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Multichannel in a Complex World

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31st December, 2012

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1. Executive summary

The proliferation of devices and channels has brought new challenges to just about every organisation in delivering consistently good customer experiences and effectively joining up service provision with marketing activity, data and content. A good multichannel strategy and execution is increasingly becoming essential to marketers and customer experience professionals from every sector.

This report seeks to identify the key issues, challenges and opportunities that surround multichannel and provide some best practice insight and principles on the elements that are key to multichannel success. As part of the research for this report, we spoke to six experienced customer experience and marketing practitioners from large organisations across different sectors.

In _Multichannel Marketing: Metrics and Methods for On and Offline Success_, Akin Arikan (2008) said:

'Because customers are multichannel beings and demand relevant, consistent experiences across all channels, businesses need to adopt a multichannel mind-set when listening to their customers.'

It was clear from the companies interviewed for this report that it remains challenging for many organisations to maintain consistency across so many customer touchpoints. Not only that, but the ability to balance consistency with the capability to fully exploit the unique attributes of each channel remains an aspiration for many.

The proliferation of devices and digital channels has added complexity to customer journeys, making issues around the joining up of customer experience and the attribution of value of key importance to many. Whilst senior leaders within the organisations spoken to seem to be bought in to multichannel, this buy-in was not always replicated across the rest of the organisation and did not always translate into a cohesive multichannel strategy.

A number of companies were undertaking work around customer journey mapping and customer segmentation, using a variety of passive and actively collected data in order to identify specific areas of poor customer experience and create action plans for improvement. Others were undertaking projects using sophisticated tracking and tagging technologies to develop an understanding of the value and role of specific channels and to provide better intelligence to the business on attribution that might be used to inform future investment decisions.

A consistent barrier to improving customer experience is the ability to join up many different legacy systems and data in order to provide a single customer view and form the basis for delivery of a more consistent and cohesive multichannel approach.

Whilst there remain significant challenges around multichannel, there are some useful technologies allowing businesses to develop better insight into customer motivation and activity. Nonetheless, delivery of seamless multichannel experience remains a work-in-progress for many.

2. Research approach

Research and report aims

The main aims of this research and report are to identify issues, opportunities and challenges around multichannel marketing and focus on the latest approaches and best practice principles and execution in this complex area. This report seeks also to include examples of organisations that are doing multichannel well and the practices involved to manage customer experience effectively across multiple channels.

Research methodology

The research involved two main phases:

- Phase 1: Identification of existing thinking, issues, examples and models, and research that are relevant to a consideration of multichannel marketing. This phase involved desk research.

- Phase 2: Identification of the key challenges faced by organisations and marketers in planning and executing effective multichannel marketing and how organisations are responding to these challenges. This phase involved a selection of in-depth interviews with organisations from a broad range of sectors and markets.

Research interviewees

Senior staff members from a range of organisations responsible for multichannel customer experience and marketing were selected for in-depth interview. Job titles of those spoken to include Multichannel Director, Group Head of Customer Experience, Director of Brand and Customer Strategy, Head of Online, User Experience and Multichannel Manager, and Global Head of Customer Experience and Insight. Sectors covered include:

Company A: Telecoms

Company B: Retail

Company C: Financial/Credit services

Company D: Financial/Retail banking

Company E: Financial services

Company F: Communications service provider

3. Definitions

3.1. What is multichannel?

Multichannel strategy incorporates considerations around both marketing and customer experience and how to optimise the use of multiple different channels, devices and customer touchpoints to reach customers with appropriate and consistent messages, in the right way, at the right time and make it easy for a consumer to interact or buy from them in whatever way is most appropriate. A channel might be a retail outlet, a customer service assistant, a website, a catalogue, or digital marketing touchpoints including email, search marketing and display.

In order to be effective, multichannel strategy needs to consider supply chain management systems (to ensure details and pricing are optimised) and the use of data and customer insight to understand the return on investment and customer response and conversion. Multichannel strategy also needs to identify potential problems that may exist in delivering a seamless customer experience and help prioritise organisational focus and investment.

3.2. Why is multichannel important?

The proliferation of devices and the fragmentation of digital media mean that there have never been more touchpoints through which a customer can engage with a brand or an organisation.

The channel landscape continues to change at a dramatic rate, with emerging channels such as mobile and social media continuing to impact customer behaviour and organisational strategy. Facebook has risen to over a billion global users little more than six years after becoming an open system. Smartphone penetration in the UK has risen rapidly to 51% and mobile devices have become embedded in our lives and increasingly important in driving consumer behaviour. Nine out of ten phones sold are now smartphones. Tablet shipments grew by a factor of four in 2011. 90% of people with smartphones in the UK use their mobile devices to access the web every day. By 2013 more people will access the web through a mobile device than through a computer (Google, 2012a). As the channel landscape fragments and changes rapidly, brands are faced with significant challenges and opportunities around how they can adapt to changing consumer behaviour. They need to create joined-up, positive customer experiences that bring maximum value back to the business and build lasting customer relationships through simultaneously offering information, products, services and support through multiple synchronised channels

A good multichannel strategy and customer experience is increasingly becoming essential to business success. All of the companies spoke of how they had identified multichannel customers as being more engaged and more profitable to their business. Challenges remain, however, in delivery and optimisation of multichannel strategy.

3.3. Multichannel or 'omnichannel'?

Some respondents interviewed for this report made a distinction between the terms multichannel and what they called 'omnichannel'. Whilst there is little difference in the key principles and practices between the two, use of the term omnichannel is more prevalent in

retailing environments. Here it focuses more on delivery of a seamless approach to customer experience through all available shopping channels and devices and incorporates tracking customers across all channels that work from the same database (products, prices, promotions). A key difference is that rather than always seeing different channel experiences as part of the same brand, omnichannel retailers take a more consumer-driven approach and let consumers experience the brand, not a channel within a brand.

Merchandise and promotions are therefore more likely to be consistent across all retail channels (consistency becomes more important, for example, when customers may purchase in-store but will have researched through other channels). The ability to join up data across channels to create a better understanding of individual or segments of consumers, means that marketing efforts can be more tailored based on purchase history and behaviour, and data from social networks, website analytics and loyalty programmes.

A report by IDC Retail Insights (Parker & Hand, 2009) entitled Satisfying the Omnichannel Consumers Whenever and Wherever They Shop described how a new breed of shopper is emerging who are more informed, empowered and always connected. These sophisticated shoppers require real choice when selecting products and unlike traditional multichannel shoppers, use all channels (store, catalogue, call centre, web and mobile) simultaneously. Omnichannel shopping therefore requires 'providing an immersive and superior customer experience regardless of channel'.

According to the IDC report, the multichannel shopper will on average spend around 15 to 30% more than someone using just one channel. Multichannel shoppers also exhibit strong loyalty and are more likely to influence others to endorse a retailer. Yet omnichannel shoppers may outspend multichannel shoppers by over 20%.

The report highlights several areas that are critical to effectively serving the omnichannel customer including real-time data and personalisation. As connected consumers move from one channel to another, for example, they expect their stopping point and data to be carried across different channels so that they might seamlessly return through a different channel to finish the browsing or purchase process where they had originally left off. Equally important is the need to take a unified approach, not falling into the trap of developing channel-specific solutions, but delivering consistent experiences across multiple sales and marketing channels and ensuring that data, content and context can flow efficiently across devices and channels. This in turn requires a thorough understanding of the consumer and effective data and systems integration.

4. The multichannel world

4.1. The scope of multichannel

This visual from multichannel creative consultancy Twiss (2008) provides an overview of available media, technologies and services that comprise the 'universe' of multichannel marketing.
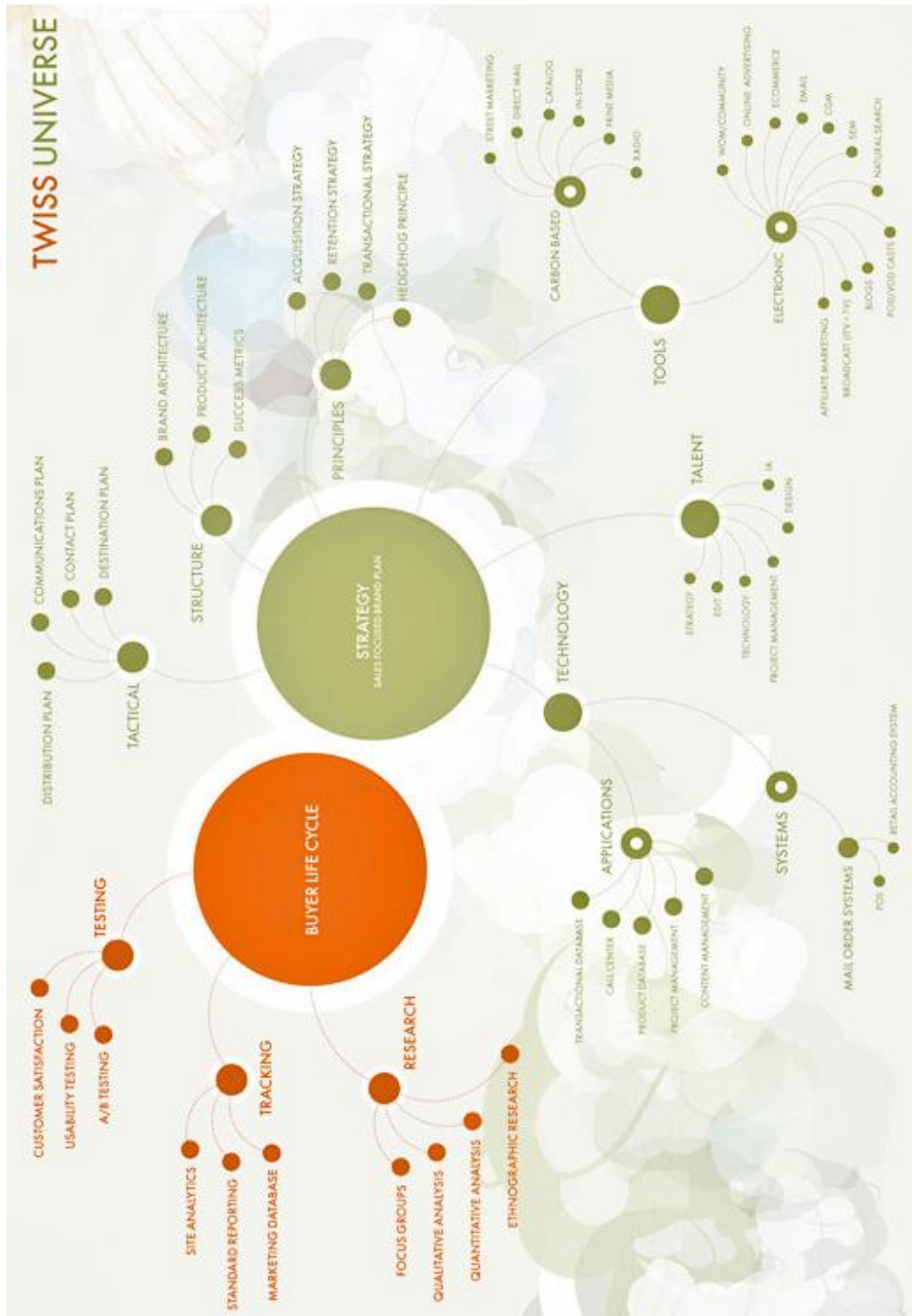
Figure 1: The Twiss universe

4.2. The impact of digital on the customer journey

All companies spoken to for this report had undertaken or were undertaking work to develop a better understanding of their customer journeys. This was in response to the impact and growing complexity that digital, in particular, had brought to how customers engage with their brands and use their services/buy their products.

