

Fearless Thinkers, Season 2, Episode 1

How omnichannel and multichannel marketing create seamless experiences
with Thomas Natkowski, Cliff Pfefferkorn, and René Groeneveld

Masami Cookson: Welcome to Fearless Thinkers, the BTS podcast. My name is Masami Cookson, and our host is Rick Cheatham, head of marketing at BTS. On today's show, Rick sits down with Thomas Natkowski, Cliff Pfefferkorn, and René Groeneveld.

Thomas and Cliff are founding partners of eStrategy Consulting, a Berlin-based boutique consultancy focusing on omnichannel marketing and sales, the marketplace and platform economy, digital business and service innovation. They're passionate experts in customer-centric business modeling, holistic solution design and agile execution management. They serve leading online marketplaces, big-box retailers, manufacturers, and industrial engineers.

René Groeneveld is a partner and the leader of the Global Sales and Marketing Center of Expertise at BTS. Based in Switzerland, he specializes in international sales, marketing, leadership, strategy implementation, and change and transformation.

Hey Rick, how are you doing today?

Rick Cheatham: I'm doing really great. Thanks for asking. How are you?

Masami: Well, you know, I'm in the middle of an apartment renovation, and it's kind of a situation, to say the least.

Rick: You know, I was flipping houses before it was a thing that people did on TV as I was moving around a lot early in my career, and I feel your pain. Are you living in it while it's happening, or are y'all somewhere else?

Masami: Oh yeah, we are washing dishes in the bathroom sink. We've got the hot plate going, there's no kitchen. We're just making do with what we can.

Rick: Someday, I hope that you have the same experience that I did and that those go from being incredibly painful circumstances to very fond memories and stories that you tell and laugh about for years and years.

Masami: I hope so too. Doesn't feel that way right now.

Rick: And I know that those are incredibly empty words right now. So I hope, as always, it gets easier, and even with all of the supply chain delays and stuff, that you get through it as quickly and painlessly as possible.

Masami: Thanks, Rick.

Rick: And actually, supply chain's a decent place to start introducing today's show because the gentlemen that I had the pleasure of sitting down with are brilliant at understanding what multichannel marketing is, how to actually make it work, and how omnichannel plays with multichannel to create a seamless customer experience.

Masami: Awesome. Let's jump right in.

Rick: So multichannel is when you're really focused on, "What's the best way we can reach our audience from one channel to the next as we tell our overall story," and omnichannel is really an overlay where we're seeing, "What's our client or customer experience?"

René: What I hear from our clients, be it the chief marketing officer, be it marketing leads around the world, is that most of them, they've got their point of view on multi-channel right now, and they all want to move into this integrated experience omnichannel wants to provide.

Cliff: Now, Rene, you've just mentioned that omnichannel marketing is about integrated experiences. I'd like to deep dive here a little bit. An integrated experience means that you can rely on a brand that you're interacting with, rely on this brand knowing who you are, what you need, what you're interested in, and act accordingly to create the best experience possible.

I think one great example here that we all know of is Apple. Every channel that Apple owns, their website, their services, their devices, their stores, motivates you or even requires to log in. So, Apple always knows who the individual customer is they are in contact with. Now, this enables Apple to make every experience your experience, and this

is an integrated one. I think this is also the reason why their in-store experience is so great because the service staff knows who you are. And I guess this is also the reason why the Apple relationship is so special. Being an Apple fan doesn't only mean to be a fan of the product, it also means to be a fan of the relationship that you're having, and this is resulting from the omnichannel experience that Apple is providing.

Thomas:

What omnichannel means, we say it should be a seamless experience for the customer, but it doesn't mean it should be the same on every channel.

I was smiling a bit when I read some expert voices on this topic, and there was an example for multichannel, mentioned Apple and Apple stores, and it was quite interesting because it's not multichannel when Apple decides to have a different offering in the physical stores than in the online shop, you know? Apple, as we all know, is the quite customer-centric company, and if the customers want to have the Apple shop more like a customer service center where we can receive help around the product, and the online shop is more something to buy the product, it doesn't mean that it's a good example for multichannel because it's a very customer-centric decision to give the customer on the channel what he wants, and it's still seamless because you have the one Apple ID, you have one Apple account, and you receive the right thing on the right place. And that's, for me, it's a very good example for a good omnichannel strategy.

