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# Managing customers in an evolving omnichannel world

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# Management summary







# Customer contact used to be relatively simple...





# Currently the number of Touch Points is increasing





## Managing this growing number of Touch Points is increasingly difficult for managers, because:

1. Customers show no static behavior, they combine and switch channels over time.
2. Firms move from managing single objectives (i.e. sales) per channel (i.e. online versus offline, below versus above the line, tv versus adwords) to one integrated channel management.
3. Without channel integration it is more difficult to create a superior customer experience.
4. All of the above not only affects customer touchpoints, but also corporate brands.







# What is a Touch Point, Multi and Omni Channel?

**Touch Point** = Every point of interaction that a customer can have with a firm or a brand.

**Channel** = A Medium through which Firms and Customers Interact.

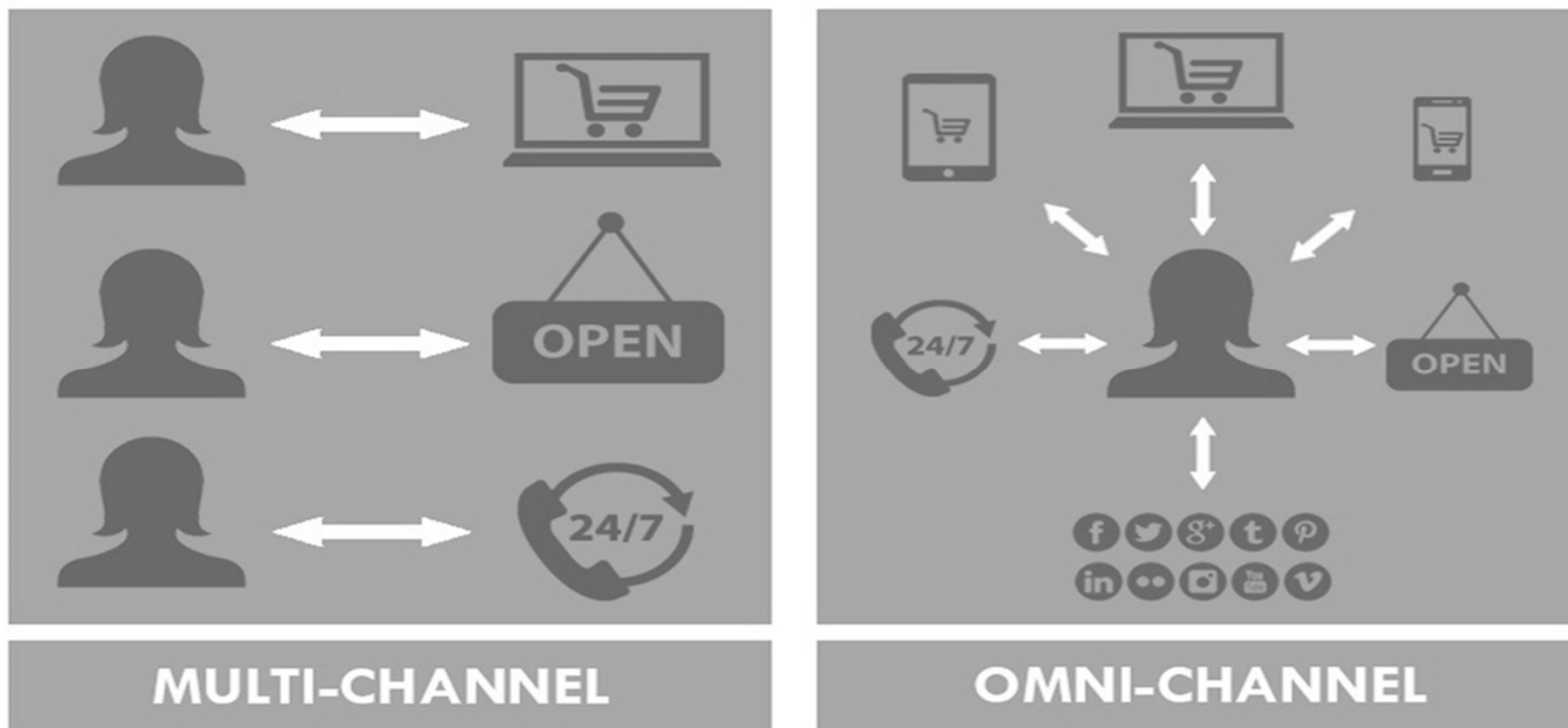
**Multi Channel Management** = The design, deployment and evaluation of channels through which firms and customers interact, with the goal of enhancing customer value through effective customer acquisition and retention.

**Omni Channel Managment** = The synergetic management of the numerous available channels and customer touchpoints, in such a way that the customer experience across channels and the performance over channels is optimized.



# Clearly we are moving to an Omni Channel world

From Multi Channel Management to the Omni Channel integrated world around our customer.