Forrester Research (2013) famously reworked the traditional marketing 'funnel' into a spaghetti-like model illustrating the impact of digital on customer journeys. It's a helpful starting point for understanding the degree of complexity that now faces marketers in understanding how consumers are making buying decisions.
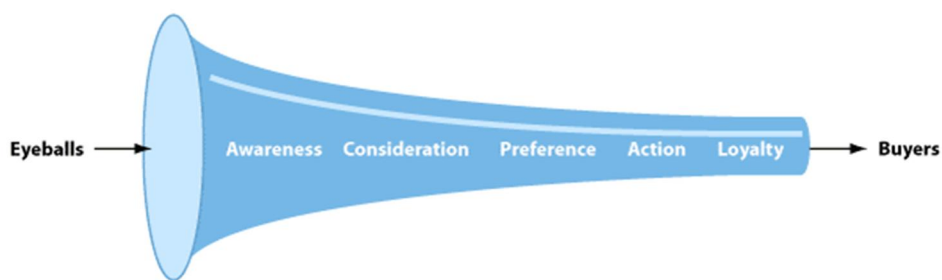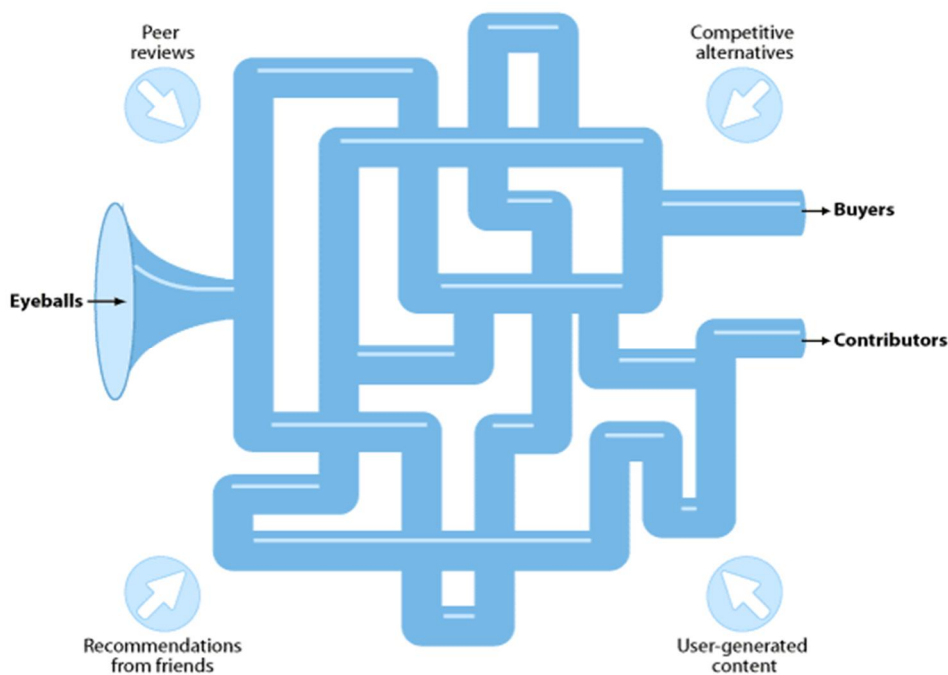
Figure 2: The new marketing funnel

McKinsey (2009) has also redesigned the traditional funnel and originated a 'consumer decision journey' based on research across five industries and three continents that examining the purchase decisions of almost 20,000 consumers. It argued that the traditional funnel concept failed to take account of the multitude of touch points and buying factors, the

explosion of product choices and digital channels and the emergence of an increasingly discerning, well-informed consumer.
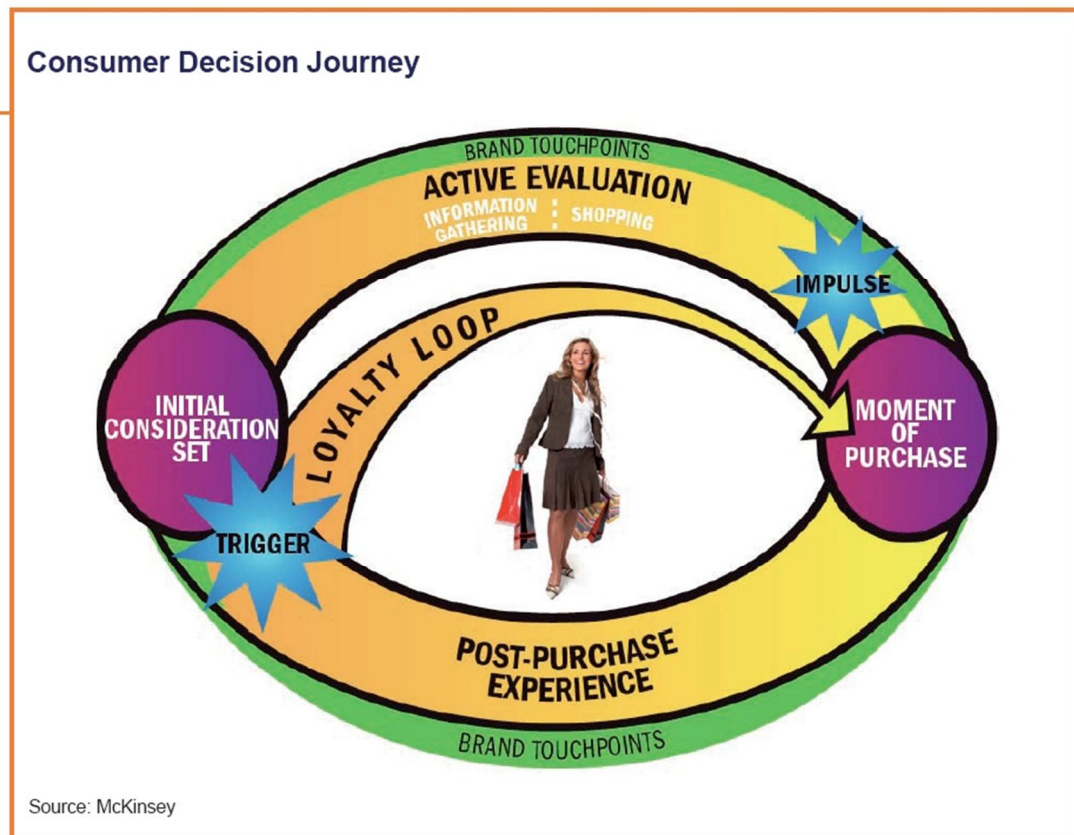
Figure 3: The consumer decision journey (McKinsey, 2009)

McKinsey (2009) derived a new, more sophisticated model incorporating a circular (instead of linear) journey with four key phases:

Initial consideration set:- the traditional metaphor is one where consumers begin at the wide end of a 'funnel', with a number of brands under consideration and marketing directing them through the funnel as they methodically reduce that number to emerge at the narrow end with one brand selected for purchase. McKinsey found that in reaction to a proliferation of choice, touchpoints and messaging, an initial brand consideration set may well be a comparatively small set of brands based on brand perceptions and exposure to recent touchpoints.

Active evaluation:- as the consumers begin to evaluate different brands in the sector through gathering information or shopping, the number of brands in the consideration set may increase or reduce.

Moment of purchase:- the final selection may not take place until right at the moment of purchase, which may be driven by a trigger.

The loyalty loop:- after purchasing a product or service a customer builds expectations based on experience to inform the next decision journey. There is therefore not one, but two different types of customer loyalty – a passive one where a positive brand experience leads the customer straight back to buy the same brand and an active one where they move back into the active evaluation phase and begin considering other brands in the category as well.

It was apparent from the research that McKinsey conducted, that brands need strategies for every stage of the decision journey, from getting into the initial consideration set, to providing

inspiration and information for evaluation, to finding better ways to manage word-of-mouth and focusing on loyalty programmes and the way in which they manage customer experience. McKinsey Director David Court is quoted as saying (McKinsey, 2011) about the research that it:

'…reinforced our belief in the importance not only of aligning all elements of marketing — strategy, spending, channel management and message — with the journey that consumers undertake when they make purchasing decisions but also of integrating those elements across the organisation.'

Whilst digital has added new levels of complexity to just about every consumer journey, it has also provided new levels of insight into the paths that customers do take through digital channels toward purchase.

Google have conducted some useful research in this area and specifically using clickstream attribution to answer some critical questions including how long is the typical path to purchase, the average number of sites that will be visited as part of that process and the role of specific channels such as search. Some marketers are struggling to move beyond a 'last-click wins' model of attribution where ROI is calculated based on relatively one-dimensional metrics that only consider the last medium used by the customer that drove them to purchase. Whilst providing some degree of accountability to marketing, this approach fails to take into account the sometimes large number of other touchpoints that have impacted on the consumer's path to purchase.

In their *Beyond Last Click: Understanding Your Consumers' Online Path to Purchase* research and paper, Google (2011a) used clickstream analyses from Nielsen's NetView online consumer panel over a lengthy period of time to track consumer journeys. Their key findings indicated that:

- As McKinsey had found, decision journeys through research and purchase for different products online does not neatly follow traditional marketing funnel models.

- The amount of research that consumers conduct online is not clearly linked with the average order value of the products in question.

- Research journeys are long and can last a month or more in some categories and one in three conversions occur 30 days after the online research began, as the graph below illustrates.
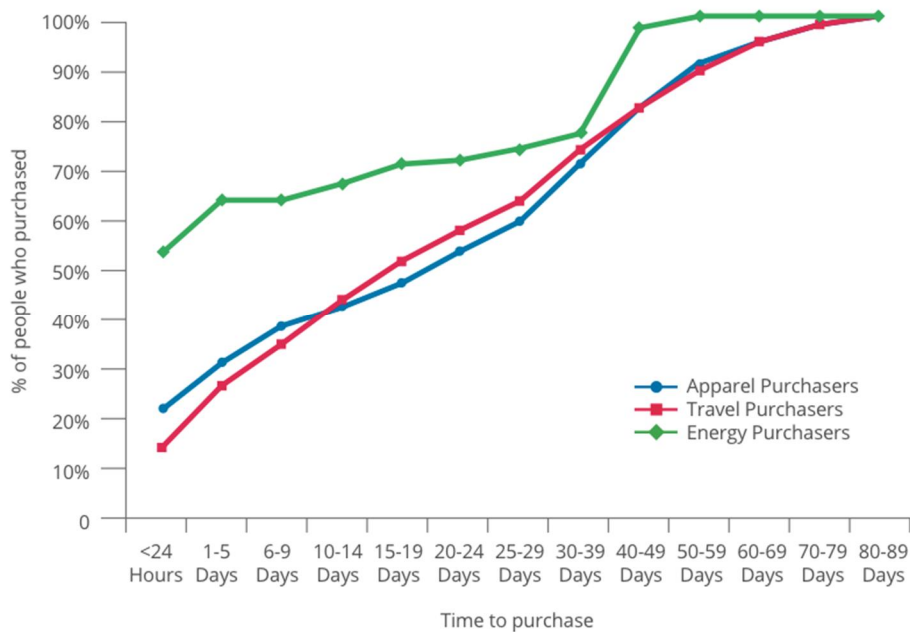
Base: All purchasers as defined in each category

Figure 4: Cumulative percent of purchases for apparel, travel and energy (Google, 2011a)

- In addition, many customer journeys incorporated multiple sites (an average of ten across six categories) in order to inform the purchase decision. For higher involvement products such as travel, this may involve a broad range of different sites but also multiple visits to the same sites.