Rick:

Makes sense. So, continuing to have potential misunderstandings between what I'm trying to accomplish with my multichannel strategy versus my omnichannel strategy is really the crux of, I think, what I'm hearing. Rene, from an execution standpoint, what would you say?

René:

You know, omnichannel means you also have to get the basics right, and this goes back to client segmentation. This goes back to understanding the client journey and the whole custom experience. From the very beginning and the first request, maybe 'til the very end, which might be after sales, service or even more. Let me play the ball to Thomas and Cliff. You guys can share a little bit about client success stories and client cases we had together.

Cliff:

Rene, really happy to share some examples of our work.

Let me start with a multichannel example. Our client here is a European big-box retailer that is selling consumer electronics. They're operating across Europe. I think they have more than 500 branches, and our problem to solve was about clearance inventory. So, everything like out-of-season, damaged, returned inventory and so on, inventory that they are not able to sell via their own channels or in-store. What we suggested is to start a multichannel sales approach that is expanding into specific marketplaces that are dedicated for this specific kind of inventory.

eBay is a great example here. eBay customers love these opportunities to make a bargain. So we set up a strategy and executed it that enabled every branch of those more than 500 branches to sell their overstock inventory via eBay. We sold this inventory six times faster than in-store. We made the eBay customer happy, and also, we avoided to harm the reputation of the existing channels of our client. Why is that a multichannel example? Because selling via this marketplaces is totally capsuled. It wasn't integrated into any other channel or customer experience of this retailer. So, this is a typical multichannel example that also shows that multichannel strategies can still have a very massive impact on your success.

Now, I promised an omnichannel example, as well. I love this one. The client here is one of the finest power tool manufacturers in the world. They have a strong online mindset in their marketing activities already, and they have a very broad set of online marketing activities in place already, as well. The problems to solve here was we need a strategy, or they needed a strategy that is adding an overarching and holistic direction, where to go with those online marketing activities through the next three to five years and how to become able to manage the execution. Here, the overall idea was to create a D2C-driven omnichannel strategy, direct-to-consumer, with a very clear north star, create the best and the most loyal relationships to the customers in their industry. So, every channel of their omnichannel strategy had to answer how it can initiate, nurture, or monetize, or protect the relationships for which customer segment. This direction was clear, and we could execute it and walk our talk, also, by including a clear view on

customer needs, sound business case, a clear point of departure analysis of the current capabilities, and the gap closing plan. In the end, that helped our client to be ahead of the curve and keep their innovative position as a market leader in their industry with a strong omnichannel marketing strategy.

René:

The alignment piece is important, and there's strange projects we saw on the client's side. They said, "Oh, we have to implement the omnichannel strategy now," and then I sometimes ask, why? So what's the objective? What's the vision behind it? What's the purpose? And they just do it because it's hip, and it's important, and they feel like they need to do something omnichannel, and it's not linked to their business objectives. It's not linked to whole impact they want to have.

So, the second piece, as I mentioned, is mindsets. And it's not just a customer-centric mindset, a custom-driven. Many of our clients think custom experience too short, and you have to really look at the whole flow, at the whole value chain in order to be successful, and this requires a mindset shift. And then, sorry, it's sometimes down to capabilities. Digital marketing capabilities, marketing automation capabilities.

And again, lots of the mistakes are done, not connecting it to your strategy, not connecting it to your CRM system. I think all these interfaces, into your customer relationship management, into your sales enablement platform, into your marketing automation, whatever software you're using, I think all this needs to be managed well and the capabilities needs to be built and the why, what and how needs to be absolutely clear.

Cliff:

What we need to keep in mind that omnichannel marketing is bringing new challenges to marketers in their organizations. Suddenly, projects become programs. Single-purposed team silos have to operate in well-orchestrated and cross-team environments. Budgets increase, and they need sounder business cases to justify them. KPI sets become more complex, both to set up and to monitor, and IT systems suddenly become interconnected ecosystems driven by data and AI. An integrated omnichannel experience should also look for all moments of owning and using a product, which makes it even more complex.