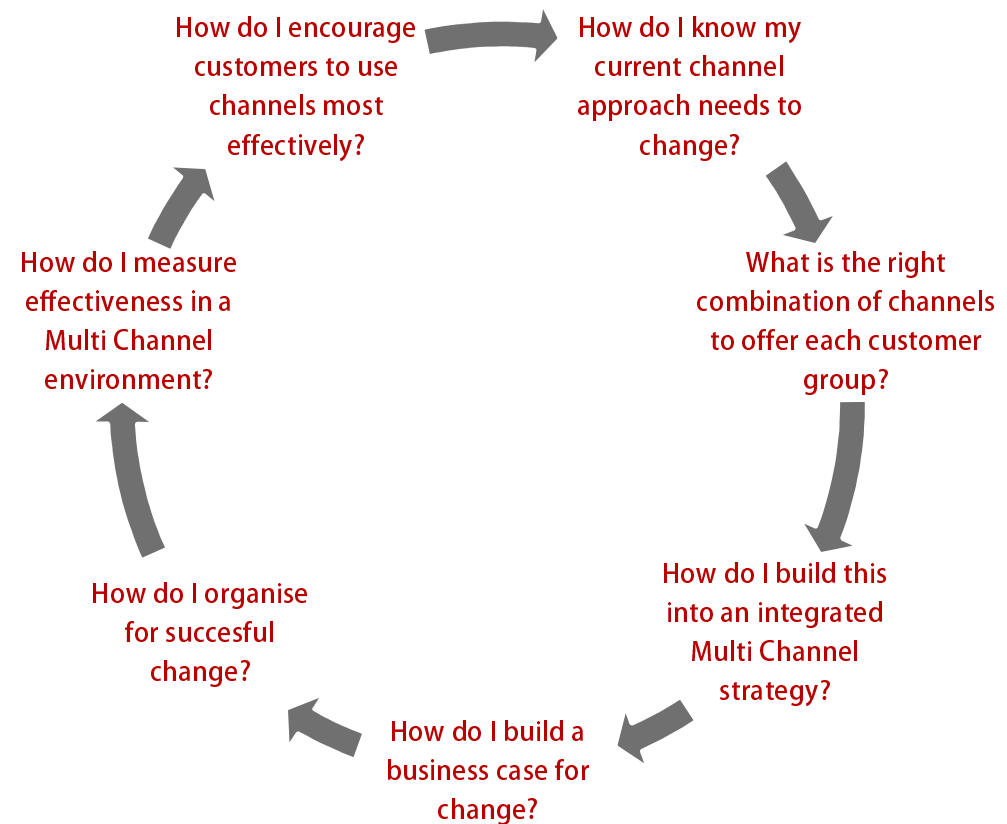






# Omni Channel strategy development requires five important steps...

1. Evaluate the existing channel mix.
2. Develop options for channel mix changes.
3. Assess potential performance consequences of channel mix changes.
4. Assess consequences for current channel stakeholders.
5. Implement a new channel mix.





## ...and six Omni Channel Management Implications

1. Constantly evaluate the channel mix and assess whether it fits with current **and future** customer and market developments.
2. Firms need to gain a good understanding of how customers behave across channels.
3. Evaluate whether channel additions can be valuable. This is true in many cases, but may not hold for all firms and in all markets.
4. Similarly, firms can experiment with channel elimination in order to measure potential experience and sales/profit effects.
5. Firms should develop an integrated channel strategy in which customers are offered a seamless experience across channels. Full integration may not always be required, as channels may serve different customer segments.
6. Do not evaluate outcomes per channel! But how channels contribute to customer experiences and sales/profits over all channels!!



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# Definitions





# Touch Point Definition

= **Every point of interaction** that a customer can have with a firm or a brand.

- Many different customer touch points can be distinguished:
  - Brand-owned touch points (i.e. brand TV advertising, mailings, website)
  - Partner-owned touch points (i.e. retail-partner, Google)
  - Customer owned touch points (i.e. product usage, word-of-mouth)
  - Social/external touch points (i.e. Tripadvisor, Facebook)







# Channel Definition

= A **Medium** through which **Firms and Customers Interact.**

- Therefore, a channel is **less broadly** defined than a customer touch point.





# Multi Channel Management Definition

= The **design, deployment and evaluation of channels through which firms and customers interact**, with the goal of enhancing **customer value** through effective customer **acquisition and retention**.

➤ Meanwhile focusing on a limited number of **channels** (e.g. offline, online, catalogue, telephone, et cetera).

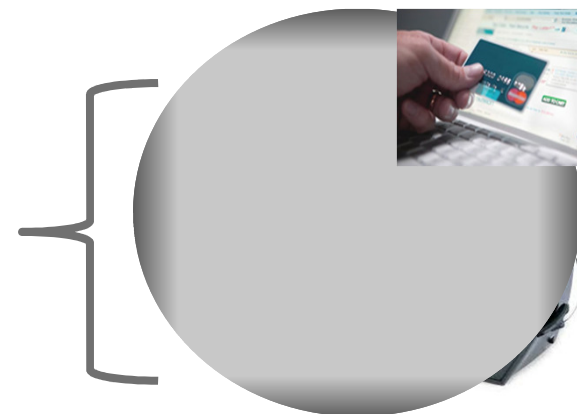




# Omni Channel Management Definition

= The **synergetic** management of the numerous available **channels and customer touchpoints**, in such a way that the **customer experience** across channels and the performance over channels is **optimized**.

➤ This strongly emphasizes customer experience **across seamlessly integrated** channels.





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