Category	Average site visits per purchase	Number of different sites visited per purchase	Average number of visits to each site
Travel	21.6	9.4	2.3
Apparel	11.4	2.9	3.9
Mobile Phones	9.4	4.1	2.3
Energy	7.4	3.4	2.2
Car Insurance	5.6	3.9	1.4
Loans	4.2	2.8	1.5
Overall Averages	9.9	4.4	2.2

Figure 5: Site visits before a purchase (Google, 2011a)

- 70% of purchasers use search at some point in their research journey, but this often included both brand and generic terms and 48% of purchasers switch between terms at some point.

As one of the categories with a more complex path to purchase, it's illuminating to highlight the travel category. The sample journey below highlighted in their report shows how a typical path to purchase might stretch out over a long period of time and involve multiple different tools, services, providers and other content driven sites before a final decision is made.
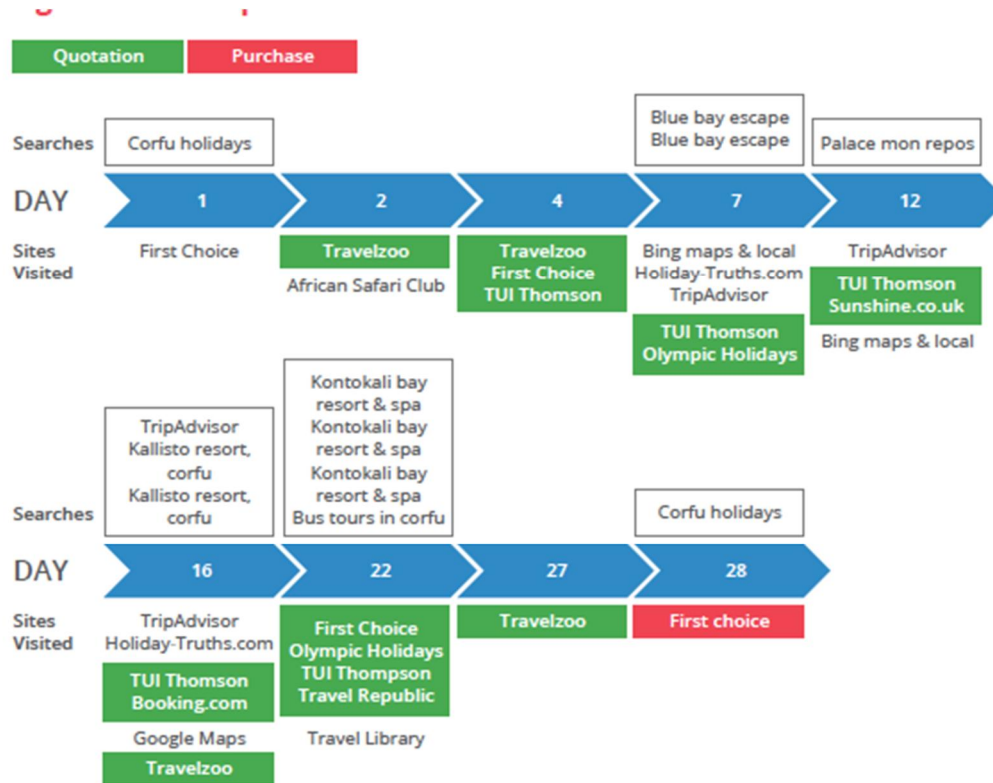
Figure 6: Sample travel path (Google, 2011a)

As McKinsey (2009) suggested, the active evaluation phase may well act to increase the number of brands/products under consideration and the criteria by which the decision will be made may shift along the journey, influenced by the touchpoints engaged with.

This research does not take into account offline channels, which might include face-to-face or telephone contact, print and other media, and direct marketing material, meaning that integration of insight from all touchpoints is necessary in order to get the full picture, but in this case the research shows that online customer navigation patterns in this sector remain complex all the way up to the point of purchase.

Start points in black
——→ Google Traffic

Base: Purchasers in the Travel market.
Note: Arrows represent proportion of users who go from one site type to another in the purchase session.
(Audience movements under 7% not stated)
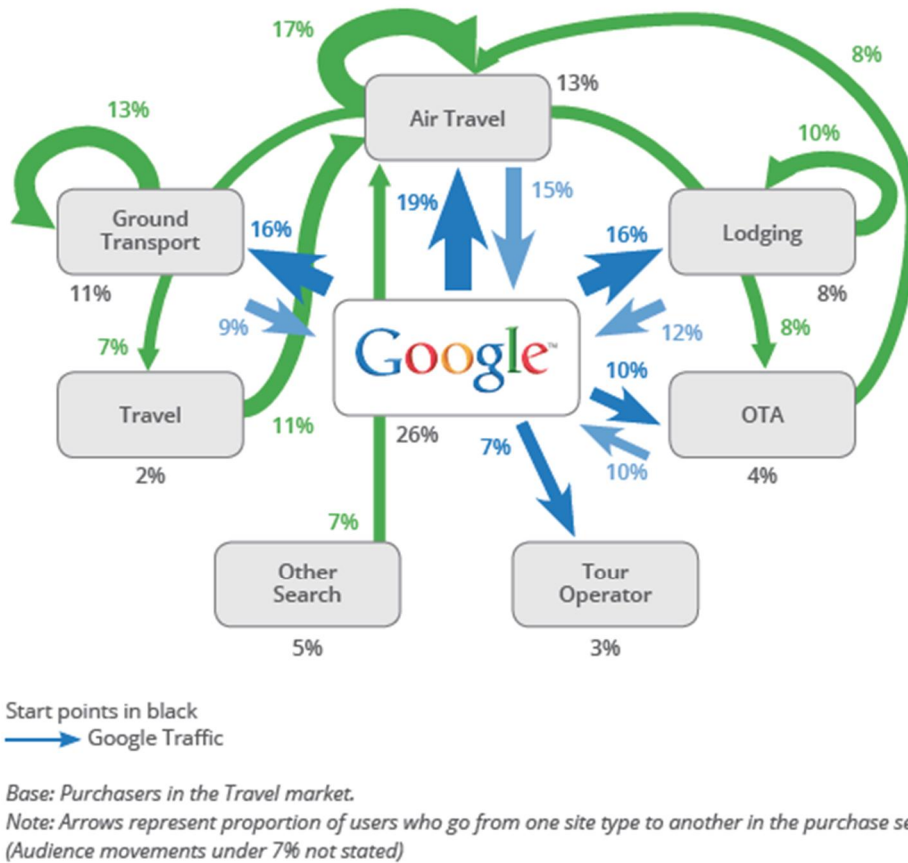
Figure 7: Audience movement in the travel market before a purchase (Google, 2011a)

In contrast to this, some other categories showed a much simpler, shorter and more direct path to purchase. A typical online car insurance purchase, for example, might span only two days and a fewer number of quotes before conversion occurs.
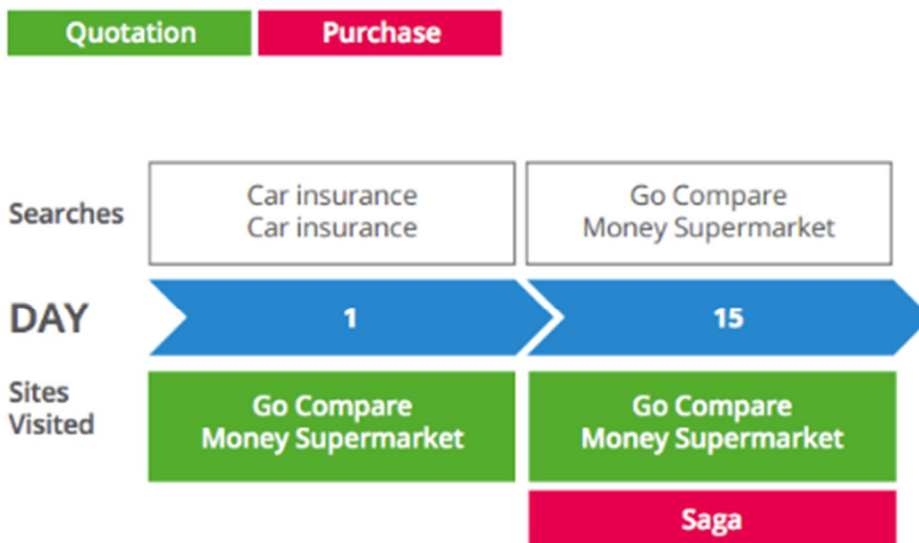
Figure 8: Sample car insurance path (Google, 2011a)

This means that in this particular category, the audience movement is far less than it is within the travel category.
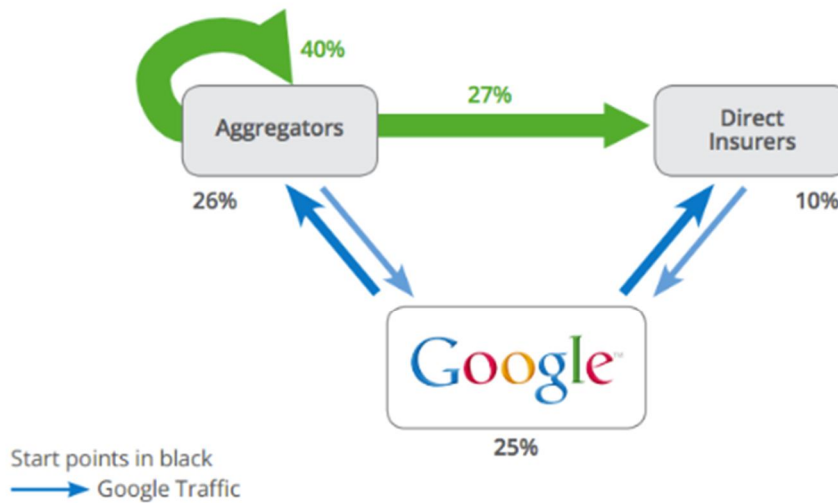
Base: Purchasers in the Car Insurance market.
Note: Arrows represent proportion of users who go from one site type to another in the purchase session.
(Audience movements under 7% not stated)

Figure 9: Audience movement in the car insurance market before a purchase (Google, 2011a)

Research such as this, alongside the use of conversion tracking tools, can be useful in enabling marketers to identify characteristics about their own customer journeys in order to make informed decisions about focus, resource and investment.