Rick:

Cool, it's actually very interesting to me 'cause I heard a reoccurring theme in all of those responses that actually made me look in the mirror very hard as a CMO myself, and that is a mistake that I think I've seen a lot of people fall into, whether it was prior to BTS when the world just thought that they had to do Lean or Six Sigma because that was the thing that everybody was talking about and doing. Or you know, even more recently, you know, when you think broader business, it's Agile, and everybody's gotta be Agile because that's the thing right now. And launching an omnichannel strategy because I'm supposed to, not because I've got clear purpose, mission, and what I'm trying to accomplish with my strategy, probably turns it more into a distraction and a waste of resources than an actual driver in the business.

So, thanks for that guys because that actually makes me shift my own priorities just a little bit. Back up and look at the purpose before I get busy on the action.

René:

I fully agree with what you said, and there is a risk of getting lost and not starting with a purpose and not linking it to what you want to achieve, not making it measurable. We have a lot of clients asking us, "What are the right KPIs to measure our success with our omnichannel strategy?" So that's another question. It's all about sustainability and about having impact. But let's see it positive. I feel like if you get it right, and we have a few of these client cases, then the dream of a marketer finally becomes true.

And, you know, I've been in marketing for a while, as well, and in the 90s and the 2000's, we always had this dream of personalized marketing, of one-on-one marketing. I always call it the segment of one. And now, with a more data-driven, with a more targeted approach, with omnichannel looking at the whole customer experience, we're very close, we're getting there.

Cliff:

René, I like that idea to think about KPIs because clearly, omnichannel strategies change the way that you're thinking about KPIs, looking at numbers of units sold, the sales revenue, the media budget, the overall return on sales.

But now, because omnichannel marketing is putting the customer at the center of everything, we're also

adding a new KPI set, and this one is looking at the customer itself. So, we're looking at the number of active customers, for example. We're looking at churn. We are looking at the customer lifetime value per segment. If we leverage all the power of technology that we have at hand, this will get us really close to a very individual view on the customer, as you call it, the segment of one.

Rick:

Let's say that I'm a small marketing team, small but mighty, and I want an omnichannel marketing strategy and I wanna be able to do the right thing with a purpose-driven point-of-view, but the whole thing seems incredibly overwhelming to me. What are some tools that people can use or what's your best advice for someone who's just starting out?

Cliff:

Rick, our recommendation is that you have to think about five playgrounds that you have to master. Playground number one is obviously, the customer-centric part. Understand in detail what your customers really want and how to provide value to them.

The second playground, this is your set of business goals. What do you need to achieve? Expand into new markets, innovate in terms of products and services, increase share of wallet and so on. You have to map these business goals with what your customers want from you.

After that, you can move on to closing your capability gaps, including the data that you need, the processes, the infrastructure, and it also requires to get clarity on the investments that you need.

Playground number four, the people side of strategy. Omnichannel marketing is also a big change, management challenge. And last, not least, a kind of umbrella for all of the four playgrounds I've just talked about, you need an agile and pragmatic framework that allows you to master the complexity of it, and to create and keep the momentum.

Rick:

Absolutely, I think anytime we can put things like this into a framework and make them more consumable, it definitely makes things easier. So, thank you for that.

All right, gentlemen, well, you've definitely given us a great start in understanding what multichannel

is versus omnichannel and how to even get started if I haven't started. So, to our audience out there, as always, we've got links in the show notes. And gentlemen, thank you for giving us so much time today and sharing your wisdom.

René: Thank you so much, Rick, for having us, and Thomas and Cliff, thank you so much, I learned a lot. I love the playgrounds idea, and I could speak about this for hours now, but I think that was a great start, and I'm looking forward to the next great projects together.

Cliff: Thanks also, Rene, thanks for having us.

Thomas: Thank you very much.

Masami: If you'd like to stay up to date on the latest from the Fearless Thinkers Podcast, please subscribe. Links to all of the relevant content discussed in today's podcast are in the show notes or you can always reach us at bts.com. Thanks again.
