants, needs and habits, and to fashion more effective sales and marketing campaigns and service programs. All of this led to increased sales, profits and customer satisfaction levels.

4. Highlight the bigger picture

Portals must connect customers with relevant information, and also with other people with similar interests. Mastering the mores of the emerging social-networking ecosystem, however, requires a multifaceted understanding of customers' online activities, buying and browsing habits, plus the social networks in which they choose to participate. Of course, next-generation portals are an excellent tool for amassing such insights and their ability to capture such insights is highlighted as a primary business benefit by early adopters.

Perhaps no one has better mastered this new paradigm than the high-tech product manufacturers and broadband providers. For example, when a server customer or a DSL subscriber requires help with troubleshooting, a company's first line of defense can be its portal-based, customer-driven support community. This approach is cost-effective to build and maintain, and also good for business, because it provides consumers with an "always on" channel for immediately solving any problems.



The business upside of better information management

By constantly profiling customers, delivering relevant and contextualized information, offering targeted recommendations and going the extra step to facilitate social networking connections, portals can become more than the sum of their technical, social and data aggregation parts. In addition, an effective portal will itself become a social magnet—and don't discount the importance of popularity in the Web 2.0 world—which allows companies to create self-reinforcing portals, which lead to enhanced customer interactions and more effective service.

This, in fact, is a much more interesting proposition for remaking portals. According to a recent IDC report, the combination of information, relationships and conversations "will give users a powerful information discovery platform that leverages trusted relationships with other people to filter and rank information."²

High performance with portals: seven steps

How does a communications, entertainment or high-tech company begin to develop the vision, infrastructure and capabilities required to create a new kind of portal? Pursue these seven steps:

1. Analyze the existing site: Evaluate your existing online portal based on best practices and target business objectives. (This will be instrumental later in creating return on investment goals and tracking their related progress.)
2. Prioritize focus areas. Create and prioritize one or more scenarios of how customers will use an advanced portal, to achieve business goals. (Wherever possible, also quantify these aims.)
3. Understand the market. Identify competitors' best practices to ensure your approach meets or exceeds those capabilities. But also consider competitors as potential partners, if they could offer extended, complementary services.

4. Know the customer. Use direct research, analysts' insights and news reports to study how customers use the web and what they need and want, then use it to refine and validate each of your portal-use scenarios.
5. Press the business case. To launch the project, set an achievable business goal—based on one or more of your high-priority scenarios.
6. Start with a bang. Build the buzz around the new portal, and what it's offering, to drive high levels of adoption out of the gate.
7. Measure performance. Calculate the return on investment for each business goal achieved. Use this business rationale to continue investing in advanced portal capabilities.

² Source: "Information Access and Analysis Predictions for 2008: Consolidation, Specialization, Eureka 2.0 and the Wisdom of Crowds," *January 2008* (IDC)

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Play to social networks

The new portal paradigm offers a simple technique for maintaining a competitive advantage: build a better portal, improve customer satisfaction, yield greater revenues. Just don't forget the social networking component. Global penetration of social networks amongst all internet users has increased significantly and is up to 58% globally.³ Indeed, more than half of all consumers' buying decisions are most influenced by other people's opinions.⁴

What this means for communications, entertainment and high-tech companies, of course, is that customer relationships cannot be viewed as a binary equation: bought or didn't buy, subscribed or didn't subscribe. Rather, companies must manage their customer information—including people's previous and current buying activities, social networks, and webs of trust—to create precise marketing segments, and then generate a differentiated sales, marketing and service experience for each of these segments so that they can lure new customers and retain existing ones.

One of the world's leading mobile communications providers, for example, needed to consolidate multiple marketing systems onto a single platform and to enhance customer communications and sales. Accenture helped the company transition to a new enterprise content management platform offering greater functionality, reliability and scalability. Today the portal supports 52 country-specific sites and more than 50 languages. Even better, it has increased awareness of the company's brand, leading to a 2 percent increase in market share—an annual revenue increase of more than \$50 million.

The portal payoff

Having a more evolved customer understanding enables communications, entertainment and high-tech businesses to deliver high-quality and highly contextual content via multiple channels. Better information—delivered via business intelligence tools, content management systems and, yes, also portals—helps business leaders make more successful decisions, continually improve customer interactions and transform their businesses to become high performers.

Indeed, managing the customer relationship correctly—by creating dynamic customer profiles, delivering just-in-time information to customers, providing reliable recommendations and connecting the current interaction with the bigger social networking picture—enables businesses to perform at a higher level, as well as increase customer satisfaction and retention levels. Such customer-centricity and business agility eventually increases sales, leading to greater profits.

What underlies the new portal movement looks a lot like karma. By more effectively meeting the needs of customers, businesses better help themselves, significantly improve their bottom line and enable high performance.

³ Source: "Power to the People, Social Media Tracker Wave 3," March 2008 (Universal McCann)

⁴ Source: "Digital Consumer Behavior Study," October 2, 2007 (Avenue A | Razorfish)



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Accenture Information Management Services is a global cross-industry organization focused on bringing clients solutions to better manage their business, interact with customers and make strategic, financial and operational decisions. Working across Accenture's service lines and industry groups, this network of 13,000 professionals specializes in information management services including business intelligence, portal and content management and data management and architecture. For more information about Accenture Information Management Services, visit www.accenture.com/informationmanagement.

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