4.3. Barriers to improving multichannel experience – increased complexity

The Multichannel Customer Experience 2012 research and report from Foviance (2012) (in partnership with Econsultancy) surveyed more than 650 marketers and found that complexity was now seen to be the greatest barrier to improving multichannel experience, overtaking organisational structure, which was the top answer in the previous report in 2011. Other significant areas of challenge included difficulties in unifying different sources of data, the lack of an overall strategy and lack of resources and budget. Each of these was reflected in the views of the companies spoken to for this report, with the difficulty of adapting, transitioning or joining-up legacy systems a notable theme throughout.
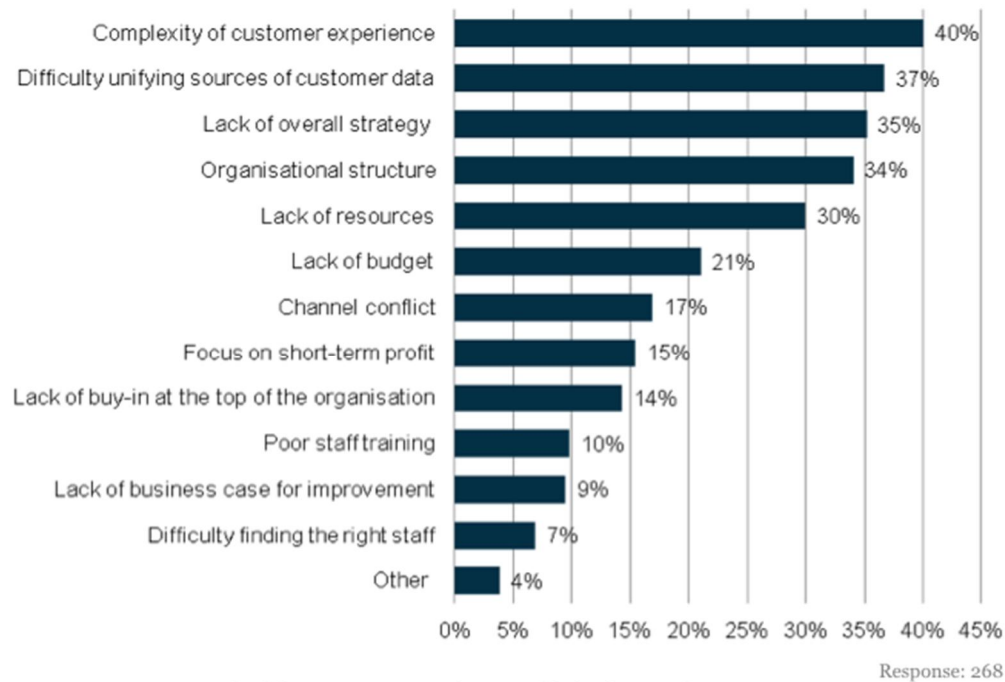
Methodology note: respondents could check up to three options

Response: 268

Figure 10: Barriers to improving the multichannel customer experience (Foviance, 2012)

4.4. Device proliferation and multiscreen

A key dynamic and area of challenge mentioned by interviewees in the research was the proliferation of devices and the ability to understand nuances around device usage and the impact of emerging behaviour such as multiscreen.

Recent IAB Europe research (IAB UK, 2012a) into how media multitaskers consume information online and offline found that 53% of Europeans multitask with media (the UK was 62%) with multiscreening in the living room being particularly prevalent (55% of media multitaskers watch the TV and use the internet during prime time TV).

Respondents in the research also spoke of the increasing importance to understand how different devices were impacting on their customer journeys. It was clear that mobile and tablet interaction and experience was now a business critical factor in driving better customer experiences for all the organisations we spoke to. Not only this, many wanted to better understand how multiscreening was impacting the effectiveness of their media spend as well as their customer interaction.

Some research has been conducted into this area, but it is still early days. Google partnered with Nielsen Media Labs recently to conduct cross-screen research (Google, 2011b) and were able to show the benefit of multiscreen media deployment. They proved that for groups that saw an ad (for Volvo cars) across all screens – TV, PC, smartphone and tablet – the brand recall jumped dramatically to 74% (vs 50% for TV only).

Multiscreening is clearly important in customer interaction and experience as well. In The New Multi-screen World study (USA) Google (2012b) found that 90% of consumers' media time is spent in front of a screen but that the device we choose to use is often driven by our context. For example, smartphones are the most common starting place for online activities,

PCs are most often a starting point for more complex activities and tablets are most often a starting point for shopping and trip planning.

They also identified two main modes of multiscreening: sequential screening where we move between devices and simultaneous screening where we use multiple devices at the same time. TV has become one of the most common devices that is used simultaneously with other screens so no longer commands our full attention. In retail scenarios, consumers may use devices interchangeably and often take a multi-device path to purchase.

Consumers take a multi-device path to purchase

65% Start on a Smartphone → **61%** Continue on a PC/Laptop | **4%** Continue on a Tablet

25% Start on a PC/Laptop → **19%** Continue on a Smartphone | **5%** Continue on a Tablet

11% Start on a Tablet → **10%** Continue on a PC/Laptop
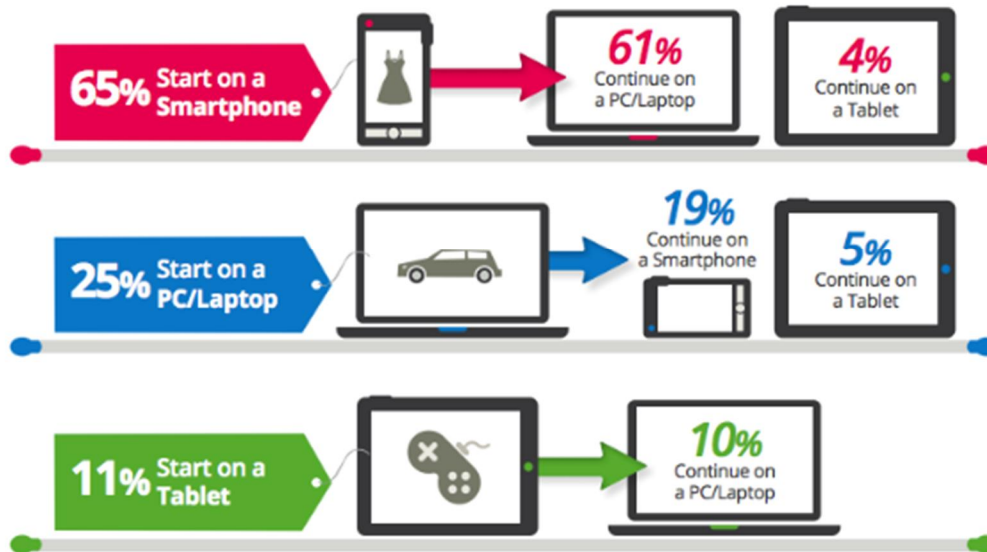
Figure 11: Multi-device paths to purchase (Google, 2012b)

Smartphones are the backbone of our daily media use: 'they are the devices used most throughout the day and serve as the most common starting point for activities across multiple screens. Going mobile has become a business imperative'.

Smartphones allow us to shop at home or on-the-go

Of all the shopping events we observed

59% In-home

41% Out of home

Smartphone

84% In-home

16% Out of home

PC/Laptop

Figure 12: The impact of the smartphone on the purchase path (Google, 2012b)

In the context of increased levels of media multitasking and multiscreening it is important that brands consider how concurrent experiences and consumption of content might work together to enhance customer experiences and media effect.

Key interviewee insight:
All of the interviewees spoke of how important mobile and tablet was becoming to their business, but not every company had yet implemented a full strategy to take advantage of these platforms. It seems that in many cases, brands are playing catch up with their consumers in this area. One company spoken to reported how they had approached mobile platforms through service delivery initially, driven largely by customer expectation and had seen significant and rapid pick-up of mobile services. 'Convenience', said the interviewee, 'is a powerful motivator'.
Interestingly, one organisation that had already seen success in mobile identified a key challenge in transferring the opportunities for cross-sell and up-sell that are well established in other channels such as the website. As customers migrated to mobile, it was an important area of focus to test various prompts so that these opportunities were not lost.

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5. Multichannel strategy

5.1. Motivations for developing a multichannel strategy

A strong multichannel strategy can give marketers a compass by which to drive the execution of campaigns, understand how to reach consumers at the moments that most influence their decisions and encourage consumer engagement, relationship building and loyalty.

Respondents in the interviews for this report spoke of how the motivation to develop a multichannel strategy is often top-down and bottom-up:

Top-down: driven by a strategic imperative such as a renewed focus on customer experience, senior leadership prioritisation and the desire to develop better understanding of the role and ROI of different touchpoints and how the different points of a customer journey may be optimised for business benefit

Bottom-up: in response to customer need and desire to interact across different devices. This is often driven by customer insight and data

> *Key interviewee insight:*
> *One marketer interviewed for this research reported that the initial drive towards multichannel in their organisation was driven by the desire for cost efficiency and to shift customer interaction and transactions to lower-cost channels. As the market and consumer behaviour continued to change, it became clear that multichannel customers were more engaged and typically higher value. That realisation dictated a change in strategy to where a cohesive multichannel approach became strategically more important to the organisation.*

Almost all those interviewed reported that multichannel customers were not only more engaged, but were more profitable than those interacting through just one channel.

5.2. Maturity in multichannel – what does good look like?

A customer experience maturity model

Customer experience and design agency Seren (2013) has developed a useful model for maturity in customer experience based around five key areas that need to be addressed if an organisation is to improve business performance by adopting a more customer-centric strategy. These are:

1) Systems and processes
2) Leadership and culture
3) Alignment with brand
4) Customer touchpoints
5) Customer insight

The model can be used to position companies according to their degree of maturity towards the goal of customer centricity.

© Foviance

The Foviance "Customer Experience Maturity Model"
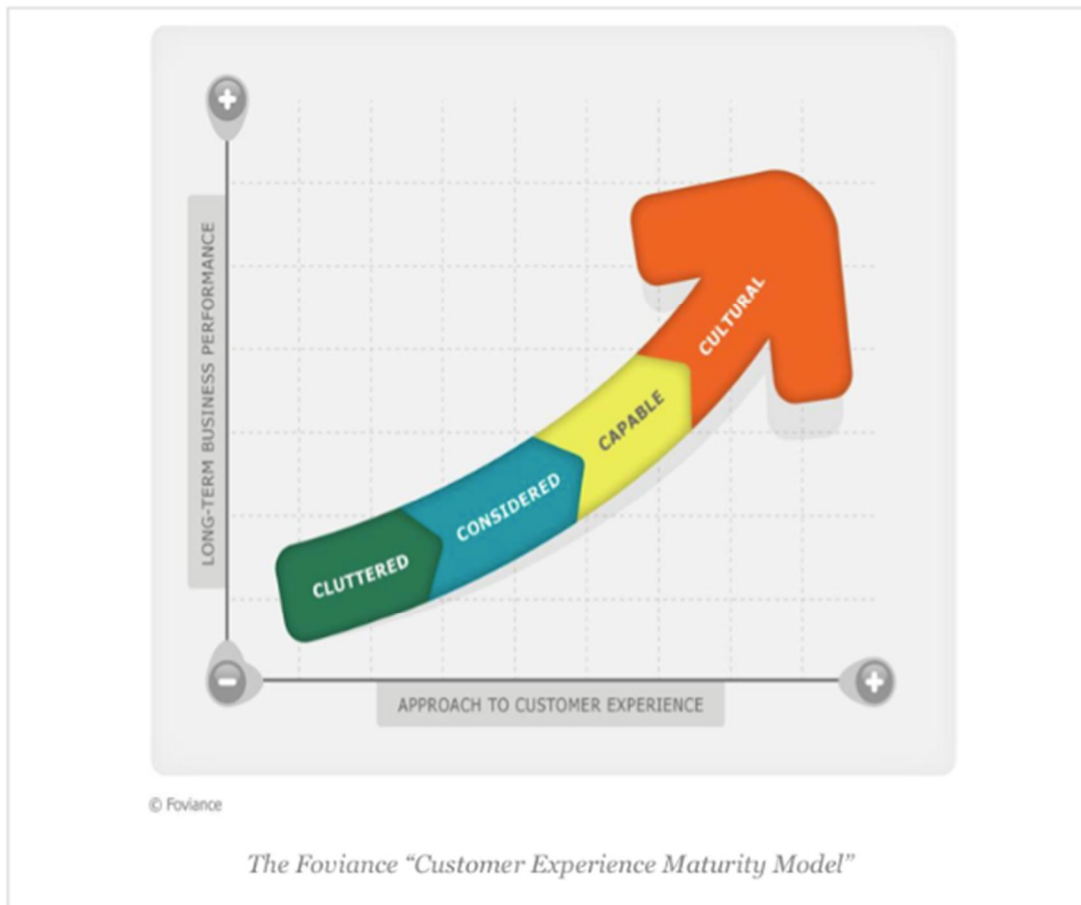
Figure 13: The customer experience maturity model (Foviance, 2012)

As part of the multichannel customer experience research and report, companies that took part in the survey were asked to evaluate their performance against each of the key pillars of maturity, giving a more in-depth insight matrix into what good looks like in multichannel.

	Cluttered	Considered	Capable	Cultural
Systems & Processes	Operational systems and processes are tactical and single-channel driven	Individual systems and processes are customer focused but lack links cross channel	Integrated systems and processes but not fully harnessed cross-channel	Fully integrated systems and processes harnessed cross-channel
Leadership & Culture	Decentralised and delegated	Local champions exist but not cross channel or across markets	Ownership at C-level but not totally embraced by leadership team	C-level ownership of the total customer experience
Alignment with Brand	Product driven. Link between brand & customer experience not recognised	Recognises need but doesn't systematically manage link	Manage link between customer experience and brand but not consistently across channels	Competes on customer experience across all channels
Customer Touch points	Managed in silos. Inconsistent delivery	Customer journey understood but little management across touch points	Integrated across channels but channel (not customer) focused	Seamless integration of channels allows exploitation of opportunities
Use of Insight	Unplanned and disjointed	Framework for planned collection adopted but often localised	Systematically collected across channels, but not fully integrated in decision making	Integrated into decision making at all levels

Analysis conducted for the report found that the gap between companies that are more mature in their approach than others is more pronounced in the integration of digital channels into the overall customer experience. Offline touchpoints showed a narrower gap in the degree of maturity (with the notable exception of telephone support and sales).

In addition, mature companies were more likely to prioritise the importance of motivated and empowered staff and efficient customer service, whereas others may be focused more on visibility of customer behaviour across channels and the need for a single, joined-up database. These technology and data-related issues were more likely to have already been overcome by companies more mature in multichannel, enabling them to focus more on exceeding customer expectations through motivated and empowered staff. They were also more adept at utilising a full range of data sources to understand the customer experience and had widened the data pool beyond web analytics to voice of customer (customer satisfaction surveys), ad campaign data, CRM and social.

> *Key interviewee insight:*
> *These different elements in maturity in multichannel were evident in the interviews conducted for this report. The more advanced (transaction-based) companies had already largely succeeded in joining up data by plugging channels into their CRM system. They reported an ability to see an end-to-end customer journey to get a near-full financial picture of the attribution of value to different touchpoints. For other companies, however, this remained a challenge and a work-in-progress, with disparate legacy systems proving to be a particular barrier to change.*

5.3.   Leadership, organisational structures and culture

The interviewees for the research conducted for this report all identified the importance of both senior leadership buy-in and organisation culture in delivering an effective multichannel strategy.

Encouragingly, the proportion of respondents in the [Foviance Multichannel Customer Experience research](#) (Foviance, 2012) that cited organisational structure as a major barrier to improvement in customer experience dropped year-on-year from 41% to 34%. It's clear from the interviews done for this report that functional silos within businesses still mitigate against creating a joined-up experience.

> *Key interviewee insight:*
> *Interviewees talked of the blurred boundaries that multichannel and digital channels in particular create across traditional organisational functions (e.g. customer service and marketing). Joining up the output of those different departments and the customer touchpoints that they manage was a key priority in some organisations. In response to this need, companies had made efforts to focus on efficient knowledge flow and lines of communication and had found some success with introducing cross-functional customer experience teams. Whilst online functions may often be brought together into a centre of excellence there still might be a disconnect between the service elements of a business and the marketing activity. In this case, multichannel customer experience teams came into their own in enabling a focus on ensuring consistency in key elements of offline, online, service and marketing communication.*

The interviews also stressed the need for senior leadership support for delivering a positive customer experience and this was echoed again in the Foviance report with commitment to multichannel at the top of the organisation being identified as the most important attribute.
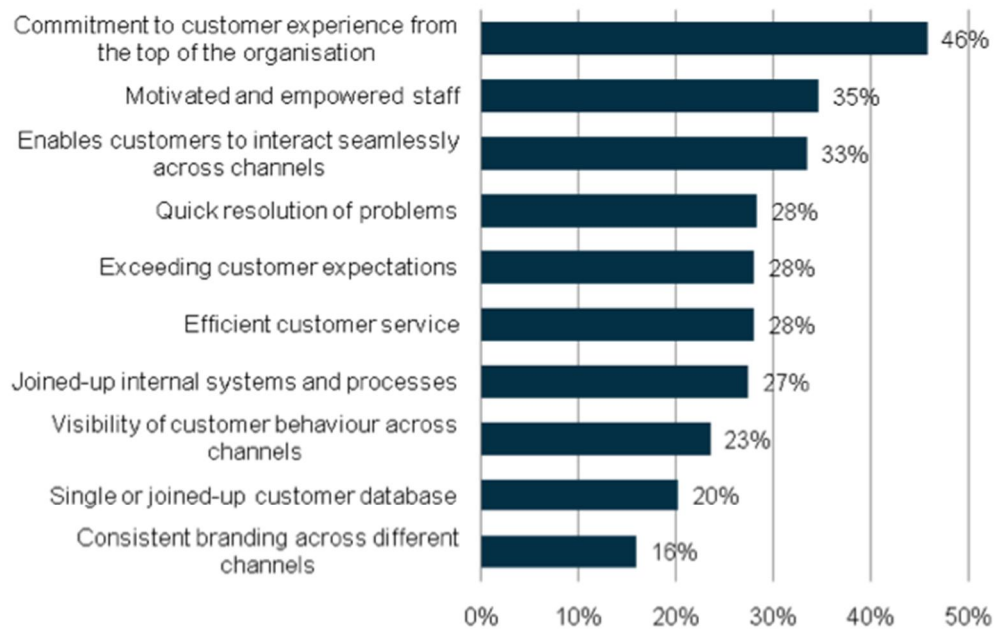
Response: 332

Respondents could select up to three options

Figure 15: The most important attributes for delivering a positive customer experience (Foviance, 2012)

Whilst almost all of the interviewees reported senior leadership buy-in in their organisation, there remained issues in two other key areas:

1) Buy-in across the rest of the business and not just in senior leadership. This became prevalent in situations where other teams (e.g. marketing teams) that had responsibility for customer-facing touchpoints were still under-prioritising multichannel. This could lead to a disjointed experience for customer between service provision and marketing messaging

2) The ability to translate ownership of customer experience at a senior level into clearly defined strategies, frameworks and processes for implementation (the Foviance report notes that only 26% of companies say they have a well-developed multichannel strategy in place)

Key interviewee insight:
One key area of organisational difficulty identified in the interviews was the potential for localised targets and priorities within organisations to get in the way of the effective attribution of value and sales. In a true multichannel organisation there should be a seamless attribution of sales but with departments often set up in competition with each other, with separate P & Ls, this can lead to internal politics and competition for customers and sales, which is never good for the customer.

Company B was transitioning from a model based around offline and retail to one focused more on online transaction. Offline still comprised the majority of their revenues, but transition to online was seen as critical to the company's future as this represented the largest area of growth. This involved a critical cultural shift, with some local retail managers being protective of the old model. Interestingly, digital channels were also seen as an opportunity to appeal to a new, younger audience and as a way to easily increase the

opportunities for cross-sell and up-sell. The opportunity to personalise and tailor experiences was also seen as a key benefit of the transition to digital.

Company D talked of how shifting to digital can put a spotlight on areas of poor customer experience and inefficient corporate systems and processes: 'digital tends to open up the cover of your company'.

5.4. Customer journey mapping, customer segmentation and the importance of aligning metrics

Customer journey mapping was mentioned by several interviewees as bringing significant benefit to the process of improving multichannel customer experience. Crucially, the mapping process enabled executives to identify potential weak points, blockages, or areas of poor experience in the customer journey and deliver a list of actionable improvements.

One interviewee from Company E drew the distinction between business process mapping and customer journey mapping and described the latter as about looking at the outcomes of all customer touchpoints along a journey and tackling some of the cultural issues within the organisation that prevent that experience from being as good as it could be: 'It's about getting your "CEO" – Customer Eyes On' said the interviewee, 'about thinking outside in (from the customer perspective) rather than inside out (from an organisational process or priority perspective)'.

Company F had undertaken an exercise to map out a single customer journey from end to end and was using that work as a pilot to encourage other areas of the business to focus on multichannel customer experience. The value of this was in creating a 'totem' to show the value of multichannel thinking.

The value of effective customer segmentation work was in enabling greater insight-driven responses to different customer behaviour and identifying more granular mapping of the role of different channels for different segments of customers.

Company A had identified 12 key customer segments that enabled them to understand customer expectations better. Another had developed 'multichannel personas' (similar to more traditional user experience personas) as a tool for making design decisions, identifying opportunities and developing a better understanding of the role for different channels and devices.

> *Key interviewee insight:*
> *One financial services organisation (Company E) had identified Net Promoter Score as the lead metric to align multichannel strategy and measurement across the organisation. Whilst this was seen as a long-term approach, it enabled focus for senior leadership and alignment of the multiple other metrics to impact the lead metric.*
> *As part of the process to improve the Net Promoter Score, a multichannel customer experience team worked with other teams to undertake customer journey mapping, mapping out every touchpoint along the process of how a customer might buy a product, focusing not just on how they behave but also how they might feel.*
> *Every point in the journey has to be good because it only takes one bad experience and that will be what a customer remembers: 'it only works when it all works'. Each team walk through the entire customer experience as if they were the customer and undertake a series of workshops and interviews with stakeholders who manage touchpoints to identify improvements and actions. Customer research is run in parallel using Net Promoter Score, complaints feedback and bespoke customer experience research. The map is the*

> *mechanism for understanding the customer experience in detail from the customer's perspective.*
> *The organisation even went as far as tying bonuses and reward back to the single metric of a Net Promoter Score and aligned metrics by focusing on driver analysis – understanding what were the triggers to improving customer experience and moving the lead metric.*
> *The biggest challenges are around culture: 'a lot of customer experience is about big bets and having belief that a strategy is right.' The opportunity is in working on the financial proof – linking customer behaviour to the financial bottom line.*

5.5. Aligning customer experience with brand

A number of the organisations spoken to for this report were undertaking work to identify how they could best align customer experience in different touch points to brand values, assets and stories. The key challenge here was consistency and alignment to a clear set of values across multiple departments. One head of customer experience described this as having clarity around how they wanted every customer to feel after they had had contact with their brand/organisation and using that as a guiding principle for how to design experiences.

> *Key interviewee insight:*
> *Company A had developed a simple model for aligning brand values with customer experience. They had originated some key customer promises that were critical to their brand and that enabled them to then design customer experiences that bring those promises alive and then align measures that can identify whether you are delivering on those experiences.*

5.6. The importance of joining up data

Every interviewee spoke about the importance of data. Company A talked of how important accuracy of data was becoming in making decisions around customer experience ('where experiences fall down it's often due to poor accuracy of data'). A second issue was in understanding which data to collect and focus on – which level of interaction was important.

Most organisations were using a combination of passive and active data to inform their decisions around multichannel. Passive data might include user behaviour, browsing and interaction data derived from web analytics or other operational metrics. Active data might include data that has involved specific and active input from customers such as user surveys and transaction surveys.

5.7. Multichannel planning and content strategy

Developing a framework

To plan effectively across multichannel it is important to base all decisions on solid customer data and insight and to structure plans around clear objectives and goals. Objectives can incorporate softer customer experience goals, or harder metrics such as sales.

Developing an end-to-end view of the customer journey is seen as critical to identify a plan of action for improving customer experience in a structured way. Some organisations spoken to had developed a good understanding of their customer journeys but for most this was still a work-in-progress. The kind of customer journey mapping discussed earlier in this report was useful in prioritising actions and developing a well-structured plan for improving customer experience.

The 'RACE' planning system from Smart Insights (2011) (see Appendix 2) is a simple but good example of developing a framework to structure activity in multiple digital channels and align to organisational and marketing objectives.

Test and learn

Interviewees spoke of the greater ability that digital gave to test and learn and how important that was in developing learning in the shift to multichannel. Company D regarded a test and learn approach as a critical success factor and were implementing it to test new formats such as click to call on mobile search and in social strategy (to build learning in one social channel before developing out into others).

5.8.   Measurement and the challenge of attribution

We've already discussed the importance of aligning metrics and the challenge of attributing sales in a functionally siloed organisation earlier in the report, but it's clear that attribution is a work-in-progress for many organisations across every area of multichannel. Marketing attribution is a key element within this process and one where some organisations have focused due to the ability to improve investment decisions. Some key new technologies are enabling this new focus including the use of sophisticated tracking and tag management technologies. The greater accountability that this brings can often lead to increased investment in digital channels.

Tagging and tracking technologies

'Tags are tiny bits of website code that let you measure traffic and visitor behavior, understand the impact of online advertising and social channels, use remarketing and audience targeting, test and improve your site and more.' (Google Tag Manager, 2013).

TagMan (2013) allows advertisers to manage online marketing tags/pixels (these are pieces of code used to track the performance of online campaigns) as well as the data these tags provide (i.e. where visitors are coming from and other browsing data) in one single system from a universal tag.

'Adding tags without efficient management prompts big problems. All that code bogs down your site. Redundant or incorrectly applied tags can distort your measurement and result in duplicate costs or missing data.' (Google Tag Manager, 2013).

Conversion tracking and tag management technologies can be useful in determining online customer journeys. As discussed earlier in the report, customer journeys are no longer linear and have become not only more complex, but often exhibit particular characteristics attributable to either sector or user motivation.

As an example of the use of tracking technologies, the IAB UK (2012b) conducted customer conversion research at the end of 2011 focusing on the online activity for five leading UK retailers for a full month. Activity across SEO, PPC, Direct, Affiliate, Display, Email and Social was analysed as part of the research in order to establish the role each played in the journey and how online media work most efficiently when integrated.
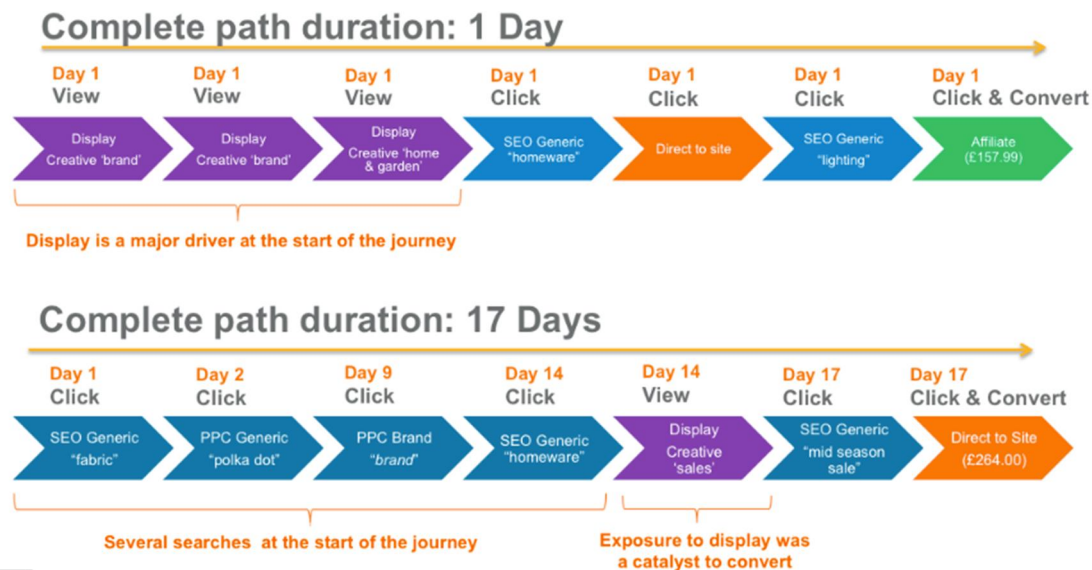
Figure 16: Tracking technologies (IAB UK, 2012b)

In similar findings to the Google research discussed earlier in the report the majority of journeys involved multiple media with approximately 55% of journeys taking two or more steps. Whilst direct site visits and SEO were the most popular one-step journeys, display was particularly valuable in the early stages and in starting customer journeys and display and search proved to work particularly well together. Paid for and natural search were present throughout many journeys but were particularly important at the start and many conversions still came from direct-to-site. The importance of good customer experience was echoed by the finding that a quarter of customers will repurchase.

> *Key interviewee insight:*
> *Company A, a high spending brand advertiser, had conducted an extensive programme to attribute value to specific channels across their paid, owned and earned media activity. Attribution was considered as an ongoing learning rather than a one-off project ('it's an approach and a journey, not a solution'), but as part of the process they had undertaken a measurement project covering key areas of their offline and online marketing activity including display advertising and search and affiliate activity.*
> *Traditionally, each channel had been used and measured in isolation with value assessed on a last-click-wins basis, or on the impact created by the single channel instead of considering how channels work together, drive each other and how to optimise spend on that basis.*
> *This work started with tagging being deployed to track online activity and this was combined with research into the impact of offline activity. As a result of this work the company is increasing investment in display advertising, which was seen to be effective in starting consumer journeys and redirecting some search activity around different keyword selection. The next phase of the work will be to build an internal capability to report on multiple channels and develop a model that enables them to attribute value and adjust investment in more agile ways. The objective will be to measure the return of a higher proportion of their activity on more like real-time and with a higher degree of accuracy. (See Appendix 1)*

Respondents in the survey for this report identified social media as a particularly difficult area to attribute value to. All interviewees had no doubt that social media and word of mouth impacted at different stages of the customer journey from the evaluation phase, to being a part of the post-purchase customer experience. Difficulty in attribution arose because this often wasn't felt to result in direct clicks to owned media.

Tag management technologies

Many of the interviewees for the research mentioned the importance of agility in multichannel marketing and the ability of being responsive to changing customer behaviour. Data were seen to be critical to this. With owned media properties such as the company website, many organisations split responsibilities between the technology team (who might own the infrastructure and code) and the marketing team (who look after the media, messaging and conversion). This can lead to delays in implementing marketing and tracking tags and managing changes.

Tag management systems are a way of simplifying the process by providing a central repository to manage and deploy tags. One script tag can be implemented by the technology team into the site, which can then enable the marketing team to manage and deploy multiple tags through the management system (without touching the website code).

The key benefits behind tag management systems are marketing agility (launching new tags with just a few clicks), reliable data (easy error checking and easy testing before publishing changes) and the capability to create custom rules to collect the right information at the right time.

The Forrester (2012) research and report on Understanding Tag Management Tools and Technology (August 2012) interviewed 76 users of tag management systems asking for the top three benefits realised through tag management and found that the capability to implement new or revised tags within a single day rose from 18% to 80% and that the ability to manage tags outside website development and code release cycles was the top benefit in using tag management.
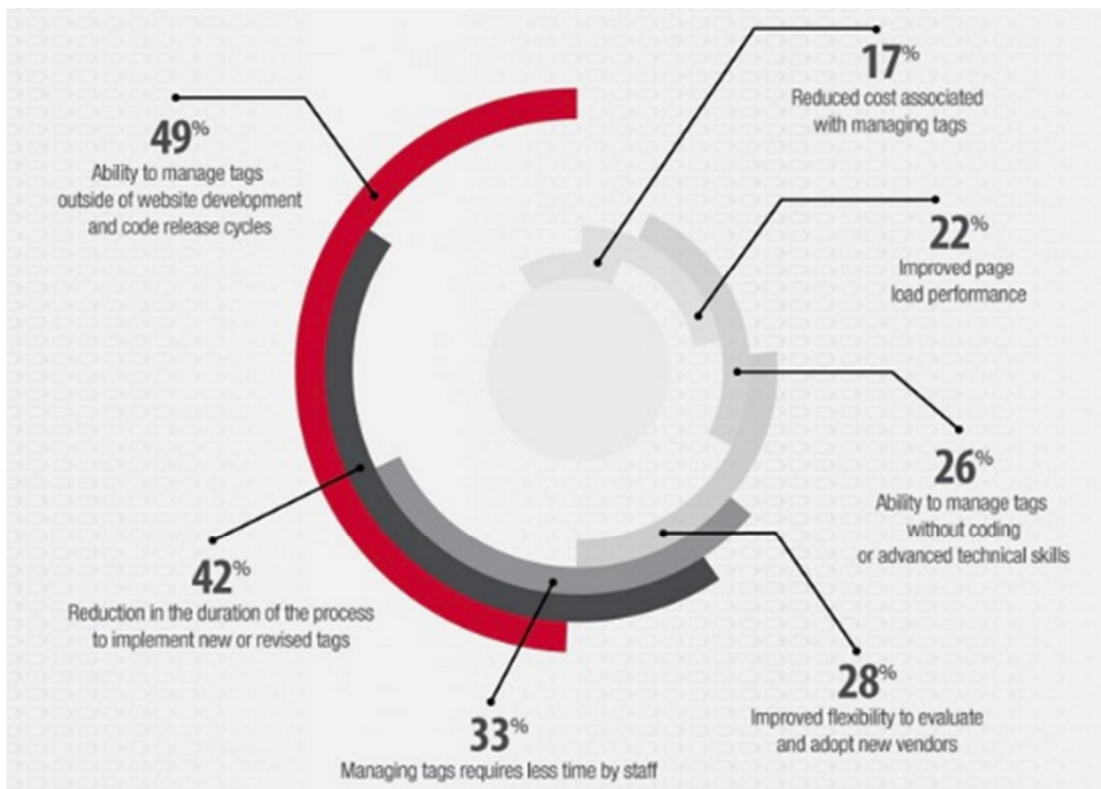
Figure 17: The top benefits realised through tag management (Forrester, 2012)

Companies were typically using a variety of different tags for capabilities ranging from site analytics to affiliate marketing and behavioural targeting.
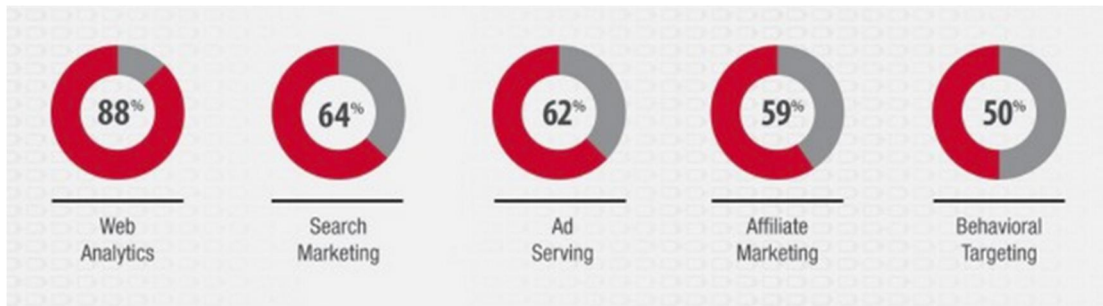
Figure 18: What types of tags do you deploy via your tag management system (Forrester, 2012)

The research found that the majority of client organisations (66%) support tag management in-house and that vendors were typically evaluated on a range of capabilities focused around technical foundation (robust infrastructure, implementation methods), application features (including tag management templates, workflow features and interface, reporting) and the ability to use in conjunction with external analytical tools (complementary data analysis and multi-platform compatibility).

Examples of tag management technologies include (other technologies are available):

- TagMan
- Google Tag Manager
- BrightTag
- Adobe
- DC Storm
- Ensighten
- Tealium
- UberTags

6. Integration

6.1. The importance of integration

In its [Integration: How to Get It Right and Deliver Results](#) report, the IPA (2011) analysed over 250 IPA Effectiveness Awards case studies, entered over a seven-year period (2004–2010) to identify what works in terms of integration and why. The analysis considered a range of hard measures including sales and market share gain, customer retention and acquisition, and profit gain, and soft measures including brand awareness, loyalty and trust.

The research found that multichannel campaigns that focus on a central brand theme deliver the best return on investment and identified four distinct models of integration designed to help brands create and organise integrated marketing campaigns and make better use of the ever expanding number of media channels available.

The four integration models identified by the IPA are:

No integration – single channel or campaigns using a number of channels but not integrating across them.

Advertising-led integration – channels unified around a common creative idea.

Brand idea-led orchestration – unified around a shared brand concept or needstate platform, often built around core brand values of the organisation.

Participation-led orchestration – the goal is to create a common dialogue or conversation. This has emerged in latter years driven by digital media.

The key findings included:

1) Multichannel campaigns are more effective than single channels and three is the most effective number of channels to drive hard business measures.
2) Campaigns with no obvious integration or that use only one channel may be good at reducing price sensitivity but have little impact on market share. Integrated advertising-led campaigns are more effective at share gain and customer acquisition.
3) Brand idea led campaigns are highly effective in retention, share defence and profit gain. Developing a brand persona, such as Felix for Felix cat food, for example, is an extremely effective integration device.
4) TV remains the most effective medium to drive both ROI and brand awareness, but press and outdoor can play an extremely important role as lead advertising media.
5) Participation-led activity underperforms against harder measures, but is very effective in rewarding existing customers, cementing loyalty and creating brand fame.
6) Advertising paired with direct marketing or sales promotion, is the best way to boost sales and profit.
7) Categories differ substantially in their adherence to different models. Non-integration is more common amongst telecoms advertisers. Financial advertisers make more use of advertising-led integration, whereas brand idea-led is more popular among non-food FMCGs and participation-led among brands with smaller budgets.

As one of their conclusions, the IPA suggested that the focal point around which marketing campaigns are unified is slowly shifting from an executional-led approach to a more fluid

brand idea-led and participation-led one. They proposed the term 'orchestration' as a more open, flexible and adaptable approach to managing campaigns.

6.2.   Offline/Online integration

Effective offline and online integration was highlighted as a particular area of difficulty by some respondents. Company C spoke of the challenge in integrating service practice and provision with marketing communications (as they were managed by different teams). The initial areas of focus were some of the key channels of communication in both areas (e.g. regular service-driven mailings and online marketing messaging).

Some retailers have moved towards improved integration by adopting strategies for online offers to complement in-store ranges, investing in improving the visibility of online services in offline communications, or even redefining store managers as territory managers, with responsibility (and credit) for on- and offline sales in their catchment area.

Burberry is an interesting case in point. In a genuinely digital-first approach (*Guardian*, 2012), its recently opened flagship store in London is designed around the website, incorporating key content from the site, mirroring the site navigation and using technologies such as RFID tags that dynamically generate the story of the piece of clothing you're about to try on, on changing-room screens.

Figure 19: The Burberry approach

6.3.   Understanding the role of channels

In *Multichannel Marketing: Metrics and Methods for On and Offline Success*, Akin Arikan (2008) included a useful visual representing a simple model for understanding the role of different channels in the customer journey.

		Awareness	Perception	Consideration	Trial	Initial Purchase	Retention	Cross-sell / Up-sell
Offline	TV/Radio Print	●	●	◑	○	○	○	○
	Out of home	●	◑	◑	○	○	○	○
	Events	◑	●	●	●	○	○	○
	Product Placement	◑	●	●	○	○	○	○
Online	Web Ads	●	●	●	○	○	○	○
	Blogs	◑	●	●	○	○	◑	○
	Search	◑	◑	●	○	○	○	○
	Website	○	◑	◑	●	●	●	●
	E-mail	○	○	○	◑	◑	●	●
	Mobile	?	?	?	?	?	?	?
Offline	Direct mail	○	○	○	◑	◑	●	●
	Call Center	○	○	○	◑	◑	●	●
	Store/Sales	◑	◑	◑	◑	●	●	●
	Service team	○	○	○	○	○	●	●

Figure 20: The role of channels in the customer journey (Arikan, 2008)

Whilst being a relatively simplistic model, it is useful in showing the strengths key channels have against specific objectives and how different channels might be combined through a customer journey. So whilst offline, above-the-line activity is typically good in the early stages of the journey at driving awareness, perception and consideration and offline, below-the-line, better at driving objectives further down the journey such as purchase, retention and cross/up-sell, digital channels can span the entire journey. Some digital channels including display and social media are better in the early stages, others including email and other owned media, better in the later stages.

This model was originated in 2008 and it's still useful today. It's notable however how rapidly formats and technology are changing to enable more sophisticated use of specific channels to accomplish other goals. Examples of this include the growth of behavioural targeting and re-targeting technologies in digital display that enables display to be used to drive objectives further down the journey such as purchase and retention. Similarly, more sophisticated use of keyword strategy and mobile search formats such as click-to-call and geo-located formats in search marketing can align search activity to many different goals.

A similar example is becoming apparent with the increasing sophistication of advertising formats in social networks including so-called 'native ad formats' such as promoted tweets in Twitter and promoted page posts in Facebook. One particularly interesting development in this area is Facebook's (2012) recent launch of their Custom Audiences format that allows advertisers to target sponsored stories or other ads on Facebook to a specific set of users with whom they have already established a relationship on/off Facebook. This effectively means that advertisers can use email addresses or user phone numbers that they have captured elsewhere to target a specific message to a certain segment of customers.

Objectives more focused around trial, purchase and retention could be served well by such formats.

It's also interesting in this model that mobile has a series of question marks against it – in all likelihood because of the year in which this was produced and a reflection on the relative immaturity of mobile as a medium at the time. It's worth noting now, however, that mobile can deliver on objectives throughout the customer journey from awareness all the way through to retention. A good approach to understanding the approach to mobile is therefore to think of it less as a channel and more as a device. For example, display on mobile can be effective at driving awareness, but mobile CRM mechanics including SMS are equally good at driving retention. A more sophisticated approach is therefore to think of mobile as part of your display strategy rather than display as part of your mobile strategy, mobile search as part of your search strategy, mobile optimised websites as part of your content strategy and so on.

6.4.   Paid, owned and earned media integration

The model of 'paid, owned and earned' media is rapidly becoming the default way of looking at the media landscape:

- *Paid media* – paid placements, offline or online, that draw attention to products/content that advertisers pay to promote
- *Owned media* – assets owned by the brand that establish a direct relationship with the consumer. In digital this may be websites, microsites, communities on social networks. In offline this may include retail outlets, packaging, logistical apparatus
- *Earned media* – the consumer actions and conversations that are related to your brand/activity

Whilst this model is a useful way of understanding the breadth of the media landscape, the most interesting areas within this ecosystem are questions around how these different elements can work together to amplify each other or to 'flow' content seamlessly between them.

In Paid, Owned, Earned: Maximising Marketing Returns in a Socially Connected World, Nick Burcher (2012) talks about how paid media can not only drive traffic to owned media destinations but can also drive owned media engagement and create earned media conversation. Interesting/useful owned media content can also drive earned media conversation, which can drive more traffic to the owned media destination. Earned media can highlight owned media spaces and help them to become vibrant, interesting communities, as well as driving awareness and useful insight.
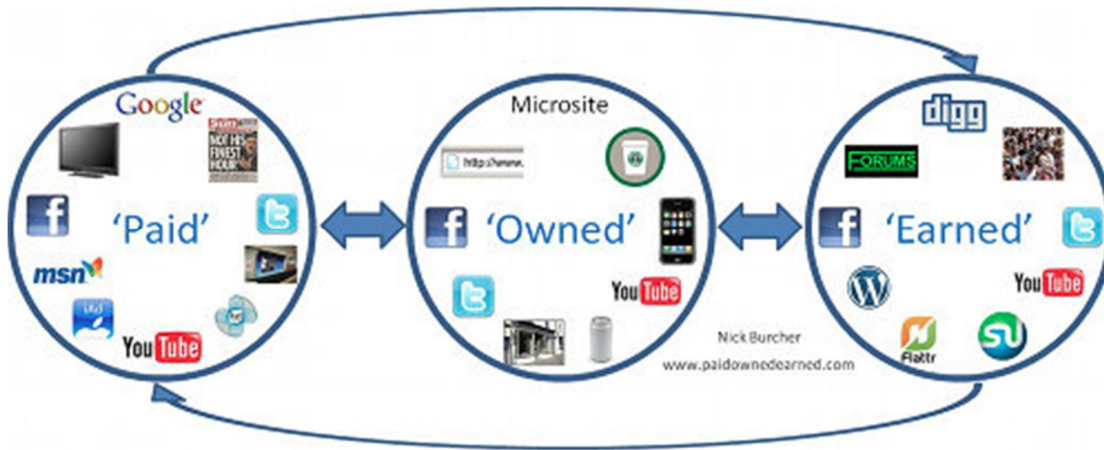
Figure 21: Driving traffic in 'paid', 'owned' and 'earned' media (Burcher, 2012)

The other areas of integration and interest for marketers here are the spaces in between and where these elements overlap; for example, paid placements in social networks that create earned media (e.g. sponsored stories or promoted page posts in Facebook), or widgets that sit in owned media but pull in earned media conversation from elsewhere to create dynamic, interesting content, or the atomisation of owned media content into paid for ads.
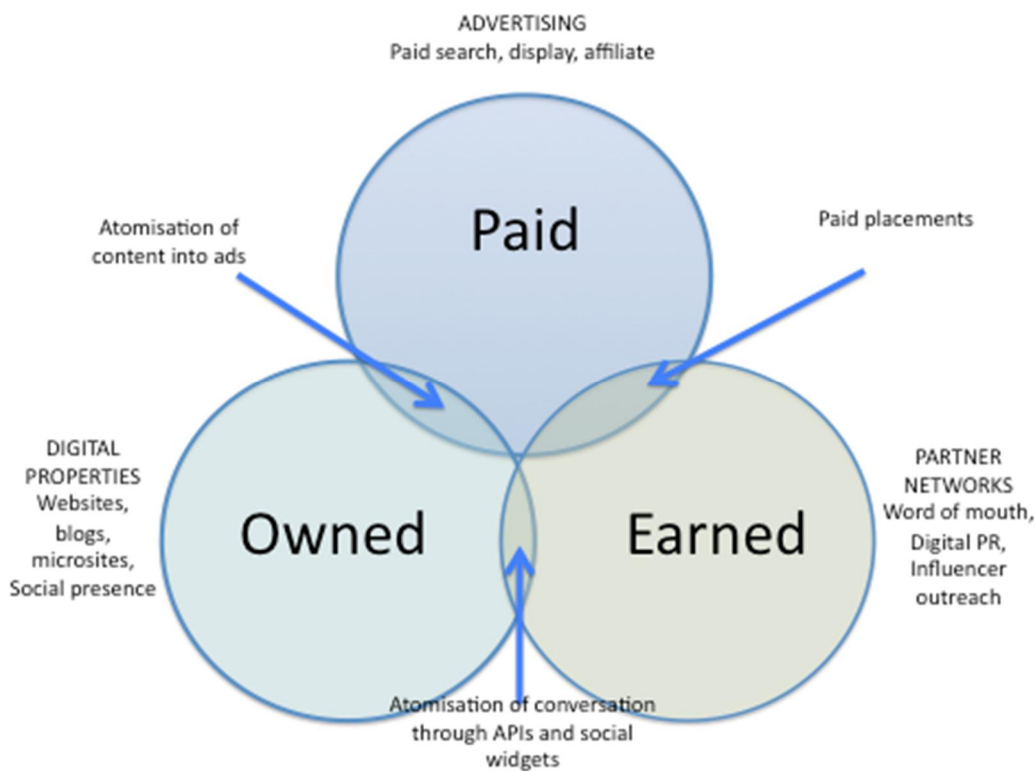
Figure 22: Overlaps between 'paid', 'owned' and 'earned' media (Burcher, 2012)

It's clear that if brands are to maximise the opportunity with paid, owned and earned media, they need to consider not just an integrated approach across all three, but the dynamic of how activity in one area might complement and amplify activity in another.

7. Summary of conclusions and recommendations

It is clear from the research conducted for this report that there is significant benefit for organisations in adopting a more sophisticated approach to multichannel, not least in securing more engaged and profitable customers. The challenges and issues around providing joined-up experiences for customers across multiple touch points have been discussed at length in this report, but it's clear that a successful approach involves a number of different facets around people, process and technology. The key lessons for practitioners include:

1) People:-
   a) It is critical to not only secure senior leadership buy-in to multichannel strategies, but also to work towards developing the right organisational culture to ensure that a horizontally joined-up approach to delivering consistently high-quality customer experience is a consistent theme throughout.
   b) A top-down and bottom-up approach is one way to drive lasting change within organisational culture, whereby the intent and behaviour of senior staff is met by the day-to-day processes, practices and skills necessary for adopting new ways of working.
   c) One consideration here is ensuring the right combination of vertical specialist channel skills, with more horizontal skillsets around marketing, technology and customer experience.

2) Process:-
   a) Functionally siloed organisations need to establish processes to ensure a higher degree of collaborative working with the customer need at the centre.
   b) It is critical that metrics and measures are focused around business objectives, and aligned to customer experience.
   c) Insight needs to be actionable, and focused on driving continuous improvement. Test and learn approaches can be useful in developing a rapidly improved understanding of customer needs, and a more relevant and seamless multichannel experience for customers, particularly with emerging channels such as mobile and tablet.
   d) Tools such as customer segmentation and customer journey mapping can be used effectively by businesses to identify improvements, prioritise investment and create competitive advantage.
   e) Approaches need to be customer-centric, not just business-centric. Well integrated approaches from a customer experience perspective can bring benefit in terms of effectiveness and to the business bottom line.

3) Technology:-
   a) Use of more sophisticated tracking technologies, analytics and customer feedback tools can provide businesses with the customer insight they need to develop a better understanding of their own customer journeys and how they've changed, and inform smart decisions around customer experience.
   b) It is only with alignment of metrics, expertise in which metrics are the most valuable to pay attention to and the effective joining up of data through CRM systems, that a single customer view, a full end-to-end picture and a real maturity in multichannel can be achieved.

c) Whilst this remains an aspiration for many, others have already begun the process and are developing learnings that are improving efficiency and optimisation.

Superior multichannel experiences can create significant competitive advantage for organisations but it is clear that for most companies, this is a journey, not a solution.

Appendix 1 – Case studies

The following case studies represent three very different perspectives on multichannel that arose from the research, and are particularly insightful in regard to three critical aspects:

- the challenge around the attribution of value to different channels
- the approaches to aligning metrics and strategies towards a common, customer-focused goal
- the motivation towards, and a successful approach for, the development of multichannel capability

Company A

With marketing objectives that are heavily focused on customer acquisition, and spend that is spread across multiple offline and online channels, this company initiated a project to enable a far more sophisticated level of value attribution to individual elements of marketing activity. The customer journey for how this organisation acquires new customers has become increasingly complex. The term 'omnichannel', as opposed to 'multichannel' is used in the organisation in order to reflect the fact that their strategy needs to reach across not just different channels, but multiple different devices.

The objective behind the attribution project was to improve the understanding within the organisation of how the decision-making journeys their customers take have changed, to better map those journeys and understand the impact and role of individual touchpoints and channels within them. From the beginning of the project, the key stakeholders in the business recognised that the degree of complexity involved would mean that a perfect understanding of attribution would be immensely difficult to reach in the short term, and that it would be an ongoing, continuous process of learning: 'It's an approach and a journey, not a solution'.

In order to create a starting point for their own journey of understanding, the project leaders focused on several key online channels, and one key offline channel, that were all used for customer acquisition. Historically, each channel had been planned and executed largely in isolation as part of a broad-based approach to acquisition, and therefore typically measured in isolation. One of the objectives for the project was to understand not only how budget might be more effectively spent (by improved attribution of value and optimising spend), but also how different channels were working together in order to gain an improved picture of effective channel combinations. The goal was to move beyond a last-click attribution model (for online channels) that was typically used to gauge impact and account for value on a broader basis.

Tagging solutions were deployed for online activity to track online customer journeys, and combined with effectiveness research on the offline channel, and the data were collected and analysed over a period of time and over multiple campaigns in order to build a more sophisticated picture. The work illustrated that some channels that are typically used to drive awareness and consideration (e.g. display) whilst performing less efficiently on a last-click basis were successfully working to begin more customer journeys and influencing a higher proportion of sales than was previously thought. The research also proved the value that the

offline channel brought in terms of initiating customer journeys in a similar way. It also better illustrated which terms in search were adding greater value and which were driving comparatively little value. This enabled the company to reallocate spend across different channels towards those that drove improved value contribution, and therefore drive improved efficiency and effectiveness of marketing spend.

The next phase of the project will be to build on this learning and create an internal capability to deliver multichannel reporting, and enable decisions around investment for acquisition to be made in a more informed and agile way. There remain challenges around joining up the necessary data and systems to enable this, but the company views this as building long-term capability and advantage. There is a mindset change that needs to go alongside this, which is about focusing on channels not in isolation, but understanding impact within the context of everything else that is going on at that time. Eventually, this may well lead to more fundamental changes that the organisation needs to make around a multichannel capability: 'We need to think about how we structure ourselves and our capability differently in response to changing customer journeys'.

Company D

Rather than being driven specifically by customer need, the starting point for multichannel for this company was motivated by a desire to drive customers to more efficient digital channels with lower transactional costs. As their multichannel capability improved, however, they developed an understanding that the more channels that customers are involved with the more engaged they are and the more valuable they tend to be. So whilst multichannel adds cost, there is monetary benefit, and increasing customer expectation.

One of the interesting dynamics experienced by this organisation was that their lower value customers typically stayed in higher cost channels (e.g. offline, retail or physical environments) and were more resistant to change. A good definition of multichannel for them now, however, is around the ability to leverage all channels to enable customers to access all services through every channel: 'it's about leveraging all of your footprint (not just digital) to bring benefit to customers'. Part of this may include offline touchpoints and assets including distribution and logistical networks.

As mobile and tablet devices and usage have proliferated, it has become an increasingly important touchpoint but this company is still in the early stages of developing learnings in this area. In order to do this they have focused initially on service aspects, and have seen significant pick-up and appetite from customers. This has enabled them to develop learnings that may be applicable to other areas (e.g. marketing) such as the importance of convenience as a key customer motivator. It has also brought challenges such as the fact that traditional established opportunities for cross-sell and up-sell are difficult to bring onto mobile, so in order not to lose this capability, which brings significant business benefit in other channels, they have adopted a test and learn approach using a variety of different prompts. This is helping them to better understand the unique user behaviour attributes of mobile platforms

The accountability of digital channels is leading to increased investment, but there remain organisational challenges: 'digital tends to open up the cover of your company'. For example, the attribute of sales can be problematic – if they are to be a true multichannel organisation the pricing strategy needs to look the same across all channels and there need

to be no difficulties around attributing sales, but if departments and channels are set up in competition to each other, with separate P & Ls, then they can potentially compete for customers and value and this can counteract the need to provide customers with a seamless multichannel experience.

Company E

This organisation refocused around a single guiding metric, which became the lead metric for defining approaches and orientation of activity. In order to put customer satisfaction at the heart of the business they used Net Promoter Score (NPS) to define how other metrics and strategies should be oriented. Since NPS works over a longer period of time, this approach required senior team buy-in.

As part of the process to focus activity around improving NPS, an internal team worked with other teams in the business to undertake customer journey mapping across every touchpoint in the process of how a customer might engage with the organisation and buy a product. This mapping focused not only on how customers might behave, but also how they might feel at various stages under various scenarios. It only takes one area of poor experience for this to affect the view of the organisation that that customer has ('it only works when it all works'). Other customer research was run in parallel including complaints feedback, and bespoke customer experience research.

Areas of 'customer pain' were identified, and local teams set about improving those specific areas of the journey.

Where traditional business process mapping is inside out, this customer journey mapping was outside in, and was about looking at the outcomes of all customer touchpoints along a journey and tackling some of the cultural issues within the organisation that prevents the experience from being as good as it could be: 'It's about getting your "CEO" – Customer Eyes On'.

Other metrics were aligned by focusing on understanding what were the triggers to improving customer experience and moving the one score that really mattered. Interestingly, the company even went as far as tying bonuses and reward back to the single metric of a Net Promoter Score. The biggest area of challenge was around culture: 'a lot of customer experience is about big bets, and having belief that a strategy is right.' But there is an opportunity to prove value by linking customer behaviour to the financial bottom line as an end result.

Appendix 2 – The Smart Insights (2011) RACE planning system

Key digital strategies: How do we want to grow our online business?

REACH	ACT	CONVERT	ENGAGE
prospects & customers	Achieve interaction	to Lead or sale	through time

Marketplace analysis: How well are we using digital media now?

Audience and customer analysis	Competitor benchmarking	Online partner analysis	SWOT: Own digital marketing review

Objective setting: Which goals and KPIs should we use?

Vision and mission setting	Goal setting and evaluation	Google Analytics	Managing digital marketing

Strategy: How can we achieve our goals?

Segmentation and targeting	Brand positioning and value proposition	Engagement and content strategy	Integrated communication strategy

Tactics: Which digital marketing activities do we optimise?

REACH	ACT & CONVERT	ENGAGE
Acquisition strategy to build awareness of off-site and in offline media to drive web presences	Acquisition strategy to build awareness of off-site and in offline media to drive web presences	Retention and growth strategy to build customer and fan relationships to encourage repeat visits and sales
Search Engine Optimisation	Conversion rate optimisation	Content marketing
Pay Per Click (PPC)	Ecommerce management	Enewsletters and promotional emails
Affiliate and Partner marketing	Lead generation techniques	E-contact strategy
Online advertising	Home page optimisation	Customer service and support
Online PR	Landing page optimisation	Mobile marketing
Social Media Marketing	AB and mulitvariate testing	Social CRM

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The Henley Centre for Customer Management

The primary objective of the Henley Centre for Customer Management is to promote customer focus and service excellence best practice through observing practice in leading companies and synthesising this into useful knowledge that helps members to improve their own customer management and customer service plans and implementations.

Members

Each year, the Centre aims to attract a membership of between 10 and 20 organisations, each a leader in their sector.

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The Henley Centre for Customer Management is supported by members representing a diverse range of organisations.

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